

ARTS AND ENTERTAINMENT

## Sotheby's rewards employees with share ownership

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*Sotheby's is giving employees a piece of the company. Image credit: Sotheby's*

By STAFF REPORTS

Auction house Sotheby's is giving its workers a stake in its business, looking to inspire a more personal commitment to the company's success.

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This month, all eligible employees have been issued restricted stock units, representing shares of common stock, turning them into partial owners of Sotheby's. As an incentive to its staff, Sotheby's move is anticipated to further involve them in the company's goals for growth and client service.

"We believe that serving clients around the world consistently and superbly is a crucial component of growing our business in the future, and extending an ownership stake to all eligible employees is a great way to achieve that objective," said Tad Smith, CEO of **Sotheby's**, in a statement. "Whenever a client is dealing with a member of the Sotheby's team, they will be dealing with an owner of our firm; someone who has the service commitment of an owner.

"Additionally, this program has the benefit of aligning the interests of our employees with those of our shareholders," he said.

Equity for everyone

Sotheby's share program involves 98 percent of its employees. In jurisdictions where Sotheby's cannot issue equity, it will give workers cash in the amount of its stock.

Each year, Sotheby's board of directors will decide whether additional restricted stock will be given out, based on the company's performance.

"Sotheby's has three assets – superior team, great brand, and plentiful capital – but the most important one by far is our superior team," Mr. Smith said. "Engaging and rewarding employees with a stock award is part of the company's commitment to our team and a key differentiator for us as an employer."



*Sotheby's June 2017 sales of Impressionist & Modern Art in London achieved \$200.8 million and were led by a record-breaking \$41.6 million paid for a 1913 masterpiece by Wassily Kandinsky. Image courtesy of Sotheby's*

This employee equity program comes as S&P Global Ratings raised Sotheby's unsecured debt rating.

"We are pleased that S&P has recognized our strong cash flow and highly liquid balance sheet," said Mike Goss, chief financial officer at Sotheby's. "We are off to a good start in 2018 and recent results bode well for our major Hong Kong auctions, which get underway [March 30], as well as our important May auctions in New York."

Sotheby's 2017 auctions grew 13 percent over the previous year, totaling \$4.7 billion.

Online retailer Farfetch similarly let all employees benefit from its success with the introduction of a share option scheme.

Effective Feb. 1, 2017, Farfetch's 1,300 employees, from junior staff to C-suite executives, will be offered share options through the "Farfetch For All" initiative. Farfetch remains a privately owned company and continues to invest inward, while speculation about an IPO persist ([see story](#)).

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