

Ownership Culture

Managing in the Superstar Economy

Noah Putnam // September 2022

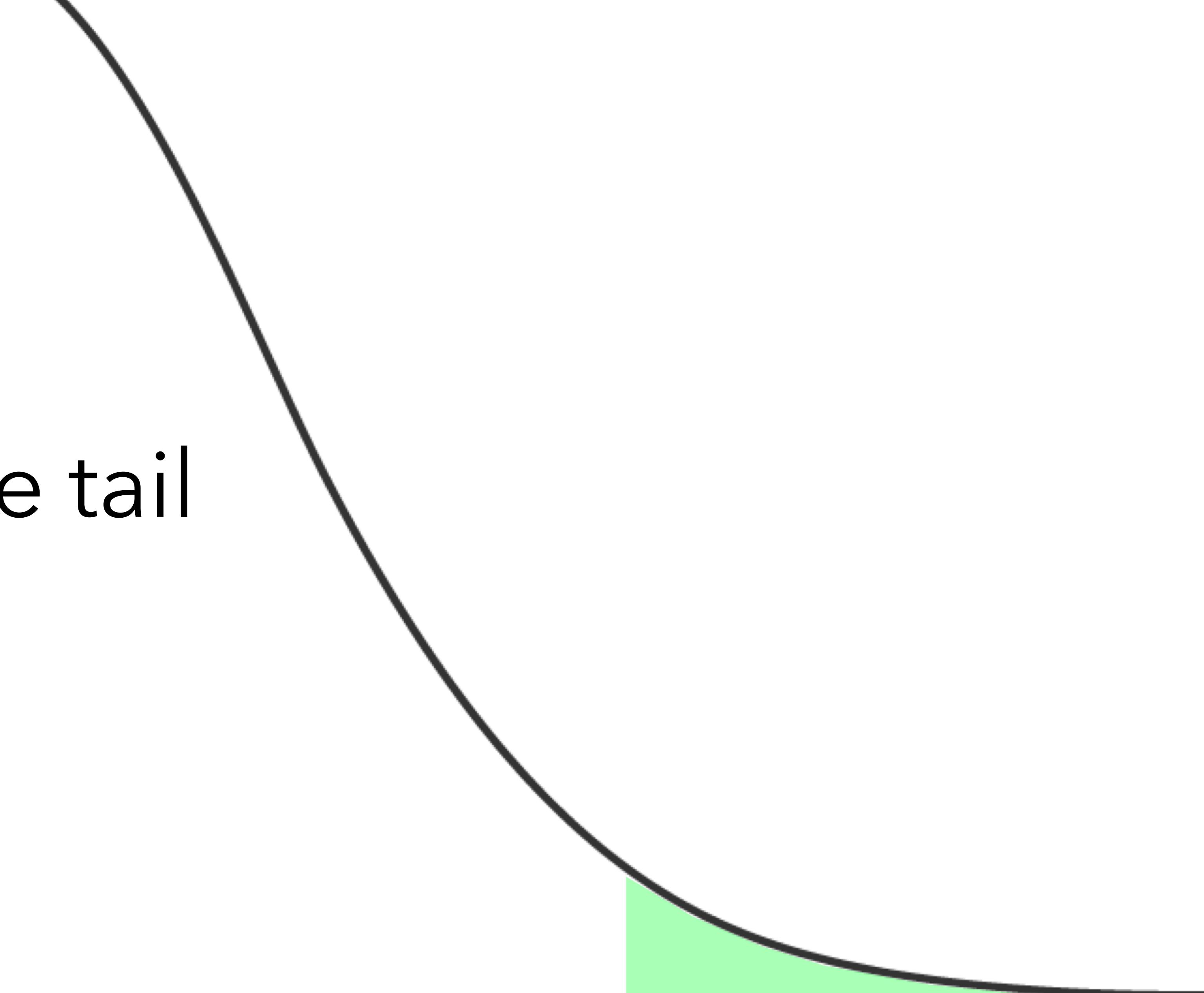


*If you want to build a ship,
don't drum up the men to
gather wood, divide the work,
and give orders. Instead,
teach them to yearn for the
vast and endless sea.*

Antoine de Saint-Exupéry

INSIGHT

The value is in the tail



Developers code less than one hour per day

Based on data from 250K+ developers in our global community, **developers code 52 minutes per day** — about 4 hours and 21 minutes during a normal workweek from Monday to Friday.¹



