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## New Firm

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### Abstract

*New firm allows to substitute a position of an employee by a position of an entrepreneur or to maximally approach it. It allows to every employee to work in conditions, where he is not the owner of productive agents but its entrepreneurship has a space for realize itself. The today capitalistic organization of the production offers the position of an entrepreneur to a negligible amount of participants. The absolute majority is on an inferior position of a subordinated but nevertheless, the capitalism proves what it proves.*

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### Fair and effective

New firm is characterized by demolishing the in-house totality of relations. It doesn't mean an impeachment of the leadership position. It is only put into a fair context.

In general, it means that for a provided service, e.g. by dispatching and coordinating jobs, a reward is given and not on the contrary, as is usual today. As for any other activity influencing the functioning of the firm.

New object in the nature stems with the only goal, and this is the augmentation of the satisfaction of its elements, structural parts. The today firm does it only to some extent. The satisfaction of its employees is increased by the fact of giving them the income. But they don't have the possibility to enforce their in-house satisfaction, or more exactly non-satisfaction. Different experiences with working councils, trade unions etc. were made, but all only on the basis of some representative democracy. The proposed organization of the new firm the problem solves by a "direct" democracy or better saying without any need of any "cracy".

Coming out from the natural analogy, the new object as an object built upon the satisfaction of its employees has a potential to be more successful than the today totalitarian firm.

### New structure

The principle of the structure stems from natural analogies. It is not a principle thought out but get off on the basis of many years of testing calculations and modeling, and thus proven. But of course, on other levels – on levels of inter-plant and macroeconomic relations.

Satisfaction in this principle is alpha and omega of all. Satisfaction of elements – in the case of firm of employees – and satisfaction of the firm as whole, its profitability.

Satisfaction of employees is a function of the wages, what itself is a function of the profit of the firm. It is not the overall satisfaction of a man, influenced by out-house environment, too. For the control of the firm, it must be got structured. It means, every employee shows how other co-workers participate on it, how its working environment influences its working performance and finally the wages.

### **Satisfaction of employees and the tension**

For the control of the firm, the satisfaction of employees must be elaborated. At the end of this elaboration a new value called the tension rises.

The first step in the process of elaboration is the record of the satisfaction. Similarly as today the leader monthly fill out a form of wages for its subordinated, in the new firm every employee fill out a form of wages for his collaborators. In this form, he conveys how a concrete employee participated on its working performance, how he was satisfied with him.

Using manifested satisfactions of employees we get an evaluation of every employee. Depending on the number of connected collaborator and their satisfaction the contribution of every employee to the overall profit of the firm is evaluated.

For the control of the firm, we have to find in this evaluation places, where the contribution is highest and to strengthen them and contrary, to improve or suppress weak places. The notion of the tension is used for this.

For this sake it is necessary to determine when some (non)satisfaction with an employee is a result of its personnel properties or is a objective one connected with the concrete position in the structure. For example if it is the case of the worse technical equipment in comparison with similar positions, incoming goods and the mode of control are of a worse quality etc. Other speaking, if the reason of the diversity is subjective or objective.

This goal is achieved by a comparison of similar positions in the structure. If for example, two employees in two same positions achieve different evaluations from their collaborator, the reason is subjective and vice versa.

The difference in evaluation is named tension if this is the case of similar or same positions. The reason of this is that there is not the goal of evaluation to remove any discrepancies in evaluation, there is not the goal to get an equalitarian firm. Such a firm would be a dead one, without an inner motivation to the development and, by the way, this was the reason why the socialism collapsed.

Clue for the control cannot be discrepancies in evaluation in general, but discrepancy on similar if not on same positions. The more similar two positions are and the more is their difference in evaluation, the bigger is the newly defined value on this place – the tension. After on, there is an aim to minimize the tension at the control of the firm.

At the end the tension is transformed on the level of input, raw materials. This level says what inputs and how are they participated on the profit of the firm, and is named as consciousness for its analogy to the nervous system of living organisms.

The tension is in preference solved on the highest level, it means on the level of daughter firms, shops, workshops etc. The most successful are strengthened and the less are weakened in the sense of enlarging and suppressing. At the same time the tension is solved on a lower level and

the reason is searched. For new, a successful part is strengthened and vice versa, until the level of employee is reached.

