

Ownership

Increasing Responsibility to Enable Employee Engagement

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Ownership is a heightened state of being responsible for one's self and one's surroundings. In a business, it is voluntarily holding oneself responsible for actions and business outcomes beyond one's formal authority. Ownership is a condition of being responsible where individuals choose to be responsible in matters of the business far beyond their formal accountabilities. That is, employees chose to act in the best interest of the business and far beyond what they are formally expected to do.

I like the term "ownership" since it conveys that individuals choose to invest what they consider precious and valuable into improving the business. I am speaking about investment of one's self in the business. The precious investment is creativeness, energy, intellect, intensity, and integrity putting friendships and personal reputation at risk and risking alienating colleagues. From the perspective of the individuals, they are putting themselves at risk with no guarantee or promise of reward. I use the term "ownership" regardless of whether the employees have financial ownership in the business or not.

For strategic execution and transformation to be successful, there needs to be a number of individuals who have committed to the success of the transformation and have taken ownership that success will be achieved. The transformation effort reaches a "tipping point" to move forward forcefully when a critical mass of employees chooses to stand for success and put themselves at stake for the future of the business. Let's look at the impact of ownership on transformation.

DISTINCTION OF OWNERSHIP

Ownership is choosing to be responsible beyond what is expected of the individual. It is a declaration that *“I choose to own conditions, circumstances, events and situations that impact this business, whether or not I had anything to do with producing it. It happened or is happening, and I choose to own it so that I may have an opportunity to transform it.”* The willingness of an individual employee to create ownership for his- or herself is a core element in a transformation. Employees choosing to be responsible in matters of the business rather than blame/denial are a building block of transformation.

DYNAMICS OF OWNERSHIP

When one chooses to “be an owner” it literally alters that person’s context, how they see the world, what they choose to be responsible for, and how they behave. Ironically, this dynamic works regardless of whether the person has literal legal and financial ownership. Let’s look at some examples.

STOCK OWNERSHIP AS PART OF EXECUTIVE COMPENSATION

Have executive compensation plans that gave or sold company stock to executives made them more responsible? Has it produced the desired effect of having them appreciate the needs of other shareholders and act decisively in the best interest of shareholders, rather than in their own best interest? While there are some indications that this has happened, there are also many, many cases in which it did not happen. Rather than the executives acting in the best interests of shareholders, they instead became even more attached to their entitlements and acted in flagrant self-interest. In those cases, there is little evidence that legal and financial ownership promoted “being responsible” on the part of the executives.

OWNERSHIP AS ENTITLEMENT

I have owned several consulting and service companies. On many occasions I have had employees tell me that they deserved to be made an owner of the company. When I would ask them how much they were willing to pay for their ownership, invariably we got around to their answer of “nothing”. They wanted to be given ownership in exchange for some other value they would create. On several occasions I went along with this, only to later regret it since the person accepted the ownership and then did not deliver the promised value. In these cases, ownership was mistaken as an entitlement and prestige, rather than responsibility.

COMMUNISM

I consulted in Russia when it was still the center of the Soviet Union. At the time, private ownership of land and houses was forbidden. While this was part of the communist government’s approach, there were some interesting dichotomies. This was most notable in big cities, like Moscow. The skyline of Moscow was dominated by apartment buildings, many of them high-rises of eight to twelve stories. The exteriors of many of these buildings were cement, so they were all the same off-white color. Inside, the floor plans of apartments were all pretty much

the same: one or two bedrooms, a dining room/living room, a bathroom and a kitchen. Most noticeable to me was the deplorable conditions in these apartment buildings. Maintenance of their buildings was the responsibility of the government, and the people had neither the money nor access to supplies to do anything with their buildings. Further, there seemed to be little interest in improving the appearance of the buildings, as there was no “ownership”.

The buildings were poorly constructed and in serious disrepair. The lobbies were usually dark, since the lights had burned out and were not replaced. It was depressing for me to go visit my colleagues and friends in their Moscow apartments. Ironically, behind many of these apartments were small plots of ground where individuals could have a small garden. While these plots of land were quite small, they received much more attention and care than the apartment buildings. Again, it was a sense of personal involvement or “investment of oneself”.