Engineer Net Contribution to Repository



THESIS

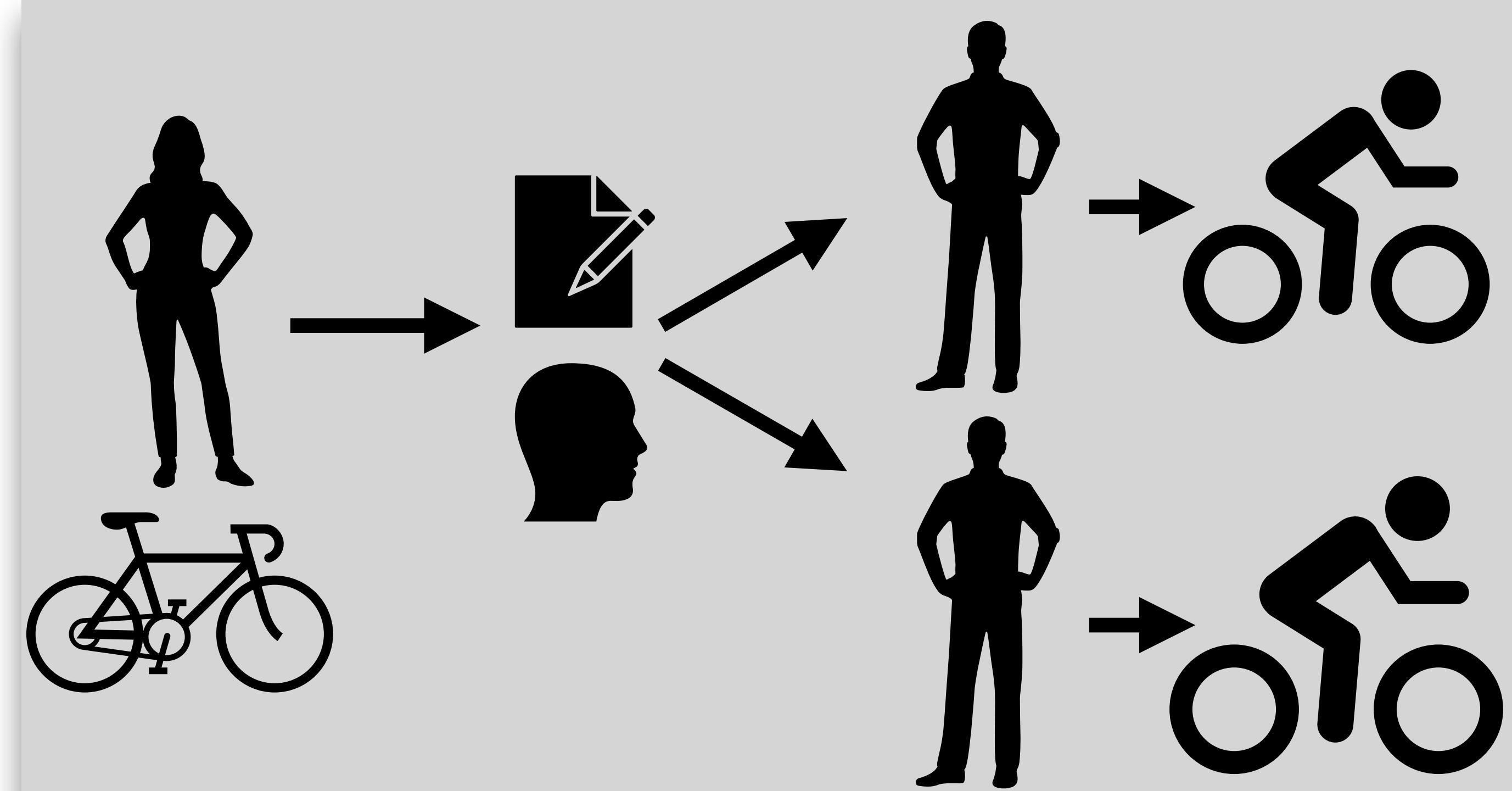
The best people crave ownership. Most jobs are terrible at giving it to them

Ownership culture exists when...

