

Annual Employee Ownership Conference And Awards Night

Celebrating Employee Ownership Excellence



Employee Ownership
Australia & New Zealand
Making it your business

Employee Ownership Frequently Asked Questions

WHAT IS EMPLOYEE OWNERSHIP?

Employee ownership occurs when employees own part of the business they work for. It can occur in a stock market-listed company through an employee share plan, employees can own part of a private company, one common form of employee ownership is when employees buy out the owners – this is called a management buyout.

WHAT HAPPENS WHEN EMPLOYEES OWN SHARES?

When employees own shares they become more engaged in their work and the work and performance of the company they own shares in. Generally, the performance of a company rises when its employees own shares.

Companies like employee ownership because it means increased customer and employee attraction rates, it helps retain talented employees and it translates to increased employee motivation levels through a sense of pride in a business.

It is becoming better business practice in the public company sphere to have an employee share plan by which employees can share in the success of the company they work for.

WHAT SORT OF COMPANIES DO WELL WITH EMPLOYEE OWNERSHIP?

A company needs to have fostered a culture of open communication, trust, opportunity and recognition of good performance for its employee ownership program to function properly.

DOES EMPLOYEE OWNERSHIP ONLY MEAN YOU TAKE PART IN AN EMPLOYEE SHARE PLAN?

Employee share plans these days are common in those publicly-listed companies which adhere to leading business practices. Employee share ownership schemes in public companies often involve the company contributing free shares to the employees' purchased shares.

However, this is only *one* form of employee ownership. A co-operative, or a mutual – member owned enterprises – are another form of business ownership in which decisions are made through a democratic decision making process.

When a business owner wishes to retire, or sell his business, but can't find a buyer often employee ownership takes over. This is called a management buyout and there are many examples of these businesses improving their performance after the employees buy out the business.

WHAT'S THE GOVERNMENT'S VIEW ON EMPLOYEE OWNERSHIP?

The Federal government is demonstrating increased interest in employee ownership. Politicians have begun to identify employee owned businesses as businesses which display higher levels of productivity.

WHAT DOES EMPLOYEE OWNERSHIP AUSTRALIA AND NEW ZEALAND DO?

We promote the benefits of employee ownership in Australia. We are passionate about the benefits of employee ownership, to the nation and to our communities. We provide advice to business on employee ownership and we organise industry events which help educate about aspects of employee ownership.