In traveling outside of Moscow, I made an interesting discovery. Many of the people I knew were entitled to dachas. Dachas are cottages or country houses outside of Moscow. While the dachas were quite basic, the upkeep of the dachas and the surrounding grounds was remarkably better since it was the responsibility of the people who “owned” the dachas, rather than the government. There was no legal ownership, but there clearly was a condition of “being responsible”. This phenomenon can be seen the world over. When people have a sense of personal involvement or investment in something, it is much better maintained.

IMPACT OF OWNERSHIP ON TRANSFORMATION

Employees who adopt a state of being responsible or “being owners” have a profound impact on transformation. This ownership creates a foundation of future for the business, it alters the context to a more empowering one, it promotes choice and possibility, it enhances accomplishment, it is key to engaging other employees, and it empowers managers, supervisors and team leaders in the midst of change. Assuming this level of responsibility, or ownership, occurs only through the effect of leaders. Otherwise there is too much distrust, fear of risk, history, and skepticism for people to engage at this level.

Transformation happens when a sufficient number of employees create a stand of ownership and respond from being responsible rather than being at the effect of circumstances. Being responsible creates an entirely different set of possibilities for the business. This allows employees to choose to be responsible for aspects of the business that are well beyond what is expected or normal. Ownership is demonstrated through owning the past and the current situation, as well as the future of the business. Ownership allows people to hold themselves as *responsible* for the organization’s situation. The state of being an “owner” (being responsible) extends beyond areas in which the employee had direct involvement; e.g., events that occurred prior to the employee coming into the organization. In fact, in some situations I have seen employees step up to own circumstances that were based on behaviors and decisions of the company decades earlier.

OWNERSHIP GIVES ACCESS TO COMPLETING THE PAST

Owning the past is assuming ownership of the history of the business - that is, to choose to be responsible for whatever has happened in the past. This ownership applies both to things that were positive and negative. This is essential since many employees are attached to something that happened in the past. In the case of “glory from the past”, the employees want to return to the good old days. Unfortunately, we can never go back, especially in a business. The glory days are gone, and while they are celebrated as part of history, there is actually very little about the past that will support a transformation since a transformation is created from and for a future that is quite different than the past/present.

Employees may be attached to or stopped by negative things that happened in the past; e.g., actions by managers that were perceived as acting in bad faith. A common example of this is when managers are meeting with union leaders to support participation in a transformation effort. Rather than the discussions being on the current business circumstances and the needs of the business, the discussions focus on previous times in which the union felt betrayed when they attempted to cooperate with managers of the company. While these situations are unfortunate, they also need to be left in the past. What is called for is ownership of the past by employees and managers (i.e., being responsible for the past allows the events of the past to be acknowledged and completed). This is a crucial event in starting a transformation.

While ownership of the past is challenging, being responsible for and owning the present is even more difficult. This includes being responsible for the current performance of the business. The tendency is to blame events and people in the past for current performance. While these accounts may make a good story, it does little to prepare the business for different performance in the future and transformation

Ownership of the present is a key building block for transformation. An “owner” will take possession of the circumstances and create something even in the toughest times. Mounting a strong response to the circumstances and situations that a team encounters is evidence that ownership is present. Flying by the seat of your pants is not a demonstration of ownership. Ownership leads to jolting colleagues, teams and in some cases entire organizations into responding to opportunities and threats. People with ownership can be counted on to watch out for the well-being of other employees and the business. This is not to say that they treat other employees as if they were babies still in the cradle. Rather, they honor the commitment, skill and talent that their colleagues bring to the situation.

Part of owning is seeing that other employees are being developed, which may involve putting them in challenging situations. Being stretched in order to grow is much preferred to pampering or coddling, and is ultimately a part of the passage into creating ownership.

OWNERSHIP CREATES FOUNDATION OF FUTURE

Vision of the future authentically expresses what employees are looking to see. Making that future visible is the role of formal and informal leaders.

