

EXCERPTS FROM  
AN  
OWNERSHIP  
TALE

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Moving from a  
Company of Employees  
to a  
**Company of Owners**

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# Open Doors, Empty Doorways

Bob went back to his office feeling pretty proud of himself. What he did was not easy for him. He'd spent years under Mary and Sam's tutelage. They had been generous but very traditional owners. Employees were paid well and got good benefits, but Sam and Mary made just about every decision that mattered, working long, long hours to do so. Bob had assumed he would take over their role in much the same way. After all, Sam and Mary hired him out of a competitor company because he was, they said, a decisive, smart, take-charge kind of guy. Bob had figured the ESOP would be just another benefit and that employees would be grateful for the chance both to own stock and keep their jobs.

But now that did not seem enough. For years, Bob, Kevin, and Rosario had been urging people to think and act like owners, but they never really thought through just how that would play out in day-to-day work. Now Bob thought he had really taken the leap. If employees wanted to act like owners, he had laid out just what they needed to do. And, for his part, he was genuinely ready to listen to their ideas. Carol was right. It really had made him angry when he worked for Bill Irvin at his old job, and it wasn't just how Bill had completely ignored what Bob thought was a very good idea on getting invoices paid faster. That was just the last straw, the one that made him slam the door angrily when he got home and rant for 20 minutes about the unfairness of it all.

He'd had other ideas, too. He'd go to talk to Bill about them, and Bill just patronized him. Or worse. Sometimes he would keep doing

his email while Bob talked. Sometimes he would just say, “Thanks, Bob, I appreciate the input.” Sometimes he asked for a memo –not more than one page, though. But not once did he follow through. It’s part of why Bob left for BTA. He knew that one day he could run the show. So it was only fair to give the employee owners at BTA their chance to do what he always wished he could do with Bill.

So Bob called a meeting. “I’ve been thinking about us being employee owned,” Bob told the employees. “And I’ve realized you have all the benefits of ownership, but, sometimes, it seemed like you have none of the obligations. It’s not your own money. You don’t have to make tough choices about the business. You don’t have to pay attention to what’s happening with our profits every day. But then I thought, ‘Well, if they want to take more responsibility, how can they? When do they get the chance?’

“So starting today, any time someone has an idea about how we can make things better, they should talk to me personally. I promise to listen.”

The next day Bob sent everyone an email with the same message. He bought a bunch of motivational brochures. There was the eagle soaring in the sky, tag-lined, “excellence is the result of caring more than others think is wise.” A photo of rowers reminded them that teamwork is all about “pulling together,” with nuggets from legendary football coach Vince Lombardi.

Almost no one actually walked in the door, no matter how many different ways Bob kept reminding people he really was being sincere. Adam did come in with an idea about rearranging the warehouse space to make it easier to track customers, but it was a bad time and Bob never did get back to him. And Thuy in accounting had a really good idea they actually put into place to get bills paid faster, but Kevin ended up taking most of the credit for it, saying he had been thinking about it all along anyway. Mostly, not much happened.

On her own Rosario had decided to go ask people what was up. She knew Bob really meant it (Kevin was not convinced about this “open door” thing, but she still thought he could come around

if he saw some ideas work). So she set up a focus group. She asked 12 people from all areas to come talk to her about why Bob's open door just wasn't working. She wrote up a summary for Bob in the form of a dialogue but changed the names so people could speak more freely. Here's how it read:

*Esther (software support): I do think Bob really means what he says, but we are really busting our tails right now trying to keep Plastics Engineering happy. Whatever they want, we do and more. Maybe if we are extra supportive they'll decide to keep us even if the price is higher. Anyway, there just isn't time to really sit down and think of new ways to do things.*

*Jimmy (programmer): Actually, I do have some ideas on how we could offer them a broader service than what they are getting now for the same price. But look, what I am supposed to do? Just walk away from my workstation to wait till Bob is off the phone or out of a meeting? How do I know my supervisor won't get mad and tell me I'm wasting time?*