- Team members have **broad authority** and **accountability** over the part of the product they work on
- Team members feel like they regularly make **meaningful decisions** in the course of their work
- Team members **take pride** in the product and the features they work on
- Team members are **never surprised** by a manager's decision or opinion

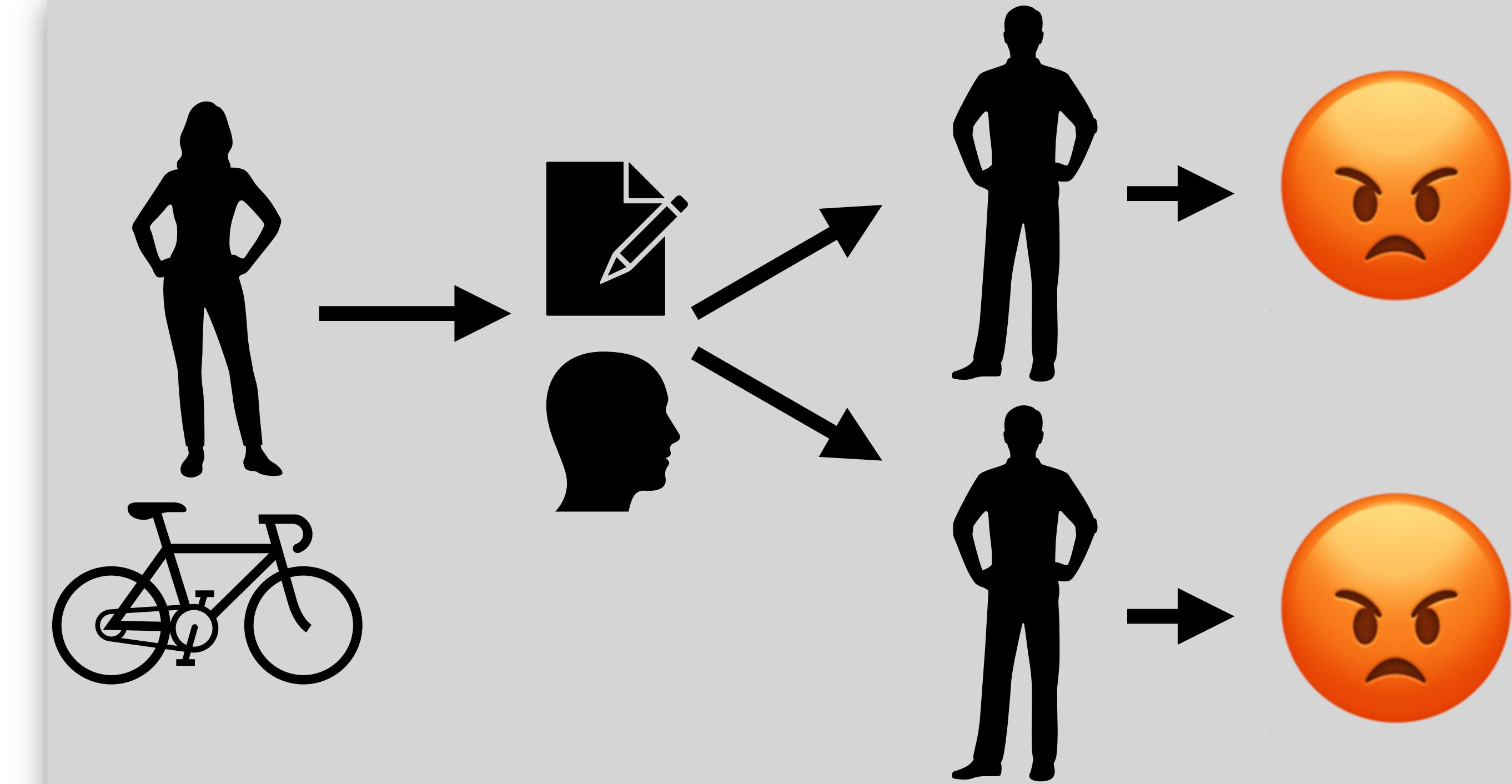
SCENARIO

Implementing a
new process



SCENARIO

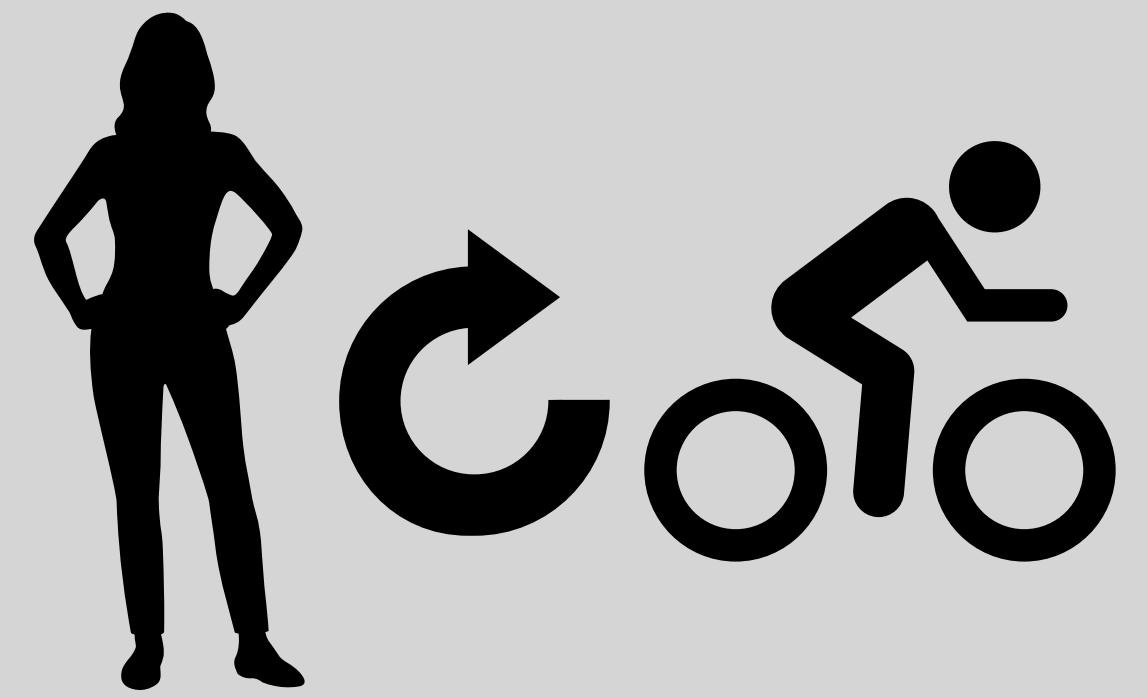
Implementing a
new process



- Not respecting people's ownership
- No limit on number of process changes
- Places burden of testing process on entire team

