

Title	Understanding Employee Ownership
Author	Corey Rosen, Karen M. Young EDITORS
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Brief Introduction	<p data-bbox="491 405 657 450">Preface</p> <p data-bbox="491 562 1295 1048">This book is being published on the tenth anniversary of the National Center for Employee Ownership (NCEO). When we founded the center in 1981, it seemed unlikely that ten years later employees would be principal owners of such major companies as Avis, HealthTrust (a thirty thousand–employee hospital chain), Weirton Steel (the seventh largest steelmaker), and the Parsons Corporation (a ten thousand–employee construction company). Given that employee-owners, to that point, owned under \$2 billion in assets and the largest employee ownership transaction had been just \$25 million, it seemed even less likely that by 1990 employee ownership plans would control \$60 billion in assets and that billion dollar–plus transactions would no longer be unusual. Hard as these eventualities were to imagine, it would have seemed even more farfetched in 1981 that by 1990 employee ownership would be being seriously considered as a means to privatize state-owned businesses in Eastern Europe and the Soviet Union.</p> <p data-bbox="491 1055 1295 1384">Nonetheless, thanks to the hard work of hundreds of people, all of these hard-to-imagine scenarios have come true. We hope the National Center for Employee Ownership has played a constructive role in this process. The role of the NCEO, with which we all are or have been closely associated, has been to serve as the main source of information on this concept. We conduct research, hold workshops, publish a newsletter and other publications, provide information to the media, and otherwise attempt to help people understand what employee ownership is, its advantages and disadvantages, and the conditions under which it works best for companies and their employee-owners.</p> <p data-bbox="491 1391 1295 1541">It seems appropriate that after ten years we are stepping back and assessing where we are. Employee ownership has gone from a seemingly fringe notion to the topic of cover stories in one business magazine after another. While the general understanding of employee ownership is much greater today than in 1981, many assessments of</p>

the idea are still based on limited information and experience. Some people still see it as an economic cure-all; others see it as little more than a management-controlled "rip-off" of the taxpayer and employees. Our goal in this book is to provide an overview based on the best information and research currently available.

We make no apology for being advocates of employee ownership. We think it offers the best hope for combining the goals of social justice with the need for economic efficiency. Our guiding principle all along, however, has been that if employee ownership is as good an idea as we think it is, it can stand on its own merits. Advocates who artificially pump up its merits and obscure its problems will only lose credibility for themselves and the idea. Employee ownership can only realize its often lofty ambitions if those involved with it understand when it is not an appropriate option and how to make it work best when it is. Objective, reliable information is essential. We have tried to provide such information in this book.