A business that succeeds in transformation does so because of the intense commitment of many to achieving that future. If there is not clarity about or credibility of the proposed future, little success will occur. Ownership creates verve in people. That is, the verve of employees at different levels of the organization is what brings the future into existence for employees. The future is seen as achievable by employees because of the owners of their colleagues and leaders. This authenticity of commitment is demonstrated by ownership of both the future and the actions required to achieve that future.

Future is the essence of communication and enrollment. If a person or group of people can see themselves in a future, then they have a choice to become personally involved. *Future* is what enrolls employees. Self-enrollment by employees is a matter of choice. People are most likely to choose to self-enroll into a transformation that will lead to a compelling future. The view of the compelling future occurs through the actions and speaking of others.

That is, the person has chosen to sign up for the vision and to become involved in the actions that will be required to make that vision a reality. I say that the desired level of enrollment is when the employees say that I own this future and will be engaged to see that it is fulfilled. I can be counted on because I own our/my future here.

When formal and informal leaders own the future, their personal commitment is evident. When they do not own the future, their personal commitment is notably absent and is replaced with much talk and a “likely story”. If the leaders do not own the future, then there is little chance that they will effectively enroll the employees. The employees can usually tell when their leaders own the future or not. For example, a manager that appears to be glancing over the shoulder looking for approval from others will not inspire movement toward a future. Rather, this manager is likely to be a hindrance through jumbled communications. Rather than articulating a future that allows others to see a possibility for themselves, this manager will give confused messages such that what is being said about the future is actually rendered useless.

OWNERSHIP ALTERS THE CONTEXT

Context is the beliefs and invisible premises of an organization that are shared through behavior and conversations of employees. Context determines what the employees can hear and see inside and outside of the company. Since context shapes how things occur for the employees, you can see how it will make tremendous impact on what employees see as appropriate actions and speech. Further, it shapes what alternatives that the employees can see.

Altering the context is of prime concern to those who are producing a transformation in a business. The past/current context has produced the current behavior, performance, processes and strategies. To attempt to produce a transformation without changing the context is futile. The question then is how to best alter the context. The answer is that context is altered through conversations by people in the business. Among the best ways to produce the right conversations by employees in the business is to have them create ownership. That is, being responsible for the past, present and future of the business.

Ownership alters context by giving employees an entirely different view of what has happened as well as a strong commitment to impact the future. Ownership is a key enabler of changing the context.

OWNERSHIP PROMOTES CHOICE

A successful transformation happens because of choice. Choice is essential in creating possibility and opportunity. People *choose* to become involved and to do heroic things to assure success. This occurs best when groups of people in the business have created ownership, which in turn allows them to create choice. It is hard to overstate the importance of choice. When employees and teams choose, rather than being forced into having only one option, a much better outcome is likely.

Ownership evokes continued challenging. Choices are designed to provide possibility and opportunity, rather than deal with scarcity. A parallel for this is to compare the difference in a tree growing in the woods and what can be done with it later. When a forester or lumberjack looks at a tree, they can choose to cut down or harvest the tree. That is a choice. When the tree is cut down it becomes timber. When the tree is taken to a saw mill, it is cut into various size pieces. At this point, what was once timber has now become lumber. The person running the saw has more choices as to how the tree will be cut up. Using a computer program that gives an estimate of the optimal means of cutting up the tree, the employee running the sawing station is able to choose the best alternative. After sawing, the various pieces are gathered by like size and prepared for shipping. When the lumber is delivered to the building site, once again many, many more choices are available. What was once a tree becomes many different parts of a house, from the structural support of walls and rooms to beautiful decorative parts, e.g., the gable at the top of the house.

Strategic executions and transformations are much less likely to succeed if a command and control approach is used. Command and control is designed to achieve compliance and predictability. By its very nature, a transformation is unpredictable and unexpected.

OWNERSHIP ENHANCES ACCOMPLISHMENT

You will not see outstanding levels of accomplishment without ownership. Ownership leads to the effective set-up of businesses as well as projects and work teams. One aspect of ownership is that it leads to making clear the accountability in the organization for accomplishing specific results.

