PA1

[Name of the Writer]

[Name of the Institution]

PA1

1. **What do you see as the advantages and disadvantages of working for a worker-owned firm?**

In a worker-owned firm, all of the shares of the firm/company are distributed among workers of the company and are not usually traded on the stock market publically. Worker-owned companies often use and implement the profit-sharing system. Worker-owned is those which hold the American dream. By hard work and efficient performance every individual wants to get a great and fine job and put huge efforts for the company and its success. In this way, they think to become owner without having huge investments and idea for starting or running a business or company (Conte, & Tannenbaum, 1998). So, these are the huge risks which cannot be ignored in worker-owned companies because these are the most involved factors in such companies. In most of the cases, some of the worker-owned companies destroy the savings of workers where the workers had worked hard and invested intensely in the company they work in and trust on.

On the other side, the workers of worker-owned are highly satisfied with the financial rewards than others who work for other kinds of companies or businesses because of their fair treatment in the company (Birchall, 2012).

1. **Since there are no hierarchies in worker-owned firms, how would you go about setting the pay scale for people, especially over time? Since there is no hierarchy, there is no way of moving up in the firm. How do you motivate people in such conditions?**

The stock ownership plan of employees in worker-owned companies is the employee-owner scheme which delivers workforce of the company with enough interest of ownership in the firm/company. In the ESOP, the firms offer their workers with the stock ownership even at not involved costs to the workers or employees. In ESOP, share is given to the employees of company and retained in EOSP trust till retirement of the employee(s) or till the employee leave the company (Estrin, & Jones, 2002). After that, the shares are sold to others in the company. I think that the overtime in the company will be given through providing or giving a bit more shares in the company for the time which has been served by them. I also know that some companies offer shares to the employees and then they receive more shares from the company after several years (Klein, 2007). Those shares are received as compensation. However, moving up is dificult, so I will keep employees highly motivated through their fair treatment and I would ensure that the provided compensations and amounts are fair enough. Besides, I would also put education, expertise, and seniority level in consideration when making such decisions.

1. **A worker-owned firm is a radical way of empowering workers. What is the advantage of empowering workers in the first place?**

The purpose and goals of empowering employees mean giving then the greater and enough right and say in all decisions regarding work-related problems or issues. Their ability to make decisions may range from giving suggestions and ideas to exercising voting power in the decision-making. However, the decisions in which the employees or worker would be and might be involved in completely depends on some particular areas of the organization or company (Brymer, 1999). The areas can be the way jobs are performed, working conditions, working hours, worker's reviews and the way supervisors are judged and evaluated. Number of business professional's state the best way through which organizations can improve their productivity is the empowerment of their employees.

The employees' empowerment occurs in two major ways. First, employee empower can reinforce and strengthen motivation through the provision of greater opportunities to the employees to get the fundamental rewards from their work and achievements like a greater sense of achievement the feelings of importance and value. In most cases, fundamental rewards like feeling valued and job satisfaction are found more effective way of employees' empowerment than other financial rewards like bonuses, higher wages, etc. (Brymer, 1999). It is a fact that highly motivated employees always work to put more efforts and work hard for the organization's success than the less motivated employees. Another way through which the empowerment of employees can increase/enhance productivity the better decision-making process. Better decision making is possible if the employees are well motivated and empowered because well-motivated and empowered employees contribute with efficient ideas in the decision-making process.

**References**

Birchall, J. (2012). The comparative advantages of member-owned businesses. Review of Social Economy, 70(3), 263-294.

Brymer, R. A. (1999). Employee empowerment: A guest-driven leadership strategy. Cornell Hotel and Restaurant Administration Quarterly, 32(1), 58-68.

Conte, M., & Tannenbaum, A. S. (1998). Employee-owned companies: Is the difference measurable. Monthly Lab. Rev., 101, 23.

Estrin, S., & Jones, D. C. (2002). The viability of employee-owned firms: Evidence from France. ILR Review, 45(2), 323-338.

Klein, K. J. (2007). Employee stock ownership and employee attitudes: A test of three models. Journal of applied psychology, 72(2), 319.