### **Tension solving**

In general, there are some modes of tension solving.

The first is to some extent a formal rebuilding of the structure. It was said that the tension is derived from the similarity. So, if the similarity is changed in a correct way, the tension will be changed, too. It is a change of the structure of the production, something like a movement, when depending on the primary evaluation productive relations among employees are changed. The relations among higher levels can change too, depending on level of aggregation of primary evaluations.

And finally change relations with the productive environment, it means the inputs, but also the outputs, because the realization on the market is evaluated, too.

The second mode of the solution is the investment. On the basis of the tension there is a possibility to control investments in a manner to strengthen successful parts and to create opportunities for new employees, or inversely to limit investment in parts less successful.

The control of activity itself is another mode. It is the control of the intensity of the production in individual parts of the productive structure. This mode must stem from the aggregation till the level of inputs because the control of intensity is possible only with the current control of the intensity of inputs – of the material provision.

And at last, there is the possibility of using different services. The problem is how to improve the actual productive structure, how to lower its tension without a reconstruction or without the change of intensity happens. Different services proper or from the environment are used to augment the satisfaction in critical points, with the highest tension. It can be some consultancy, maintaining, computer services, etc.

### **Satisfaction of the firm**

Because the tension is defined as a function of an individual profit, at time of its solution the overall satisfaction as profit of the firm is augmented, too. It holds for firms either private or public. But it is possible, that the firm not been in a private property will finally prove a higher efficiency because of not withdrawing a part of the profit out of the productive structure.

The satisfaction of a firm should not be only a mean value of the profit at some time period, but its stability, too. A steady allocation of the profit over a period is a manifestation of a stable firm with a steady demand of the environment, not only of a short time cyclical fluctuation, what can rapidly disappear.

The firm is as satisfied as more it exists and its existence is possible only through its engagement into output structures, through the demand on its production. As steadier is this demand, as more resistant is the firm against fluctuations of the market, as more it exists. And the satisfaction of the firm have to reflect this stability. The stability seems to be more important than the level of the demand. At least calculations on macroeconomic level show it.

The stability and level of the consumption of the energy is another indicator of the satisfaction of a firm and thus of its existence is. It can in contrast with the profit manifest out the satisfaction of the firm and thus allow to link it in higher structures.

## **Consciousness of the firm**

The highest level of the aggregation of the tension of a firm is reached if doing it only on employees working on inputs to the firm. It is as an aggregation of the tension into inputs and it shows how the firm is satisfied with individual inputs.

The overall satisfaction of employees is thus transcribed into satisfaction of overall productive process and thus of the firm with inputs. The firm step out already as a whole, as a productive unit and manifests its satisfaction. But it is another satisfaction than one already mentioned, it is satisfaction of the firm with the environment.

The word consciousness was used because of two reasons. Firstly because of the analogy with living systems and an analogical function. And upward this analogy, there is a tight imagination of a firm reflecting its environment, its position in it and of its reactions on it.

The influence is realized by changing intensity of inputs and thus, in a little more general terminology, it is possible to say that the firm changes its distance to some object in the environment. In summary, the object moves during its consciousness into the environment.

As in the classical tension, the question of the aggregation is very important here. If for example at the analysis of the contribution of inputs, two inputs from the same external object provoke a big satisfaction in the production, it is natural to enlarge the demand on other articles of this object. Other speaking two inputs are aggregated on one common input etc.

The aim of the analysis is to get on a maximal level of the aggregation and to turn up to or turn off from largest aggregates. At the terminology of a living object, the sense or mark is assigned to the highest aggregation of inputs and the firm then moves in this named environment.

There is for new the notion of the consciousness, but now among objects in the environment. If two similar objects provoke different satisfactions there stems a tension and the firm solves it. It limits inputs from the worse one and vice versa. Here it is possible to see the sense of the aggregation and of the aim to search the highest tension on the highest level. It means, to leave for example not only just one concrete product but its provider, too, because there is a logical presumption that other its products will provoke the relative non-satisfaction, too.

## **Conclusion**

Principles of the new firm can be introduced gradually. There will be no other revolution, the new firm must prove its higher effectiveness only in a comparison with actual firms.