

THE GAIN WAS ALWAYS SHARED · CHAPTER ONE

Who Holds What a Firm Learns

Chapter One of The Gain Was Always Shared

Ammanuel Santa Anna

Santa Anna, A. (2026). Who Holds What a Firm Learns. In The Gain Was Always Shared (ch. 1). Luminous Prosperity Inc. https://doi.org/10.5281/zenodo.23989505
Luminous Library Licence 1.0 · business.hautelumiere.life/library/the-gain-was-always-shared

THE LICENCE

Who Holds What a Firm Learns
Chapter One of The Gain Was Always Shared

The Gain Was Always Shared · Chapter One. The Haute Lumière edition, 2026. © 2026 Ammanuel Santa Anna.

Released under the Luminous Library Licence 1.0 (hautelumiere.life/library-licence): free to read, share, quote, translate and teach, non-commercially, for ever. The Author keeps every other right, including every commercial right.

Published by Luminous Prosperity Inc. for Haute Lumière. Author ORCID 0009-0008-3244-0306.

DOI 10.5281/zenodo.23989505 · this record's page: business.hautelumiere.life/library/the-gain-was-always-shared/01-who-holds-what-a-firm-learns/

Please cite as: Santa Anna, A. (2026). Who Holds What a Firm Learns. In The Gain Was Always Shared (ch. 1). Luminous Prosperity Inc. https://doi.org/10.5281/zenodo.23989505

Chapter One of The Gain Was Always Shared. The whole book, with every chapter, is at business.hautelumiere.life/library/the-gain-was-always-shared (DOI https://doi.org/10.5281/zenodo.23989502).

A NOTE BEFORE YOU READ

This work is offered for education and leadership development. It is not legal, financial, accounting, investment, medical or psychological advice; take the advice of a qualified professional who knows your circumstances. Companies and events are described from the public record as the author understands it; characterisations are the author's analysis. Examples are illustrative, and no particular outcome is promised to any reader.

ABSTRACT

In most organisations, somewhere tonight, a person who does the work knows something that would make the work better and is not going to say it. The knowledge is small and specific. A machine that drifts out of true after about four hours. A form that loses the one line the next shift needs. A report that three departments produce every month and none of them reads. The person knows it the way a cook knows which burner runs hot: not as a theory, but as a fact of the body, learned by being there. They are not going to say it for ordinary reasons. The last time someone said something like it, nothing happened. Or something did happen, and it happened to the person who spoke. Or there is simply no place to say it, no meeting where it belongs, no form that asks, no one whose job it is to listen. So the knowledge stays where it was made, in a coat pocket, and goes home at the end of the shift.

CHAPTER ONE

Who Holds What a Firm Learns



Who Holds What a Firm Learns

HAUTE LUMIÈRE · THE GAIN WAS ALWAYS SHARED · CHAPTER ONE

A card in a coat pocket

In most organisations, somewhere tonight, a person who does the work knows something that would make the work better and is not going to say it. The knowledge is small and specific. A machine that drifts out of true after about four hours. A form that loses the one line the next shift needs. A report that three departments produce every month and none of them reads. The person knows it the way a cook knows which burner runs hot: not as a theory, but as a fact of the body, learned by being there.

They are not going to say it for ordinary reasons. The last time someone said something like it, nothing happened. Or something did happen, and it happened to the person who spoke. Or there is simply no place to say it, no meeting where it belongs, no form that asks, no one whose job it is to listen. So the knowledge stays where it was made, in a coat pocket, and goes home at the end of the shift.

This book is about the oldest serious attempt to change that, and about what seventy years of practice and research have shown about when it works. The attempt is called gainsharing. In the textbooks it is a kind of group incentive: a plan under which people in a unit share in the value of improvements in their unit's performance. That description is accurate and it leaves out almost everything that matters. The first plans were not designed as incentives. They were designed as a way of asking the people who did the work what they knew, answering them, and admitting, in money and in structure, that what they knew was worth something.

