

EO General

1. Noun
2. Noun - Plural
3. Noun
4. Adjective

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"Employee ownership" refers to the ownership of a _____ Noun _____, directly or indirectly, in part or in whole by some or all of its _____ Noun - Plural _____. Of course, a business owner can also be an _____ Noun _____ (the CEO, etc.), but that's not what we mean by employee ownership. Rather, we refer to ownership by a broad cross-section of employees, including _____ Adjective _____ employees, generally through a formal plan offered by the employer.

The main vehicle for broad-based ownership in the U.S. is the employee stock ownership plan (ESOP). An ESOP is a type of retirement plan that invests primarily in company stock and holds its assets in a trust, in accounts earmarked for employees. Plan participants do not directly own the stock and are, for the most part, paid out after they leave the company. Most ESOPs are in privately held companies, not companies that trade on the stock markets.

The main benefit of employee ownership is that it gives employees the ability to benefit from the value of company stock and to benefit from increases in value. People sometimes ask whether making a company employee-owned means that workers no longer take orders from anyone, etc. This is untrue; a company with a stock plan still has managers, officers, etc.

Companies that adopt employee ownership plans do not have to treat employees any differently than before, but it will be to their advantage if they do. Many employee ownership companies have found, and research confirms, that a more participative approach to management makes for a workplace that is not only more pleasant but also more productive.

Employee ownership lifts more than just company spirits. It boosts the bottom line, reduces turnover and increases

competitiveness. Employee ownership can transform a company, improving performance and accelerating growth. It can create a sustained competitive advantage, driving business success that builds wealth for founders, investors and employee-shareholders alike.