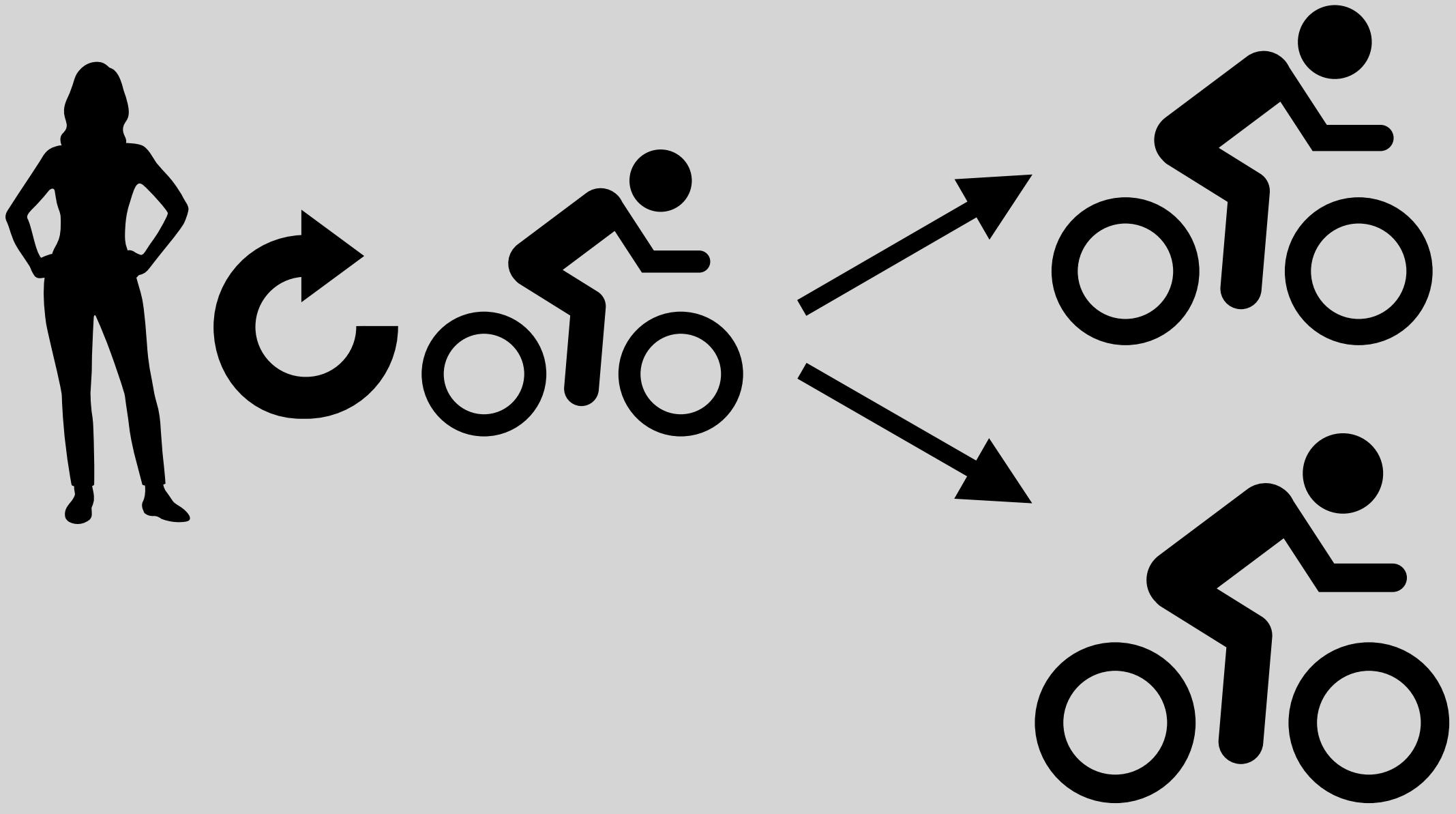
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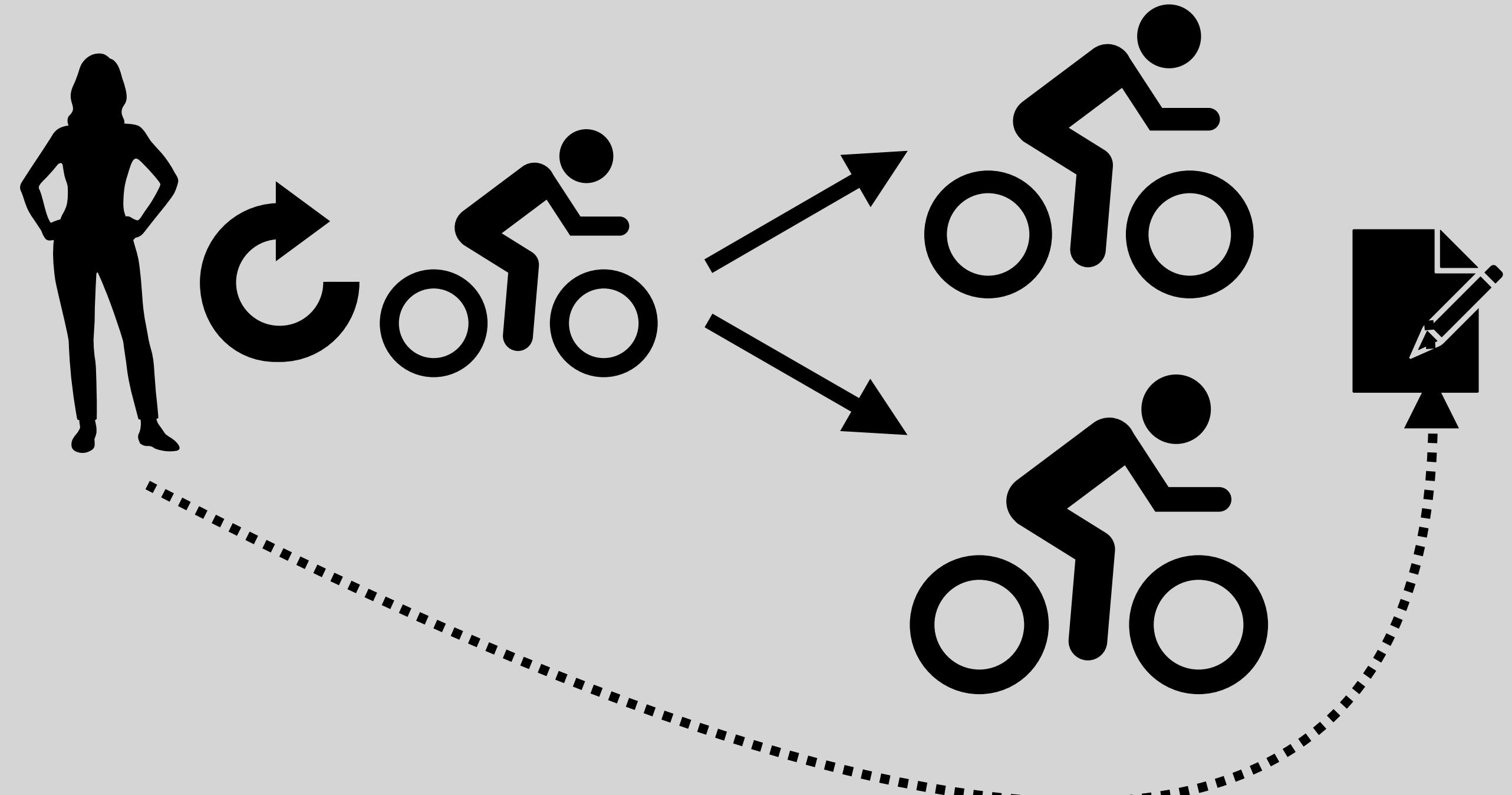