*Sean (warehouse worker): There are a lot of things we do here just because we always did them that way. In my last job, they had some really cool systems we could use here too. They must cost something—I don't know. It's not my job to figure that out. So how do I know if it's worth it?*

*Enrique (warehouse worker): Look, say Kevin and I spent some time—even on our own—checking one of these things out. Like those scanner things that let you know where packages actually are all the time. And say it seemed OK to us. How do we know if it's worth the investment?*

*Sean (warehouse worker): Yeah, and even if we did, then what? I'm not exactly Mr. MBA. Am I supposed to go into Bob's office and lay out a spread sheet or what? I just don't think I have the skills to do this sort of thing. It's not what I got hired to do.*

*Kim (customer relations): Just about every day I hear some complaint or other. That's what I do, after all—try to smooth things over. So I hear all these problems, and tell people, you know, "We really do value your business and I promise we are going to work really hard to fix the problem. Meanwhile I'd be happy to offer a credit of 5% on your next purchase. Would that help?" I know enough to know that doesn't help us make a profit. What we need is to solve the problem. So I went to Bob and told him, and you know what he said? He said, "Kim, I appreciate that. What do you think we should do?" Like I would know what to do to fix a shipping delay. But, geez, if I can smell gas, shouldn't I tell someone even if I don't know how to turn it off?*

*Adam (warehouse): Actually, Kim, a group of us did get together on that problem after you told us. And we came up with a solution. So we went to Bob as a group; he listened patiently and really seemed impressed. He said he'd get back to us, but we're still waiting, and that was weeks ago.*

*Thuy (accounting); I guess that means I'm the only one who actually did have an idea that got accepted. I was really excited about it, too. No one ever listened before, and I felt great. "Empowered," as they say. But guess what? The next week Kevin tells me he had been thinking the same thing and wonders if maybe we hadn't talked about it some time. So don't ask me to do that again.*

## **That Sinking Feeling...**

Bob felt a little odd after reading the report. On the one hand, it was disappointing. In fact, the more he thought about it, the more depressing it was. "Am I the only adult in this company?" he wondered. "If I wasn't paying attention, would anyone take the responsibility to make sure things got done right? It sure feels like they would all sit around a table, not quite looking at each other, hoping that someone else would do something until the lights went out on all of them." Lost

in the gloom and disappointment, Bob didn't notice Thuy walk past his office several times looking inquisitively through the open door. The only plus side, he told himself, is that he could go back home and tell Carol, "I told you so."

"Look," he told her that night, "people just didn't seem to get it. No one is exactly beating a path through my open door. When I talk to employees about their being owners, a lot of eyes glazed over. Few people seem willing to make any more effort than they did before the ESOP. And when I gave people a quiz about the plan (he'd heard that it was a good way to remind people of how great the ESOP benefits were), it was clear almost no one really had a clue. Worse, there were some very loud cynics who kept telling people the ESOP was really a scam, that it would never really pay off. 'Just remember Enron and WorldCom,' they said, 'and what happened to people there.'"

"You're so impatient, Bob," Carol told him. "Give it some time—maybe get some advice from someone who has actually had an ESOP that worked. You don't have to reinvent the wheel, you know."

John Evans, the ESOP attorney, told him to be patient as well. "It can take years for people to really get it. When people start to leave with checks, it will mean a lot more. Meanwhile, maybe it would be a good idea to step up the communications program, get people to understand what this plan does for them better."

But Bob was so tired of the whole thing he seriously thought about taking another job or maybe looking for a buyer. Julie Simms, his plan administrator, however, told him he needed to give it another chance. "There are a lot of good resources out there," she said. "In fact, there's a seminar in Minneapolis next month on creating effective communications. I can get you a discount—why not give it a chance?"

Bob decided with all this investment, he'd give it one more shot. He and HR director Karen Suzuki went to Minnesota. There they met some people in the same boat—frustrated. But he also met company leaders who seemed positively evangelical about their ESOPs, and,

even more impressive, non-management employees who talked about their company as if it were theirs. Bob and Karen came back charged up, with several ideas to try to communicate the plan better.