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Gainsharing: Is It Right For Your Organization?

Gainsharing is about sharing the benefits of productivity and improvement in an organization. Gainsharing is a process where employees are involved in performance improvements and share with the organization in the financial benefits of these improvements.

Many feel that “gainsharing”, like profit sharing, is not appropriate for the public sector. Of course a few years ago any activity or function that made money or could be considered in competition with private industry was also considered inappropriate for government. Today, definitions have changed and focus has been revisited. Gainsharing does not have to be about sharing profits.

Gainsharing, in some fashion, is used in more than a twenty percent of today's largest companies. Gainsharing involves some financial reward to employees, improved results for the organization, and a continuous dialogue between organization and employee on the importance of improved performance and cost savings. There are plenty of examples of successful gainsharing projects in public sector organizations. Some involve direct cost savings and some embrace indirect savings. Some translate to providing a more efficient and acceptable service. Like any other system the commitment, discipline and controls used to implement the system will determine its futurity.

Gainsharing initiatives were first seen in this country in the 1930's but have changed substantially from then. Today's “Gainsharing” initiatives are multi-faceted approaches that involve employees, supervisors, and teams to make specific changes and improvements in specific areas of an organization. Some of the initiatives are very structured and tied to specific goals. Some are individually focus while others are structured for a team or group effort.

Only our imagination limits our possibilities. Some initiatives can be tied to recognition and process improvement components. Rewards can be substantial

or capped and limited. Whatever the choice each initiative should have a well thought out process that will approximate the following process in its inception:

Step One: Construct a gainsharing initiative that includes the concepts and commitment that reflect your vision. The greater the base of support the greater the possibility for the initiative's futurity.

Step Two: Establish and amplify the buy in and acceptance necessary for the success of the initiative. This is critical within the supervisory and management ranks. It is equally essential in a union environment to get everyone on board.

Step Three: Create a model for your initiative that can be easily understood, accomplishes your goal, is consistent and manageable! The key is a measurement criterion that is workable.

Step Four: Educate and work the model. Create the public relations internally and externally that is crucial for the initiative's success.

Step Five: Continually monitor and receive feedback to reengineer the initiative if necessary. Feedback will tell you how successful you are!

Issues To Consider:

- Is Gainsharing Politically Right For You?
- Will Commitment Be Sufficient?
- Is The Design Solid and Meaningful?
- Will An Involvement Structure Perpetuate The Initiative?
- Have You Incorporated Honesty and Reality Into Your Process?
- Is The Program Beyond Manipulation?
- Can You Measure Results?

Let **The Training Tree, Inc.** work with your organization in exploring and developing gainsharing initiatives that will have the futurity to enhance your organization's leadership role!