

# Findings report example

[Business](#), [Company](#)



## **Introduction**

This report is meant to show reasons and importance of extending the stock option to the company's employees. The report's key points are based upon valid findings that have been proved worthy by several researchers in the business that has initiated the management to support and enhance the program. In the report, some terminologies like call price, the stock market, and stock exercise price are used. The terms provide an understanding of how the whole discussion connects to the employee stock option that is the subject topic. Call price in this context refers to the set cost of shares which the company is willing to offer to the general public while stock exercise price is the cost shares which has been prevailing in the market. Employee stock option is valuable to the company and the employees at large because it will bring about some sense of ownership and at the same time appreciation of the staff for the efforts that they dedicate in ensuring the set objectives are achieved in time. It is an act of compensating employees who a part and parcel of the company and it attracts more workers to the organization.

## **Discussion**

Extending off the company's stock option to the employees is an appropriate action that the entire management should support because it will bring about unity towards the achievement of the set goals and objectives. It is an act that attracts and assists in retaining the employees to the organization because they will benefit adequately from it. It is like an incentive given to workers as well as for them to be goal oriented has stock market price is

concerned because the act will attract many buyers to purchase the company's shares. When the organization's stock market price rises, the call price will also rise and this encourages employees to engage in the stock option because it will enable them purchase some ordinary shares that in future ought to benefit them (Olagues and Summa 31).

The employee stock option is an optional program because to some point it may not be beneficial to the workers more so when the stocks exercise prices are lower than the market price. Being optional, demonstrates that it is not a mandatory issue to be incorporated by the employees because it depends on the personal decision. In most cases, workers are encouraged to participate in the program when the market price is higher than the stock exercise price (Samsa and Scheidt 64).

In most cases, employees are encouraged to hold their shares until their price appreciates then they sell them to willing buyers in the market. This act will benefit the workers in the sense that they will sell their shares at a price higher than the one they bought (Cantrell and CCH Incorporated 56).

According to the research conducted by the organizational research center, it has been identified that many of the successful public trading companies have a well- established employee stock option system. The number of public traded firms in the country that have incorporated this system into their management has also increased. The number has rose because the system is beneficial to employees who are critical players in companies' journey to success.

**The graph below shows an increase in the number of public traded firms that have incorporated employee stock option.**

In the past years, the company has been losing many of its prominent workers who decide to leave for organizations that have enhanced this program. This has led to poor performance of the enterprise over the years and due to it, the management has decided to establish the program to ensure employees are contented and at least they exploit their full potential towards achieving the organization's goals and objectives. The company had a total of 4200 workers with Master degrees in the year 2010 but today they have reduced to 2540, which is a loss to the enterprise. The decline in the numbers of those employees is one the factors which the management is after eradicating because it has brought about a decrease in production and a total failure in running the entire company. Employees are encouraged to participate in ensuring the system succeeds by enrolling.

**Recommendations**

Employee stock option is a significant issue that the company's management has done wisely to initiate it to assist in retaining their potential workers. The system should be well facilitated because it will help in raising the company's market prices of the stock which will enable it gets many buyers hence increasing its capital. The system is appropriate for the business because it will also allow it to raise working capital from its workers and at the same time attract more workers who are capable of bringing new ideas that will enhance improvement in the organization.

Workers should enroll in this new system because it is beneficial to them more so as their remunerations are concerned. The system will enable them

gain extra income that did not exist before, and it is health to them because it also acts as an investment plan.

## **Conclusion**

An employee stock option is a compensation contract that is usually set between the employer and the workers. It is meant to benefit the workers because it acts as an investment plan since they can buy ordinary shares at a lower price and sell them when the stock market price is higher than the stock exercise price. It will enable the company attracts potential workers that will bring about new ideas in running the organization.

## **Work Cited**

Olagues, John, and John F. Summa. Getting Started in Employee Stock Options. Hoboken, N. J: Wiley, 2010. Internet resource.

Samsa, Mary K, and Kathleen S. Scheidt. International Employee Equity Plans: Participation Beyond Borders. The Hague: New York, 2003. Print.

Cantrell, Carol A. Stock Options : Estate, Tax and Financial Planning. Chicago, IL: CCH Inc, 2008. Print.