

EMPLOYEE OWNERSHIP , ADVANTAGES TO THE WORKFORCE AND CONSUMERS



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Browse through the business section of your favorite bookstore and you'll see that a "revolution" in management has been taking place for a long time. Total quality management, empowerment, re-engineering, swimming with sharks — it's all about finding and keeping the best people for your organization. Management in many American companies has redirected its thinking over the past 10 years and realized that without good employees, business goes nowhere. But there is still a quest to find that one benefit, that one idea which will turn the tide and truly empower the workforce to be participating partners in the world of commerce. Employee ownership is a leap in the right direction.

A number of companies doing business in the Triad have discovered employee ownership. Large companies like Lowe's Home Improvement, Oakwood Homes, Burlington Industries, and Guilford Mills. Smaller companies like Weeks Construction, Cross Sales & Engineering, W.E. Stanley & Company, and my company, Anderson & Associates Engineers-Surveyors-Planners. There are now 168 ESOP (Employee Stock Ownership Program) companies in North Carolina, with over 141,000 employee owners.

What has employee ownership given us as employees, and as a company? Our ESOP gives us a stake in our company's future. Ownership creates wealth. We as employee-owners have a greater incentive to understand our market and our company, to work more productively, and to help reduce costs. In a recent survey of its members, The ESOP Association found that more than 50 percent of all employee-owned companies said that having an ESOP "improved the overall productivity of their company's employees."

Since the daily efforts and decisions employees make are critical factors in business success, nothing is more important than providing an incentive to do the best job possible. We believe that adopting an ESOP has provided this incentive for some people. Of course, there will always be those employees who don't believe in the concept, but when we communicate and show them how their actions and decisions can directly relate to the profitability of the company and their own best interests, employees are definitely more interested in how and where we are spending our money, what profits are being made, and how they can contribute to our company's success.

Our company is unique in that all financial information is available to employees at any time. The financial statements are put on our computer network for employees to view or print. Our accounting department sends occasional e-mails making sure that employees know where this information is and how to access it. We encourage employees to ask questions and learn how to understand the financial statements, so that they will think and act more like owners. We also set up "brown-bag" lunch seminars on the ESOP or financial issues for the employees to learn more or ask questions. Pay rates are available to all employees in the same manner. As the owners, our philosophy is that the more you know about the company and our business, the better prepared you will be to make sound decisions as an entrepreneur within our company.

When well--implemented and promoted, the employee-owner concept greatly benefits clients and customers because the quality of service, the level of productivity, and attitudes in general are improved. When a consumer does business with an employee owner, whether in a service setting or a retail setting, the consumer is dealing directly with *the owner*. And as we all know, if you're the owner, you want to keep clients and customer satisfied and eager to do business with you in the future. Your stake as an employee is more than just a paycheck, and it shows as the value and profits of the company grow. Each employee shares in the risk, profit, growth, and excitement because each employee is the owner. ■