Manager interview - employee-owned firm

### Grand tour

Tell me the history of this company, from founding, [if relevant: through becoming an ESOP,] till today.

### Early history

* Founder(s)
* Growth
	+ Can you briefly describe the history of this worker-owned firm? What was the inspiration behind its formation?

### ESOP / coop structure

* Who decided to make this company worker owned?
* Why?
* When?
* What was the process of creating this coop /ESOP?
	+ If feasible: Find out $size of ESOP and of any loan, years to repay, etc.
	+ What made that founding/ conversion easier or harder?
	+ What were bumps in the road?
* How does the employee ownership model affect compensation and incentive structures for employees?
* How does employee ownership affect compensation of senior management? Is this current compensation helping or hurting senior management?

### How is the company managed today?

* Ownership
	+ Leverage/ bank engagement
* Can you describe the governance structure of the firm, and how decisions are made?
	+ Employee owner meetings
	+ Appointing executives
	+ Direct democracy
* How, if at all, do worker-owners participate in the governance of the company?
* What are the forms of information sharing and communication with employees?
	+ Share business results
	+ Share strategy
	+ Share financial report

## Strategy

* How does being a worker-owned firm influence your business strategy?
	+ What are your firm's long-term goals and how do worker-owners contribute to defining these goals?

Can you summarize employment over the last half dozen years?

* If in business: What did you do during COVID lockdowns?

## Product market effects

Has being a worker-owned company affected your relationship with customers, clients, or the market in general?

* Do potential customers know you are employee owned?
	+ If not, skip to [ONGOING CUSTOMERS]
* How do potential customers view your coop/ESOP status?
	+ Are any customers attracted or leery?
* [ONGOING CUSTOMERS]. How do ongoing customers view your coop status?

## Capital market effects

* How does employee ownership affect your ability to access capital - regarding both equity and loans?
* How does it affect your relations with banks and other potential lenders?
* How do banks view your coop/ESOP status?
	+ Are any banks attracted or leery? Why?

## Hiring process & the labor market

Tell me the story of an employee, from hearing about a job until they become a successful employee.

* Attract: How do potential employees learn of jobs?
	+ How do potential employers view your coop/ESOP status? That is, how does your coop status affect whom you attract to apply for a job?
		- How visible is employee ownership?
		- Are any employers attracted or leery?
		- Do you know any characteristics of those who are attracted vs. discouraged?
* Select: What do you look for? How do you measure? How do your selection criteria differ from peers?
* Talk me through the process of onboarding and training a new hire in [your core occupation]
	+ General skills like computers
	+ Firm-specific skills
	+ Democratic and management skills
		- How different from your peers?
* Becoming an owner
	+ Education on being an owner and a manager
	+ Buying in

### Culture

* Tell me about a recent conflict or disagreement within the company. What steps does your company take to resolve or come to a compromise on persisting issues? Can you give examples of any innovations or improvements that have resulted from worker-ownership?

# Roles of organizations of coops or ESOPs

Are you a member of any organization of coops or ESOPs? If so: Which?

For each organization they mention:

* What are the activities you engage in?
* What value do they create?
* What would you want them to do more of, if they had a big grant?

# Outcomes

* How do you measure the success of the employee-owned model, and what metrics or indicators are used to assess its effectiveness?
	+ How do you measure the performance and productivity of your worker-owners?
* How does the employee ownership structure affect the company's overall culture, values, and employee engagement?

Have you had to deal with a situation where an employee claims someone at the client's workplace acted inappropriately? For example, a doctor harassed a tech placed in a hospital [an adult child asked a home health aide to make her dinner when the aid makes dinner for the client]? What happened?

### Effects on employees and management

What have been the effects of employee ownership on employees and on how you manage? How has being worker-owned affected employee satisfaction and retention in your firm?

What benefits?

* Benefits
	+ Motivation
	+ Norms of high effort
		- Workers sanctioning shirkers and socially rewarding with praise or friendship the high achievers
	+ Desire of non-owners to become owners
		- Why or why not?

What costs or downsides? Tell me about a time you have been frustrated by having employees as owners. [leading question, so not great]

* Costs
	+ Legal fees
	+ Meetings/ coordination
	+ Constraints from capital markets, labor markets, product markets
	+ Any constraints on high-end pay for managers or engineers?
	+ Hard to fire employees

Options:

* Talk me through the process of dismissing an employee with poor performance.
* Has your company ever laid off employees? Talk me through the process of laying off employees.
	+ How did you handle COVID lockdowns? Talk me through that experience
		- Did you retain more employees than your peers?
* How does your total compensation compare to the market for your core occupations? For upper management?

### Generic questions to consider

Can you discuss a situation where the worker-ownership had a large effect on a decision or outcome?

* Tell me about the largest employee-driven initiatives or projects. What was the impact of the project on the employer and/or employees?
* What is the hardest thing about working for a worker-owned firm?
	+ How have you addressed that challenge?
* What is the best thing about working for a worker-owned firm?
* What are lessons learned from this coop for other coops?
* What would you do differently if founding it over again?

### What state policies or actions would help your coop flourish?

* Training materials
* Conference with best practices
* A mentor
* A peer group
	+ Online
	+ Lunches

Some folks are interested in a "high-road employee ownership center''

* What could such a center do for you?
* How would we define "high road" coops?
* What is the hardest thing about managing/ working in a coop?

### Closing

* Anything you'd like to clarify about what we discussed.
* What else should I know?
* Who else should I speak to?
* Thanks!