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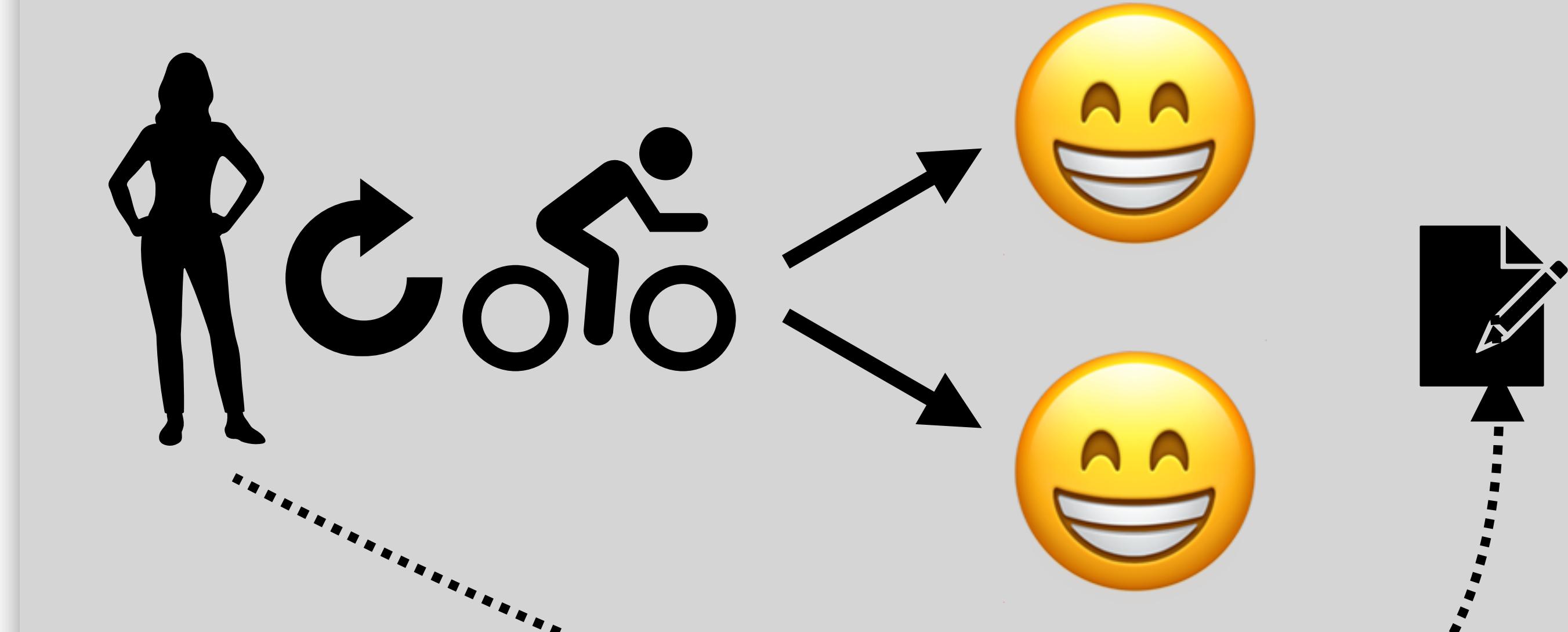
SCENARIO

