

## FORUM

# SEYMOUR SPECIALTY WIRE CO.

## AN EMPLOYEE OWNED COMPANY

In 1985, the Bridgeport Brass sign came down and this sign went up on the side of an old mill in Seymour. Things haven't been the same since.

Peter Tobia/Register

## Mill workers in Seymour get on-the-job training in company ownership

By Jeremy Brecher

WHEN they first discussed trying to save their jobs by buying their company, employees at the Bridgeport Brass mill in Seymour were incredulous.

"We thought it would never happen in a million years," recalls employee Roz Niezelski. "Where would we get the money? How would we run it?"

But, in April 1985, the company's assets passed from its old owner, National Distillers, to an employee stock ownership plan or ESOP and a sign went up proudly proclaiming, "Seymour Specialty Wire: An Employee-Owned Company."

Can an employee-owned company really work? How is it different from a conventional company? Two-and-a-half years experience at Seymour, one of the largest, oldest, and most democratic ESOPs in the country, provides some of the answers.

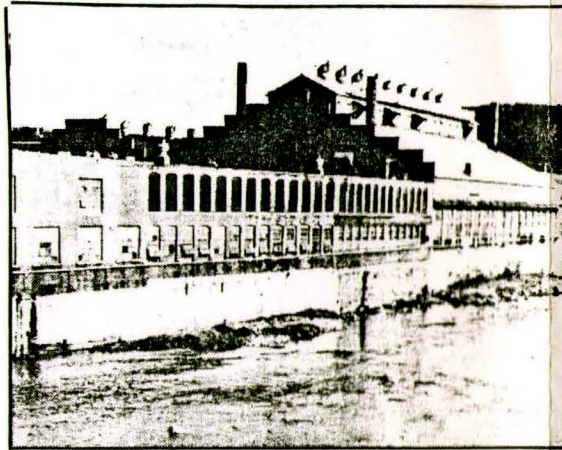
Unlike some ESOP companies which are controlled by managers or outside investors, Seymour really is wholly owned by its more than 200 employees. They elect the board of directors on a one-person, one-vote basis. While the employees at first elected mostly managers to the board, four of the five board members elected since have been hourly workers.

The new company hired Carl Drescher, the former plant manager, to be its president. Drescher says he is proud that the company is still viable. "There are a lot of people, especially in the brass business, who never thought it would survive," he says.

The wire business, Drescher points out, is highly cyclical. The first year, business boomed and profits were high. Workers received a bonus and the initial 10 percent wage cut was restored.

The second year, volume went down, but the company did not lay anybody off. Things have improved in the most recent quarter, but everyone in the company has been made aware of the potential for economic difficulty.

Mike Kearney, president of UAW Local 1827 which initiated the buyout, says the biggest difference in the employee-owned company is, "You don't have big daddy looking over your shoulder. You don't



Peter Tobia/Register

The Seymour Specialty Wire plant is a throwback to the good old days of 19th century capitalism, but the ownership of the company may be a model of things to come.

have to worry about National Distillers coming in and saying we're going to eliminate this, cut this out, and there go 20 jobs."

Seymour Specialty Wire has experienced considerable conflict over such issues as salary increases for managers, uniform application of rules to white- and blue-collar workers, and labor-management relations in general.

Matters that workers only grumble about in a conventional company become full-fledged confrontations when workers feel the company is their own.

Indeed, one outside observer familiar with the plant says, "The class struggle is more obvious. Instead of just quietly hating someone or sabotaging them, they're talking about the issues."

Recently when management decided to bring in an outside consulting firm to introduce modern systems into a production process dating from before the computer era, more than 100 workers petitioned for a

special meeting with President Drescher and the board.

Workers stood up and attacked the decision on the ground that it paid an excessive amount of money to outsiders to do what management itself was supposed to do. Tony Mazza, a wire mill worker and one of those critical of the decision, says, "Where else in the world, in any company in the United States that's not an ESOP company, could you do something like that? Management would just tell you to get out the door. Here you have a right to do it because it is your company."

Indeed, freedom of expression is one of the principal gains that workers have made. Says Roz Niezelski, who works in the accounting department, "People feel free to complain out loud. Normally they don't do that in an office. The boss would fire them.

"People have more ideas and suggestions. That's a lot better than before. Because who cared? National Distillers never asked anyone their opinion. Even if there's no action, at least you can get it off your chest."

Drescher says, "There is more concern about the success of the company by everybody involved. More people realize their well-being in the future depends on how the company does. There may be frustration, but it's expressed, whereas before it probably wouldn't have been. The frustration comes out of concern; if they were not concerned, they wouldn't be frustrated."

Drescher adds that an employee-owned company requires changes in management style: "It's been a difficult transition. There is no textbook to follow. I never thought about trying to explain decisions before; I just made them. Now they are not automatically accepted. We try to explain things in depth."

In a company as in a government, it's not always easy to make democratic institutions work. To try to help improve communications and increase worker participation, Seymour created a new structure, called "workers solving problems, or WSP, where workers met with their foremen every two weeks to try to solve problems on the job. Any problem they couldn't solve themselves was referred to higher-level worker

and management meetings.

WSP ran into difficulties with both workers and managers. Some workers were so skeptical that they went to the meetings, but refused to say anything.

Some managers resented the idea of workers trying to tell them how to do their jobs. Many problems, instead of being solved on the shop floor, were bucked up to a higher level and left unresolved.

The WSP program has now been revamped along the lines of "quality circles" in conventional companies, with participation made voluntary and training in problem-solving for all participants.

Says WSP facilitator Harry Francolini, "We probably had to go through the first version to get where we are today, because it was a learning process.

"I would like to see a plant like this with total employee involvement, with each group solving productivity-oriented problems.

"The people in the WSP groups we have now are very positive and enthusiastic. They are working on problems like late customer deliveries, training, and dissemination of financial data to employees. In the future, we are planning to provide training for others who would like to become involved."

The impact of the employee buyout at Seymour is reaching far beyond the factory itself. Workers at many other companies have discussed buyouts, and bakers at Waterbury's Raymond Bakery even won a contract clause guaranteeing them the right of first option to buy the company should it be put up for sale.

Ken Galdston of Naugatuck Valley Project, a community organization which helped start the Seymour buyout, says, "It's a model that has made the idea real for other people in the Valley. As a result we've helped employees faced with plant closings at six other companies in the Valley conduct feasibility studies for buyouts. The workers and managers at Seymour are tremendous resources for such efforts in the whole region."

Jeremy Brecher of West Cornwall is the co-author of "The Brass Valley," a labor history of the Naugatuck Valley, published in 1982.

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