

## The Ultimate Control

We all dream of being our own boss, but living that dream is a rare reality. Not so for employees at Isthmus Engineering and Manufacturing, an entirely worker-owned cooperative, where each member has a vote in every aspect of the business. “We have complete say over what we do here,” says Ole Olson, a controls engineer and owner/member of Isthmus.

Sounds more like an anarchic free-for-all that would have the likes of Rush Limbaugh clutching his chest and going numb in the left arm than a custom automated machinery designer and manufacturer.

The cooperative business model has been popping up more increasingly within the “green” movement in the United States, but we’re more used to seeing it at our local grocers or farmer’s market than in the business world. As far as industrial cooperatives go, the folks at Isthmus don’t know any others like this in the country, although they may be more common in Europe.

John Kessler, a mechanical engineer and founding member of the Isthmus Engineering cooperative, explains the basic organizational structure: “We have 28 members, and every other Monday night we have a board meeting. We sit down and discuss major issues affecting spending money, hiring, firing [etc.]. We have a committee system within that that takes care of the computer system or the building itself or co-op issues. We have about nine different permanent committees; we have a general manager whose job is to keep an eye on things and to do what the board tells him to do.”

Most of the work Isthmus performs is project based, meaning, when a contract order comes in, a team is assigned with project leaders, and that team is managed by the people on it.

Hiring for Isthmus is done from the general marketplace, and a new employee is not eligible to become part of the co-op for two years. They then need to apply and be approved by the board in order to join. Once voted to become a member of the co-op, an employee takes on certain risks that non-members do not assume. These include the responsibilities of being a member of management, as well as their health insurance and vacation time. “You can think of it as becoming self employed,” Olson says. “You get the profit at the end of the year, but you have



**Employees at Isthmus Engineering and Manufacturing own part of the business and have equal say in everything the company does.**

to supply your own benefits.”

In return, the members work for a portion of the Isthmus profits and enjoy corporate autonomy.

“Every year, the board votes on what every member should make per hour,” Kessler says.

“Hourly wage is based on what we’re worth to the outside world. It’s an average of what everyone on the board thinks,” Olson says.

At Isthmus, the cooperative structure reinforces employees’ work ethic. They are more compelled to share equal responsibility for their work.

Chris Kernkamp is currently undergoing the process of applying to be a member. Having previously worked for a company with traditional business practices, he views a positive difference in employee attitude due to the cooperative structure. “In the day-to-day work and the jobs—because they are project/team based—that team is in charge, and it is not a hierarchy structure,” he says. “There’s a lot more discussion involving all parties. Because of that, people are a lot more energized about the projects they are working on.”

Olson also supports the co-op structure as a more positive one for workers. “I’ve been here 18 years, and for ten years before, I worked for a large machine tool manufacturer. It was a large company with several divisions. In the time I was there, the management turned over completely several times. They were bought and sold. We did what we were told.

“[At Isthmus] We get to decide how

our company runs, what we build, what we don’t build,” he says. “We all have a say in that. We’re not controlled by a company [that is] possibly in a foreign land. We operate autonomously.”

Naturally, the members of Isthmus Engineering and Manufacturing experience disagreements, and everyone is entitled to speak up on, well, everything. “The small issues are the ones that everyone has an opinion on,” Kessler says. “We made a decision to spend five million to build a new building, and it took a half hour meeting to decide. We probably argued all night about painting the mailbox.”

Isthmus members view their business model as one where everyone benefits, including the community, which they make charitable contributions to, and their customers who see the value in the egalitarian employee work ethic.

At the end of the day, Isthmus Engineering and Manufacturing exudes great pride for the cooperative business model and how it differentiates them from other manufacturers.

“From a [human resources] perspective, a lot of what I read and hear about in management magazines or trade publications are the different processes companies use to try to empower employees to give them a false sense that they have a say in what they’re doing,” Kessler says. “We don’t have to play those tricks; in reality, they do have complete control.

“When someone points out that something isn’t fair or isn’t working right, we work toward a better solution.”