Implementing a
new process



SCENARIO

Implementing a
new process



- Lead by example + have skin in game
- Give people ownership over whether they follow or not
- Docs reflect the policy as practiced, not as originally conceptualized

QUESTION

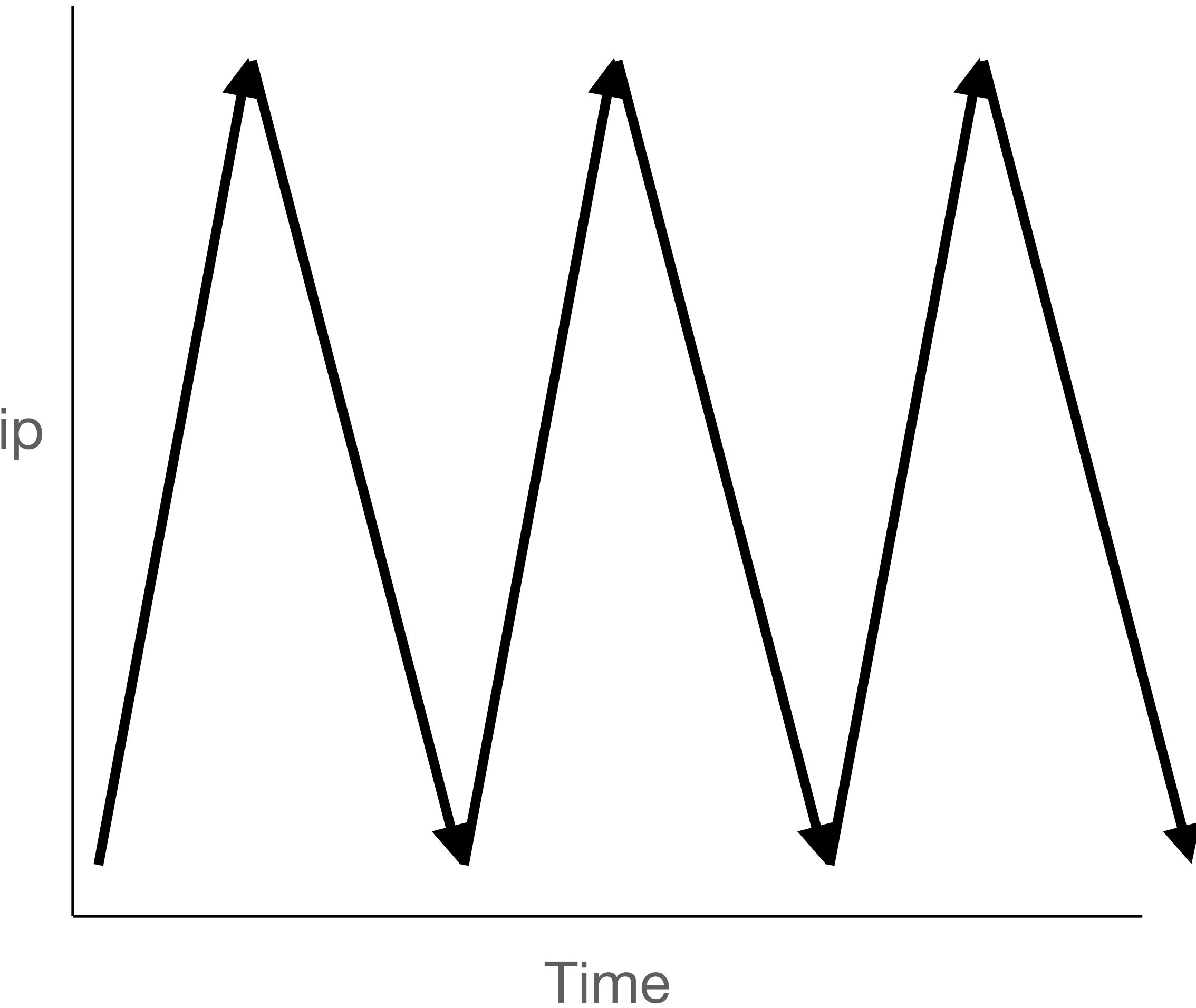
Where do managers fit in?

