Why “They Just Don’t Get It” Can Be a Good Thing
By Alex Moss

“They just don’t get it.” How many times have we all heard this? It is a routine experience in ESOP companies for one person to have this reaction about someone else’s attitude about employee ownership, and vice versa. The implications are: first, “I get it” and “you don’t,” and, second, “if only you would get it, then both my life and our company’s performance would be a lot better.” What’s wrong with this picture?

All companies employ all kinds of different people, and people are….different. We’re not focusing on conventional diversity issues here – race, gender, ethnicity, etc. – as important as those types of differences are. Rather, we’re concerned here mainly with age and length of service differences, and on how employees at different age levels often see ownership differently. (For the sake of simplicity, we’re focusing on non-management employee here.) We frequently hear these age differences described as though they were a series of problems:

• “The younger ones, they can’t imagine what retirement even means, they just don’t care, even though they have the most to gain. All they want to know is: can I drink it, can I drive it, or can I spend it to put food on the table or diapers on the kids?”

• Or: “The older ones, they’re just hanging on by their fingernails for the last few years, hoping not to have to look for another job. The ESOP isn’t going to make any difference for them, they just don’t care.”

• Or: “The middle group, you’d think they would care. They’ve already refinanced their mortgages, they’ll need cash to send the kids to college, it’s dawning on them that they will retire at some point, and who knows whether social security will be there by the time they go to collect. They’re in the ESOP sweet spot: it’s on their radar screen and they have plenty of time to affect it. But they don’t seem to know or appreciate that, they just don’t care.”

Pardon those caricatures, real life and real people are obviously more complex. But let’s work with these simple pictures. Underlying these comments is an expectation that there should be some common and “correct” understanding of ownership and what it means, and that this should somehow be the same for all employees. If true, that would certainly make our jobs easier, in terms of communicating what ownership means to you and why you should in fact care.

If each of these different attitudes is seen as a “problem,” the obvious fix would be to get rid of the different attitudes and find a way to make everyone appreciate ownership in the same way. The big question would be, “whose attitude is the right one, and how can we force everyone to see things that way?” That’s where things tend to bog down, for obvious reasons.

Let’s not just push harder in that same, unproductive direction. Instead, let’s take a different position and push in a different direction altogether. Attitudes about ownership are supposed to be different, this is healthy for our people, for our companies, and for our
employee ownership community as a whole. It’s not our job to make everyone see ownership the same way. It’s our job to help everyone see the connections between the different things that they actually care about and the ways in which employee ownership can help them reach those goals. For some people, this may mean not even talking about ownership very much, so long as we talk about things that they care about that also affect long term growth and performance…..i.e. ownership benefits.

So what do people really care about? Most employees tell us they care about the following things, in more or less the following order (though everyone has different specific individual priorities):

1. Having a job, today: getting a paycheck at the end of the week or the month;
2. Job security: believing that they will have a job next month and into the future;
3. Skill development: gaining knowledge that will help them get a job elsewhere if and when they choose to leave or if the company can’t provide job security;
4. Short-term benefits: health care; vacations, flextime, and other ways to take time to be with loved ones; incentive pay like bonuses and profit sharing; life and disability insurance; tuition, etc. – things the company can provide to make their lives better;
5. Job quality: feeling that they are being treated fairly and respectfully, and that their job makes a real difference to someone, somewhere, in an important way;
6. Retirement benefits: the ability to depend on continuing to collect cash after stopping work later in life;
7. ESOP: if in the mix at all, it’s usually towards the bottom.

The goal is not to move ESOP “up the hierarchy” to the top of the list. It is to help everyone understand that their ability to get what they do want depends on taking care of the organization over the long term, and this is precisely what the ESOP encourages and rewards.

So if you are one of those younger bucks: we don’t need you to believe in the ESOP. But we do need you to understand that our ability to pay you today, and in the future, and to provide you with skill development and short term benefits – all those things that we complain you younger types are fixated on – those things are only possible if you help us continue to make money, if we invest that money in equipment, facilities, and people like you who can make sure that this continues to work. You don’t have to care about ownership, yet. But you do have to help us lay the groundwork for long-term success, or we can’t give you what you want. Is that an ownership message?

If you are one of those older types who wants to keep contributing, who wants some respect for your experience from the younger crowds, and who wants to make it to retirement without being faced with having to look for a new job at an age when that’s increasingly difficult: we don’t need you to believe in the ESOP. But we do need you to understand that our ability to give you stable employment depends on your continuing to make us successful. Once you leave and are waiting for your ESOP payout, the value of your stock (in most cases) will continue to rise and fall with the fortunes of our company.
The single best thing you can do to insure a healthy retirement is to make sure that by the time you leave our company, we are in fantastic shape to continue to thrive, so that our stock is valuable and we have the cash to pay you when you actually need it. Is that an ownership message?

If you are one of those in the middle group in between, who may understand what the ESOP is in general but who may not yet find it compelling: we don’t need you to believe in the ESOP. But we do need you to understand that the ESOP is not for those who leave today, it’s for those who stay and build our business. Our ability to give you compensation, professional development opportunities, mid-term job security, and long-term financial security depends on your grasping what the old-timers already know, before they’re gone and unavailable. It depends on your bringing the full force of your ability to improve on the foundation that they are leaving you. It depends on your ability to attract, train, and retain younger colleagues who can learn from you, who can challenge you, and who can gradually take over what you do now so that you can grow into the leadership of our business. And it depends on your creating an organization that, by the time you are ready to retire, has not only created wealth but has also developed the capacity to live without you, so that you can walk away happy and, we hope, wealthy too. In doing these things, you will create your own legacy by enabling us to provide the same opportunities for future generations. Is that an ownership message?

Yes, we’re all different. But that’s not a problem to be solved, that we need to overcome by reducing everyone to a single common denominator and insisting on a single image of ownership. Rather, it’s a virtue that gives us the ability to grow and prosper over the long run... but only to the extent that we can engage and inspire our different people to respond to a range of different ownership messages. These messages must speak to our employees’ individual needs, each must be compelling on its own, and together they must contribute as a whole to our greater success.

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