The book's argument can be put in one sentence. A gainsharing plan is a circulation before it is a payment: knowledge moving towards the people who can change the system, and answers, visibility and a share of the gain moving back. Where the circulation runs, the evidence is encouraging. Where only the payment runs, the evidence is mixed, and the plans tend to die.

Why this subject, and why it belongs in this house

Ammanuel Santa Anna's *Ecstatic Economics* is a long argument that economic life can be organised around vitality rather than extraction, and that this is not a sentimental preference but a more accurate account of where value comes from.[1] Its chapter on the workplace states the premise directly, writing of an outdoor clothing company whose practices it admires, that they are expressions of a coherent economic philosophy:

> *vitality is the source of value, not an obstacle to it.*[2]

That claim is easy to say and hard to make operational. A leader can agree with it on a Sunday and run a meeting on Monday in which nobody below a certain grade speaks. What the claim needs is structure: a way of organising ordinary work so that the people closest to it are asked, are answered, and share in what their knowledge produces.

Gainsharing is one of the few such structures with a long, documented record. It began in a failing steel mill in the late 1930s. It was championed at the Massachusetts Institute of Technology in the 1950s. It was studied through the 1980s and 1990s in manufacturing plants, a package delivery firm, an electric utility, a freight forwarder and, later, hospitals. The record includes careful single-site studies with years of monthly data, a few field experiments with control groups, large surveys of users, and frank accounts of plans that failed. It is, in other words, one of the better-evidenced ideas in the whole family of participatory economics, and one of the least understood.

It belongs in this house because it answers a question *Ecstatic Economics* raises and leaves to its readers: what does a vitality-centred firm do on an ordinary Tuesday? The book's own design principles for such a workplace include one that gainsharing turns into practice almost word for word. Under the heading "Feedback richness", it says:

> *Vitality requires information.*[2]

A firm that does not hear what its people know is a body that cannot feel its own hands. Gainsharing, at its best, is a way of restoring the feeling.

Why now

There are three reasons this book is written now rather than at some other time, and none of them is a forecast.

The first is that the work most people do has changed shape. When Joseph Scanlon proposed his plan, most of the people it covered stood at machines, and the knowledge he wanted to hear was about steel, scrap and hours. Today a larger share of work is service, care, coordination and software, where almost all the value lies in knowledge the worker holds and the manager cannot see. The case of a package delivery firm in Chapter 6, where the first thing a gainsharing plan changed was how much people talked to one another about the job, is closer to most readers' working lives than the mill. The older idea fits the newer work better than it fitted the old.

The second is that the evidence is now old enough to read whole. The main studies were published between 1984 and 2008. Enough time has passed to see which findings were repeated and which were not, which plans survived and which ended, and where the research itself was weakest. A leader in the 1990s had to take the literature on trust. A leader now can read it at a distance, with its limits in view, and Chapters 5, 6, 7 and 9 try to do exactly that.

The third reason is that the language around shared reward has drifted towards formula. Most of what a leader will find if they search for the subject is about base periods, splits, caps and payout schedules. Those questions are real and they belong to each organisation and the people it would cover. This book does not describe them, for two reasons. The first is that no formula transfers: the right design depends on the work,

the people, the measure and the history of the place. The second is the book's argument itself. The research keeps finding that the features that predict whether a plan works are mostly about participation, not arithmetic. A book that spent its pages on formulas would be spending them where the evidence says they matter least.



Who this book is for

HAUTE LUMIÈRE · THE GAIN WAS ALWAYS SHARED · CHAPTER ONE

Who this book is for

It is written for four readers, and each will find a different centre of gravity in it.

A leader of a unit: a plant, a clinic, a branch, a department, a team of forty. You have authority over how work is organised and some influence over how people are paid, and you suspect that your people know more than your reports tell you. The field manual in Chapter 8 is written for you, week by week, with the decisions named and who makes each one. Chapters 2 to 5 give you the history and the evidence you will need when someone asks whether this has ever worked.

An owner or board member. You are being asked to approve something that sounds like a bonus scheme and may be something else. Chapter 3 gives you the fair critiques, Chapter 7 the cases where plans went wrong and why, Chapter 9 the means of knowing whether a plan is working, and Chapter 10 the conversation you will probably have with your management about it.