MANAGER ROLE

1. Earn leadership capital
2. Spend it to get the job done



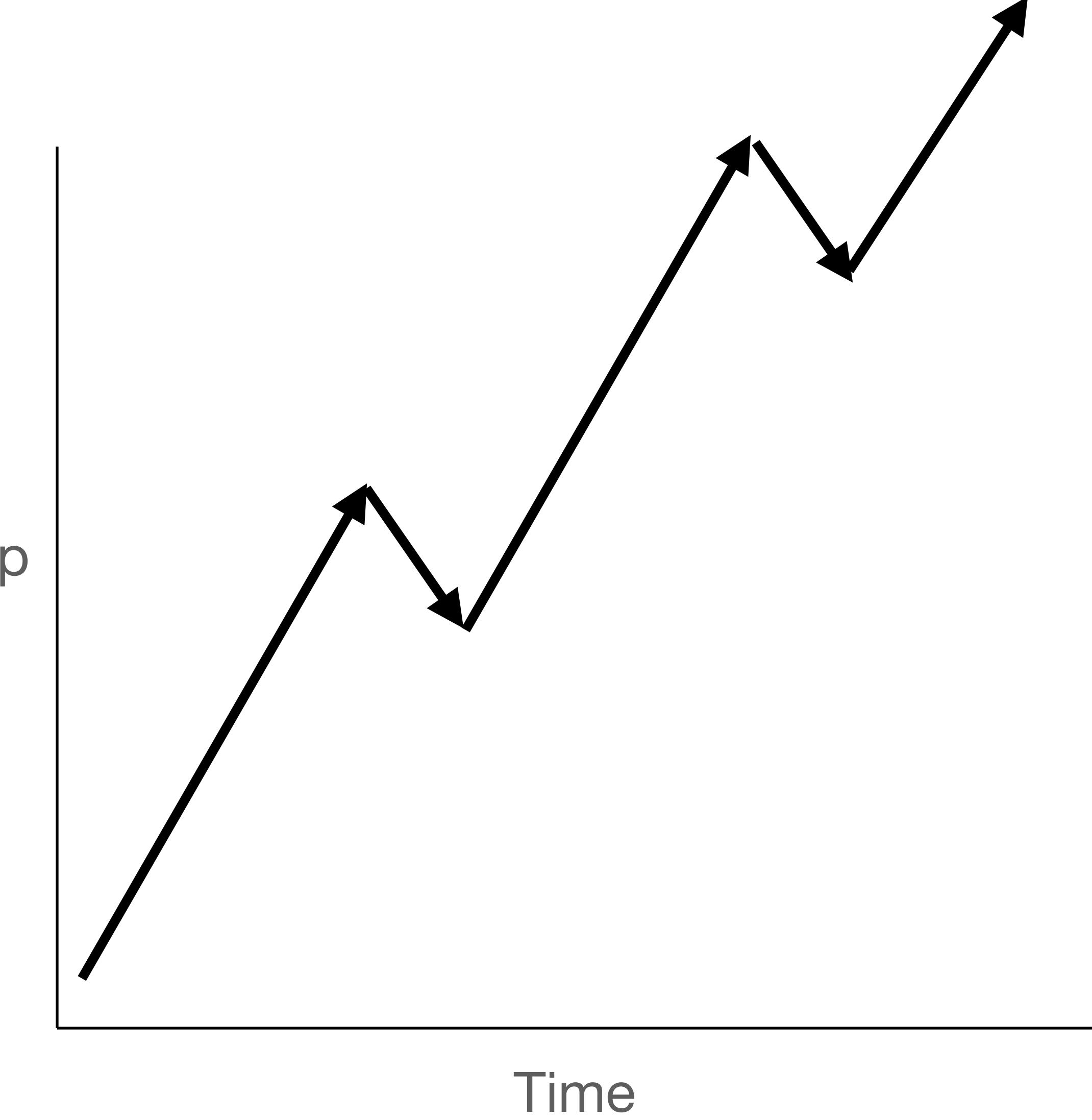
Leadership
Capital



Time



Leadership
Capital



You earn leadership capital when...

- You **give credit** for a win to a team member
- You take **personal accountability** for a loss
- You **persuade** a team member to go your way
- You take **negative feedback constructively** from a team member
- You let someone overrule you on a question related to their **sphere of ownership**

You spend leadership capital when...

- You take a **risk** on a project
- You implement a **new process** for others to follow
- You give **negative feedback** to a team member
- You **overrule** a team member on a decision related to something that they own
- You **don't build consensus** when making an important decision

AUTHORITY ≠ ORG CHART

AUTHORITY = LEADERSHIP CAPITAL

QUESTION

How do you deal with people who don't want to buy into ownership culture?

Ask yourself...

- What is your balance of leadership capital with them?
- Is this your fault for not communicating clearly? How could you have managed them differently to achieve better results?
- Does this person have the potential to be an A player?

Feedback should **always** be given in private

INSIGHT

“Talent” is highly dependent on the cultural context – but it’s mostly fixed within that context

- The Animal Test
- Trust your gut, but know your biases
- Be terrified of growing the team

MANAGER ROLE

1. Earn leadership capital
2. Spend it to get the job done

MANAGER ROLE

0. Define the job
1. Earn leadership capital
2. Spend it to get the job done

- Embrace repeating yourself
- Write important things down
- Manage each stakeholders' vision individually

More Resources

- OG Netflix Culture Deck
- The Hard Thing About Hard Things - Ben Horowitz
- High Output Management - Andy Grove