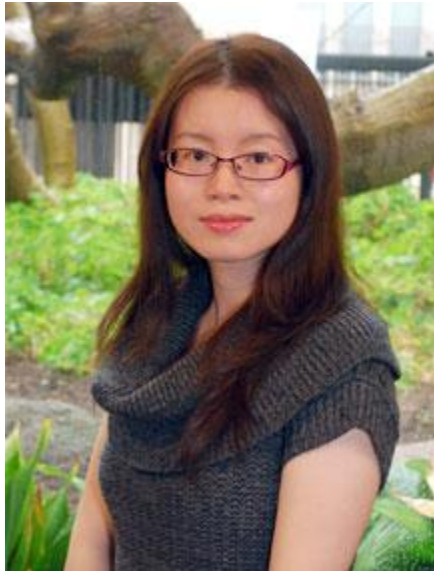


Communication for an Employee-Owned Company

By Junyi "Sunny" Cai



Junyi Cai, Rady MBA candidate 2012

I attended the 12th annual Employee Ownership Conference in April. The event held in Minneapolis was co-hosted by the Beyster Institute and the National Center for Employee Ownership. One of the prevailing themes throughout the week was communication, the importance of which is obvious, but it takes a great deal of time to list all of the benefits. In short, good communication enables management to be more efficient and effective, especially when they want to introduce new and revolutionary management ideas into daily operation.

Communication benefits the employee-ownership plan of a company in many ways. A well-communicated plan and a well-planned communication campaign are much more likely to accomplish your objectives. Before the plan is put into practice, employees always have many questions to address: Why do we need to implement such a plan? What are the benefits? Why do I need to take my own money out and invest in the stock? What can I receive when I leave the company? The key in the communication between general staff and management should focus more on the economic benefits and ensure employees understand the value proposition. In addition to the cultural and the growth prospective of the company, employees want more detailed information about the investment return and when they need to take money out-of-pocket and bear the potential financial risk. Therefore, besides the minimal requirement set up by the Employee Retirement Income Security Act, such as the plan description and appraisal report, managers have to move beyond the federal minimums. Based on the social behavior theory, in each group, there always are people who take the position as "trust center" and "information center." Managers should pay special attention to these "centers" to make sure that they are helping, instead of misleading everyone. A good practice is to share the plan with everyone by making it transparent, updated and available to the public so that people in and around the

information center can receive the recent information as they desire. As long as everything is clear and unambiguous, employees can make the right decisions management expects and the whole process will become much smoother.



As everything starts and employees begin to enjoy the real appreciation of the company stock, it's time to develop a brand community so that the effective communication can continue. This brand community is not only for internal use, enabling the management to know more about their employees, but also can be used to connect the company with the outside world, expanding the business to future clients and attract professionals.

At the same time, setting up a social media platform can be one of the best ways for effective communication. Some managers block the Internet in the workplace because they are afraid that employees may spend too much time on social networks such as Facebook, Twitter and LinkedIn. But the fact remains, that without access to Facebook, employees will instead check their smart phones more frequently. Once you cannot beat something, try to become adaptable and make adjustments so you can use it to your advantage. Social media can also be a shift for companies in the way employees and managers connected with each other, the way that 93 percent of Americans would like to shift to at the cloud computing age when the millennial outnumbers the baby boomers. Create a communication page on Facebook, start a Twitter thread and reach talented people on LinkedIn, then let one or two employees monitor and take care of these Web-based groups. Management may worry that employees could disclose proprietary information by accident or on purpose. In some instances that is true, but frequently things turn out to be the opposite and people will think before they post something publicly. Management can obtain much more information than they may expect. They will discover what their people are interested in, what the employees care about and what they want to know to help them perform better on the job. Sometimes employees don't like to talk explicitly and managers can use the online platform to expand the company culture among all people. Also, it's an effective way to let the whole team get in touch with clients and receive the fast-moving information from the market. By bringing outsiders into the company culture-building process, employees will more favorably view themselves and the entire company. More importantly, the ownership culture will be realized.

Employees are the most essential asset in a company and the effective communication from top to bottom is the key to its future success. By encouraging good relationships, less conflict and stronger engagement - happier employees, brand ambassadors and new talent will emerge. These are all important ingredients that may help contribute to the success of your company.

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