A union officer, a shop steward, an employee representative, or simply someone on the floor. Gainsharing began on your side of the table. Joseph Scanlon was a union officer when he made his first proposal, and the research in Chapter 4 suggests that plans carry more and better knowledge where unions take part in running them. Chapter 10 includes the conversation from your side.

One person thinking about their own money and work. The same circulation that runs through a plant runs through a household, a freelance practice, a marriage with a shared budget. Chapter 11 takes the idea to that scale, because the habits it asks for, asking, answering, making one number visible and returning what is saved, are habits a person can practise alone or with the people they live with, without anyone's permission.

What this book will not do

It will not tell you that gainsharing raises productivity by a given amount. The studies report figures, and this book gives them exactly, with their sources and their limits. But the figures come from firms that chose to adopt a plan, studied by people who were often sympathetic to it, published in a literature that over-represents success. None of them is a forecast for your organisation. Chapter 9 explains how to produce the only figure that is: your own, measured honestly, against a baseline you set in advance.

It will not describe how to calculate or divide a gain. Those designs belong to each organisation and the people it covers, decided together and approved by them.

It will not pretend that participation is easy. Ammanuel Santa Anna's book, which treats participatory structures with evident sympathy, names the risk of pretending in a sentence about cooperatives and steward ownership that applies here without alteration: anyone who says such structures are easy is selling something.[3] Several chapters of this book are about failure, because the people who wrote down why plans failed left the most useful record in the field.

And it will not separate the structure from the people inside it. Santa Anna's account of the somatic dimension of economic life, the idea that economic arrangements live in the nervous system as well as in contracts, is the thread that runs through every chapter. It begins with a claim about the reader:

> *The economy you live in is not just a system of policies, institutions, and market mechanisms.*[4]

The sentence continues by saying that it is also a pattern in the body. A gainsharing plan asks people to change a pattern of that kind: to say what they know to people who have authority over them, and to trust that the answer will not cost them. Structure can make that safer. It cannot make it automatic. The chapters that follow treat both halves seriously.



How the book is arranged

HAUTE LUMIÈRE · THE GAIN WAS ALWAYS SHARED · CHAPTER ONE

How the book is arranged

The book has four movements and a workbook.

The idea and its record. Chapter 2 tells the origin: a mill, a union officer, a committee system with a shared measure attached, and the myth that gainsharing began as a bonus. Chapter 3 reads the five fair critiques, from the free-rider problem to the studies that see only survivors, each with a way through. Chapter 4 reads gainsharing through the house's lens, as a circulation in a living system. Chapter 5 works through the

best-documented cases figure by figure, and builds a composite plant, labelled as one, to show the first year in order.

Harder ground. Chapter 6 reads the service firm where the first return of a plan was talk, and the field experiment in which the commitment outlived the bonus. Chapter 7 reads three harder rooms: a plan that broke its promise, the six Scanlon plans studied for their power games, and hospital programmes in which most of the measured saving came from somewhere other than the floor.

Practice. Chapter 8 is the field manual: the whole sequence, from the first conversation to the first review and the plateau after it, with roles and decisions named. Chapter 9 is about measurement: what to count, how to read a change honestly, and how to become your own study. Chapter 10 is about the hard conversations, with boards, unions, supervisors, partners, families and sceptics, each with a script. Chapter 11 takes the idea home.

The whole. Chapter 12 places gainsharing beside its neighbours, employee ownership, reciprocity and the commons, says plainly what it cannot do alone, and gives the living-systems reading of the whole in one image.

The workbook. Every Tool from every chapter is gathered at the end, with a ninety-day plan that a leader, a team or a household can begin on a Monday.

Each chapter ends with a Tool written out in full: a one-page instrument for doing what the chapter describes. They are meant to be filled in, not admired. A Tool with nothing written on it has not been used.

