

Employee stock plan, Christian-based principles generate success for Cabot-based Penn United Technologies



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Things have always been done a little differently at Penn United Technologies.

The multi million-dollar manufacturing solutions company headquartered in Cabot has grown during the past 40 years on a foundation of faith and a culture of accountability.

"We have something special here, and it's a combination of everything," said President Bill Jones, son of founder Carl Jones. "It's our culture — the way we treat each and every employee and the way they treat each other."

Penn United Technologies had humble beginnings. In 1971, machinists Carl Jones, Robert Becker and Charles Barton started a small tool-and-die shop on Jones' family farm in Saxonburg.

As the company grew, the three founders established an employee stock ownership plan, or ESOP, in 1974 as a way to give back to the employees. An ESOP gives employees stock in the company held in trust.

Today, the company boasts more than 550 employee-owners, more than \$100 million in annual revenue and a slew of manufacturing solution services that serve the oil and gas, energy, defense, and aerospace, medical and electronics markets.

Members of the Pennsylvania House Legislative Manufacturing Caucus toured Penn United last month as part of a continuing effort to understand the challenges facing the state's manufacturing industry.

Loren Rodgers, executive director of the National Center for Employee Ownership, a nonprofit employee ownership research organization, said on average, having an ESOP makes a company more productive.

They tend to grow faster, lay people off less and generate more wealth for the company and employees than non-ESOP companies, Rodgers said. Most ESOP companies try to keep employees engaged and aware in the financial state of the company because of their vested interest.

"They teach them the rules of the game and how to keep score," Rodgers said.

At Penn United, above all else, having an ESOP has established a culture of responsibility, pride and innovation among its workers.

"Our employees, when they come in and do their job each and every day, they're an owner," he said. "We have created an environment where our employees take ownership of the job they do every day and develop an understanding of how working together, no matter what part you do, it all comes together to achieve success for us all."

The other credit to Penn United Technologies' success is its Christianity-based core values and ethical principles.

Founded as a Christian company, Penn United Technologies established its visions and values based on those set out in the Bible. Those values, laid out explicitly on the company's website, work well in the manufacturing industry, Bill Jones said.

"We looked at it as, if you just do what's right, everything will come out right in the end," he said. "It helps us run our company with the highest standard of excellence."

Being a Christian company doesn't mean every employee has to share the same religious beliefs, Bill Jones said. However, it does give them a uniform guide for attitudes, actions and handling conflict.

"It helps us when we're helping employees through tough times," he said. "We try to manage people by our heart and just doing what's right... We chose to mold and shape our company a little differently."

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