

Life is interdependent. Transition to Employee Ownership. Bring work to life.



**Your weekly blog on all things EO
with Barry Horner**

Episode 13 | Series 1

Stake & Soul - Defining the Employee Ownership Difference

As we launch our new podcast for the employee ownership community, I wanted to share the inspiration behind the name - 'Stake & Soul'.

In a world where business conversation is often reduced to transactions and compliance, we believe Employee Ownership (EO) represents something fundamentally deeper - a powerful transformation that marries purpose with prosperity.

In essence, **'Stake & Soul'** is poised to be more than just an EO podcast, but rather it is designed as a narrative-driven journey into the heart of benevolent business transformation, providing both profound inspiration and actionable guidance from the most experienced voices in the space.

The **'Stake & Soul'** podcast is for business leaders who understand that the greatest ROI comes from investing and a belief in their people.

The very name itself, in my view signals a deeper exploration than typical business podcasts. I am not just discussing financial 'stakes' (though that's crucial) I am diving into the soul – the human, cultural, and emotional transformation inherent in EO.

This immediately differentiates my podcast from purely transactional or legalistic discussions.

Employee Ownership is so much more than just a business model. It is a culture and a contract. To truly understand its success, we must look beyond the balance sheet and examine the two fundamental pillars that underpin every successful EO business - 'Stake and Soul'.

1. Stake. The Financial and Legal Commitment

In the context of Employee Ownership, 'Stake' refers to the financial and legal interest employee owners hold in the company's success. This is the structural side of the equation, the mechanism that ensures the hard work of every employee translates into shared financial reward, both current and future.

What 'Stake' Means

Collective Financial Ownership. In the most common UK model, the Employee Ownership Trust (EOT), the Trust legally holds a majority of the shares on behalf of the employee owners. The 'Stake' is the right of all employee owners to be the ultimate financial beneficiaries of the company's profits.

The Profit Share. The most tangible expression of the 'Stake' is the annual profit share (or EOT bonus). This is the mechanism that ensures that the employee owners directly benefit from collective growth, moving beyond a standard salary-for-hours exchange. Managing the split between debt repayment and profit share is key to realising this financial 'Stake' and represents a real challenge for the business in the early days when the vendor debt is being repaid.

Long-Term Value. 'Stake' ensures that employees benefit when the company's value increases. Since the Trust holds the shares indefinitely, the financial benefit is perpetual, securing jobs and future rewards.

Simply put, 'Stake' is the benefit received when the company succeeds financially.

2. Soul. The Cultural and Operational Influence

‘Soul’ refers to the cultural ethos, the sense of belonging, and operational influence employee owners gain within the EO model. It’s the psychological contract that turns employees into owner-managers who are invested in the company’s long-term purpose and performance.

What ‘Soul’ Means

Owner-Mindset and Accountability. When employees understand they have a stake, they tend to adopt more of an owner-mindset. They are more likely to think about waste, efficiency and client value. The company’s ‘Soul’ is the culture of shared accountability that permeates the organisation.

Influence and Voice. ‘Soul’ is manifested through governance structures that empower employee owners. This includes having formal representation on the EOT Trust Board and often the Company Board, as well as active Employee Councils or Forums. ‘Soul’ is about ensuring every employee owner has a formal channel to contribute ideas and influence strategy.

Purpose-Driven Work. EO businesses often have a clearer sense of purpose, protected by the Trust. The ‘Soul’ ensures that decisions are not just made for short-term gain, but for the long-term benefit of the people, the community, and the company’s mission.

Simply put, ‘Soul’ is the reason you care about the company’s purpose and have a voice in how it is run.

‘Soul’ is all about the feeling you get walking into the workplace, the way people treat each other, and the collective commitment to something bigger than just profit. The soul of an employee-owned company isn’t just a nice-to-have, it is a crucial driver of long-term success, innovation, and employee retention. The shared values and strong culture are what make EO truly thrive.

The Synergy. Why Stake Needs Soul.

The true magic of employee ownership happens when ‘**Stake and Soul**’ work together.

A business can give employees a ‘Stake’ (a generous bonus) but if they lack ‘Soul’ (no voice or influence), they feel like they’re just getting a large, annual tip. They remain employees, not employee owners.

Conversely, a business can have a great ‘Soul’ (collaborative culture, lots of meetings) but if the financial ‘Stake’ is negligible, employees eventually feel exploited or that their hard work is not being adequately rewarded.

The EO goal is to align the financial interest (Stake) with the psychological commitment (Soul) to create a high-performing, resilient, and equitable business that truly empowers its people.

For more information or to discuss anything in this latest Know-How;
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