A note on evidence and quotation

Every study cited in this book has been checked against the scholarly record: its authors, title, year and journal confirmed through Crossref, and its findings stated no more strongly than its own abstract or text supports. Where a source could be read only by title or abstract, the note says so. Every note also says what its source cannot show, because a figure without its limit is an advertisement, and this is not one.

Every passage quoted from Ammanuel Santa Anna's *Ecstatic Economics* and *The Luminous 100* has been checked word for word against the text. Where a passage makes an empirical claim, such as a cost figure or a ranking, the claim is the book's and is marked as such; this book does not adopt figures it has not traced.

People named in case chapters are named as their sources name them. Every illustrative person and organisation that is not real is labelled as a composite or as hypothetical where it appears.

The question underneath

Return to the person with the card in their coat pocket. The question this book asks is not how to pay them for the card. It is why the card is in the pocket at all: what about the way their organisation is built

made silence the reasonable choice, and what would have to change for speaking to become the reasonable choice instead.

Ecstatic Economics describes the experience of a citizen in a democracy that asks nothing of them between elections as the experience of being governed at rather than with. Its phrase for it is exact:

> *a felt sense of being governed at rather than governing together*[5]

Most people at work know that feeling. Gainsharing, in its first and best form, was a way of turning the preposition round. Not by making everyone a manager, and not by paying everyone a bonus, but by building a route along which what people know can travel, and a promise that something will come back along it.

The companion books in this series read the same question from other directions: who owns the firm, how people answer generosity and unfairness, how groups govern what they share, and how the horizon of capital shapes what a firm keeps. This book stays with the most practical of them: the plant, the clinic, the team, the household, and the card.

The Tool: The Silence Audit

Use this before reading further, alone or with two colleagues. It takes twenty minutes. It is not a survey of your people; it is a reading of your structure. Keep the page; the ninety-day plan in the Appendix returns to it.

1 · What is known and not said

Three things the people doing this work probably know about cost, quality, waste or safety that have not reached anyone who could act on them: · ·

How you know, or why you suspect it:

2 · The routes

Every route by which an idea from the floor can reach a decision today (a person, a meeting, a form, a channel):

For each route, who stands at the gate:

Which route was used most recently, and when:

3 · The last time

The last idea from someone without authority that you know reached a decision:

- What happened to it: adopted / declined with a reason / declined without one / no answer

What happened to the person who offered it:

4 · Why the card stays in the pocket

Tick the reasons that apply here: no route · no answer comes back · speaking has cost people before · the idea would expose a manager · the idea might remove a job · nobody can see whether ideas change anything · other:

5 · The first promise you could keep

One promise about answering ideas that you could keep from next Monday without anyone's permission:

- What it would cost you each week, in hours: ___

References

1. Santa Anna, A. *Ecstatic Economics: Wealth Creation Rooted in Vitality, Not Extraction*. The Luminous Developmental Canon, Luminous Prosperity Inc. Set in a colour art edition at *Ecstatic Economics*; the house's books are at https://hautelumiere.life.
2. Santa Anna, A. *Ecstatic Economics*, chapter 4, "The Vitality-Centered Workplace" and "Design Principles for Vitality-Centered Workplaces". The surrounding passages make empirical claims about named organisations; those claims are the book's and are not adopted here.
3. Santa Anna, A. *Ecstatic Economics*, chapter 4, "Common Pitfalls". The passage is quoted in full in Chapter 3.
4. Santa Anna, A. *Ecstatic Economics*, chapter 3, "The Revolution That Begins in the Body".
5. Santa Anna, A. *Ecstatic Economics*, chapter 5, "Participatory Governance: Democracy as Somatic Practice".

Who Holds What a Firm Learns

Ammanuel Santa Anna · Luminous Prosperity Inc. · Haute Lumière

Set in Cormorant Garamond and Manrope.

Read the Business Library at business.hautelumiere.life/library.

Luminous Library Licence 1.0 · hautelumiere.life/library-licence

REQUEST A CONVERSATION

business.hautelumiere.life/book/?kind=gainshare

The Business Library

business.hautelumiere.life/library/

The packages

hautelumiere.life/pricing/