

Employee ownership boosts collegial spirit

#2 Midsized Business

McNaughton-McKay Electric Co.



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In late 2006, Michigan-based McNaughton-McKay Electric Co. became one of the largest employee-owned companies in the country. The 60 employees at the Charlotte office, led by Carolinas General Manager Chris Majni, couldn't be happier that the employee stock-ownership plan went into effect.

"McNaughton-McKay is a very well-run organization," wrote an employee. "As an ESOP, we all contribute to our collective success."

Added another: "Everything done by management is well-thought-out and done with integrity." And a third: "This is a company with heart."

The Charlotte office is one of 22 locations in five states, and the new management team at McNaughton-McKay visited all of them to explain the ESOP arrangement with employees, the result of a buyout of the families that owned the firm. "That spoke well of them," says Becky Walters, marketing and sales director, who is based in Spartanburg. "Employees feel they now have ownership."

That creates an atmosphere of cooperation and unity. Wrote one employee: "It is a very enjoyable place to work as there is

much help and guidance from co-workers. I will drop what I am doing if I can help someone better understand how to more effectively handle their work load. I get much personal satisfaction knowing that I am part of the whole team."

Another responded: "With the management team and my co-workers, we are second to none."

McNaughton-McKay is a distributor of electrical products for the industrial, automation, commercial and construction markets. The company was founded in 1910 and has grown to annual revenue of more than \$500 million and 850 employees. It distributes some 300 product lines and recently opened facilities in Germany.

The Charlotte office may be part of a large organization, but employees say an intimate, family-like atmosphere makes working there worthwhile.

"Management takes the time to know each employee by name and always listens to concerns and acts quickly and professionally on those concerns," one wrote. "The company honestly cares about their employees and goes out of its way to make us feel important. The word 'team' best describes McNaughton-McKay."

Another added: "This is more like a

family than a cold-hearted corporation. It is a wonderful place to work, made up of extremely kind and caring people who are willing to do for each other."

Company-sponsored events reinforce the familial atmosphere, Walters says, such as blue jean Fridays, a Halloween party, ice cream socials, cookie recipe day, an annual picnic at Carowinds and a holiday party each December that features door prizes such as TVs and iPods.

"These are the kinds of things some companies have cut back on, but we haven't," Walters says.

McNaughton-McKay's benefits package includes health, dental, disability and life insurance and a 401(k) plan. Gym memberships and supplier-discount programs are offered, too.

The company has a long history of employee loyalty and a low turnover. For example, one veteran employee wrote: "I have enjoyed the past 14 years, and I look forward to the next 14 years. It's an

awesome place to work." Another added: "I have been here for 20 years, and it feels like family. It's a really great place to work."

Employees also like the fact they are not micromanaged. Wrote one: "The workplace is organized, but not so much that it feels inflexible."

"We are encouraged to think creatively and to make adjustments as necessary to produce beneficial results for our customers, our company and ourselves."