Robert Masternak

GAINSHARING

A Team-Based Approach to Driving Organizational Change

Robert Masternak

WorldatWork
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Introduction
Gainsharing, very simply, is “employee involvement with teeth.”

Moreover, gainsharing is a tool that drives organizational change.

This book focuses on the gainsharing philosophy, as well as its technical and social considerations.

Chapters 1 and 2 focus on the gainsharing theory and conceptual issues including the key foundations of gainsharing: equity, identity, involvement and commitment. As with a physical structure, the development of a strong foundation will ensure a viable plan that will stand the test of time. Too many gainsharing plan failures have been caused by a lack of top-management understanding of the concepts and the commitment that is required. Without full-management understanding and endorsement of the key gain-sharing principles, the plan will struggle or perhaps fail. The reader will learn that gainsharing is not merely an incentive but more of a system or philosophy of managing.

In Chapter 3 the control versus common-fate measurement philosophies are explored. The reader also will learn that the appropriate measurements need to be aligned with the culture of the workplace. The current level of trust, involvement and information sharing will have a dramatic influence on the plan’s design and success.

Chapter 4 raises the critical question of determining the boundaries for gainsharing, such as what is the group that will share in the gains, and what are the boundaries for participation? Various models are reviewed and issues to consider are discussed.

Chapter 5 reviews plan measures. Technical considerations/issues will focus on measurement systems used to calculate gains. Obviously the measures must support the business. Therefore, one plan does not suit all. A method for rating potential measures is presented. The need for the measurement system to evolve over time also is discussed.
Chapters 6 to 10 review gainsharing plan components. A host of issues needs to be addressed before a plan is implemented. Examples and arguments for different plan alternatives are presented.

Chapter 11 covers the implementation process and provides an example of an organization's timeline. The role of employees' involvement in the plan's development is stressed.

The engine for gainsharing, employee involvement, is discussed in Chapter 12. Chapter 13 shares some case study results achieved by organizations and identifies critical factors for success.

It is our hope that after reading this book, you will have a better understanding of the gainsharing philosophy and an appreciation for the level of commitment required to implement and maintain a successful plan.