


Chapter 10

The Promotion of Partnership Value Through Employee Share Ownership and Customer Share Ownership

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ABSTRACT

This chapter proposes an enriched analysis of value creation seeking to integrate all the stakeholders. To this end, they suggest two practices that counterbalance the power of shareholders and managers by allowing other stakeholders to exercise political and financial power. They are interested in employee share ownership and customer shareholding. In fact, the property grants customers and employees the superior status of the shareholder in order to enjoy a higher power likely to limit the attempts of managerial entrenchment and shareholder supremacy.

DOI: 10.4018/978-1-5225-9607-3.ch010

INTRODUCTION

All areas of management are pinpointed for breach of ethics and morality which produces a crisis of values and undermines public confidence in companies and leaders.

Companies are guilty of numerous scandals, such as tax evasion, massive corruption, slippage of marketing practices and cases of mistreatment of human resources. Companies view the customer as a target of their business practices and not as an individual in their own right to understand, reassure and retain. And his claims only raise the interest when it comes to structured movements like boycotts or trials.

The current responsible consumer seeks participation and inclusion in the decision-making arena and is ready to use his power against companies that do not adhere to his beliefs and who show contempt for the citizen.

The latest cases of boycotts and protests recorded at the international level perfectly illustrate this phenomenon. Indeed, faced with rising prices and the refusal of any communication, the citizens do not skimp on the means to amplify the collective mobilization, between messages, caricatures, parodies and videos, the web is the theater of a boundless creativity.

For example, we can mention the movement of yellow vests in France, which expresses widespread anger towards politicians and their unfair decisions that favor the wealthy classes at the expense of the middle and poor classes. The activists demand equal sharing of wealth and the reinstatement of the Wealth Tax 'ISF' is one of the flagship claims of "yellow vests".

This state of discontent with current practices is generating a growing awareness of the importance of good governance that is respectful of people and the environment. Good governance must inevitably allow the recognition and integration of stakeholders, in order to humanize and moralize the process of creation and sharing of value.

The measure we propose for this purpose is hybridization to provide employees and customers with more power. Indeed, and in accordance with pluralistic partnership governance, the company must integrate all its stakeholders in the process of creating value and break with the dictatorship shareholder who gives full importance to the shareholders of the company and financial results.

This work begins with the criticism of the shareholder value system and proposes the partnership vision based on the integration of all stakeholders. Then, we analyze the theoretical aspects of partnership governance by using the arguments and definitions proposed by stakeholder theory which recognizes from the outset the existence of several actors affected by the company. Finally, we conclude our study with the proposal of two partnership hybridization frameworks and their virtues, namely employee ownership and customer share ownership.

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