Elevating the results of a team and organization is a sign that ownership is present. It may not always be clear what the leaders did or said to inspire the performance, but nonetheless the results are visible. I have seen numerous times when leaders enter a team or organization and there is immediate impact. It is thought the impact of leadership bulges out through the actions and results of the team. The only identifiable explanation for this bulge or expanding of performance is the leader. In contrast, teams and organizations which undertake actions to dramatically improve their performance and do not have strong leadership seem to end in tumult. There is significant confusion and disorder among the employees, and very little business results.

In business units and project teams that are off-track, an excellent place to look is at the ownership of the team leaders. Often what you will discover is that the team leaders do not own the project and/or the results. This occurs for a variety of reasons. In some cases, the person was never committed to the project results and did not make that known. Often the person says “yes” and begins immediately looking for a personal escape route so as not to get blamed when the results are not achieved. Other managers begin with good intentions and then lose their way. Often this comes from encountering something that they cannot figure out how to resolve and/or discovering that the support for this project is not as strong as was initially thought. This is often the case when the team leader discovers that the executives who created the project will quietly step away so as to not have to deal with and be responsible for any controversy that is created by the project.

A business leader is often called upon to make rapid response to an unexpected development. The leader will call upon the team and organization to act competently and decisively to the challenge. Less mature managers or those who have not created ownership are afraid to challenge a team or organization to respond rapidly, lest permanent damage might be done. A more experienced manager appreciates the elasticity of people’s commitments. With strong commitment of employees, an organization is able to resume its normal shape spontaneously after being stretched or squeezed, while meeting a challenge. Based on the confidence in the leaders, the employees demonstrate a willingness to take control of the situation and generate solutions and strategies that will be executed.

The questions that often face a team in the darkest hour are: “Can we take possession of this situation and create something that is extraordinary?” and “How do we convert this situation into an opportunity for learning and triumph, rather than slithering away amid a slew of excuses?” Taking possession of the moment is a key aspect of ownership. When things are not going well, ownership is most needed, and the call for leaders to step up and

raise the morale and performance of others is most crucial. There is a sense of being determined and exhibiting what has been called deterministic behavior. That is behavior that will address the circumstances and situations over which the team has control or ability to influence. The team may not be able to influence global economic factors and market trends, but there are areas where the team can influence. Getting to work on those areas that we can impact is also a sign of ownership.

ENGAGED EMPLOYEES

Employee groups and teams that have ownership are empowered to be in action and are resourceful. Empowered and resourceful people find a way to accomplish results. Empowered and resourceful teams are usually the reflection of team members with strong ownership. Please do not hear my use of the term leader to imply that the person is an executive or senior manager. Some of the most important leaders are front line employees. These leaders' ownership gives them a unique view. In turn they are able to use this view to assist others in seeing a broad view of the situation as well as innovative approaches to delivering the result.

Employees who are engaged and unwavering in their commitment are desired in many companies. Unfortunately, the reality of employee commitment and engagement is lower than expected. It seems that many employees have become numb to the demands for change and performance improvement. Rather than being strong tall "oaks", many are like willows that bend whichever direction the wind is blowing. Rather than being based on their commitments, they go with the winds of fashion and pretend to be involved and committed. This pretense is in lieu of a commitment, and it shows. These employees appear to be willing to be involved, and agree that "some of the ox need to be gored" (changes need to be made). These employees are interested until they realize that "their ox may be one of those gored". At that point a very different set of behaviors emerge. This sudden shift invariably occurs in the midst of implementation, which is one of the reasons that strategic execution is so challenging.

Flagging levels of interest and commitment are a classic sign of a group of employees who do not believe that the managers and supervisors have sufficient investment or ownership of the actions that are required to achieve a transformation. When employees see that their direct bosses are mumbling about the change program, they are likely to assume that the bosses have less investment than is expected. It is likely that the bosses will attempt to rig the implementation so that it looks like they tried to comply, but for some unexpected reason the implementation failed. Employees often assume that the supervisors and managers will blame the failure in implementation on uncooperative employees. This seems to be the standard way it works in many companies.

EMPOWERED MANAGERS, SUPERVISORS AND TEAM LEADERS

Ownership of the transformation is important for managers, supervisors and team leaders. Ironically, mid-managers and supervisors are often caught in the most awkward situation during strategic execution and transformation. They are expected to maintain controls and levels of performance in the business while

transformational levels of change are occurring in the business. Often these people become frustrated and threatened by the changes that are occurring. I say this is in large part because they have not created a condition of ownership. In their defense, I should point out that these mid-managers and supervisors are often overlooked as the transformation is being launched. I think that it is essential for these managers and supervisors be supported and trained so they can be active in their ownership. If that does not happen, it is painfully obvious to employees in their organization.

The managers, supervisors and team leaders who do not have ownership will not invariably behave and speak in such a way that gives clear communication that they have not “bought in” nor have ownership. Savvy employees will see this manager as being “off target” and not to be trusted. It is not that the manager means harm; it is just that the initiative and teams under the direction of this manager will flounder. Managers who have created a condition of ownership for themselves are aware of the consequences and risks they are asking employees to take in order to achieve the transformation. Managers with ownership have credibility with others because they have thought through the dynamics and consequences that may occur for employees and teams.

A sign of the ownership of the managers is the environment they maintain around them. A true leader focuses on keeping a healthy environment in the business, both figuratively and literally. A leader keeps the waters pristine, while a pseudo leader lets the water become brackish if not polluted. A leader attends to the health and quality of the dunes on the shore, while the pseudo leader focuses on self and ignores the health of the beaches and sensitive areas for employees. Employees that are not looked after will not create long-term value for shareholders.

CONCLUSION

Ownership is a state of being responsible, or a condition of being responsible where individuals choose to be responsible in matters of the business far beyond their formal accountabilities. That is, employees choose to act in the best interest of the business and far beyond what they are formally expected to do. For strategic execution to be successful there needs to be a number of individuals who have committed to the success of the transformation and have taken “ownership” that success is achieved. The transformation effort reaches a “tipping point” to move forward forcefully when a critical mass of employees chooses to stand for success and put themselves at stake for the future of the business.

OWNERSHIP SELF STUDY GUIDE

SUMMARY

1. Ownership is a state or condition of being responsible, or a condition of being responsible where individuals choose to be responsible in matters of the business far beyond their formal accountabilities.
2. Employees choose to act in the best interest of the business and far beyond what they are formally expected to do.
3. For strategic execution to be successful there needs to be a number of individuals who have committed to the success of the transformation and have taken “ownership” that success is achieved.
4. The transformation effort reaches a “tipping point” to move forward forcefully when a critical mass of employees choose to stand for success and put themselves at stake for the future of the business.

IMPACT OF OWNERSHIP OR NEW LEVEL OF EMPLOYEES BEING RESPONSIBLE

1. Alters the context, which in turn changes what a person sees and how he or she perceives it. This in turn impacts how a person will behave.
2. Provides a basis for organizational transformation which is required for success in strategic execution.
3. Gives access to completing matters from the past of the organization and people’s experience of how they were previously treated.
4. Provides a foundation for a future that is different from the past.
5. Promotes choice, which is a key ingredient in successful implementation.
6. Enhances a person’s or team’s accomplishment.
7. Engages employees at a new level of participation and causes indigenous leaders to emerge.
8. Empowers managers and supervisors to be more effective as leaders.

QUESTIONS TO CONSIDER

1. Can you think of times when you had a change in your perception of being responsible for something? (Could be on sports team, community organization, etc.)
2. What has been important to you in developing a heightened sense of being responsible or ownership?
3. Can you think of a time when you were around a change effort in which there was not clear ownership or sense of who was being responsible? What happened? What impressions did you have?
4. Can you think of an attractive future without having some commitment to that future?
 - a. Probably not. Otherwise it sounds like a campaign promise from a politician or someone’s “good idea”, but not real to you.
 - b. Chances are you experience that a future does not seem real until you have taken on some level of responsibility for it happening, and then it becomes much more real.
5. Can you think of times when other leaders gave you a choice? What was your reaction and experience? Usually we are much more likely to choose to commit to something when we have a choice.
6. Can you think of times when you were told that you needed to be committed to something? How did that work for you? (Usually we are not prone to become committed simply because we are told to do so).