random assignment. While random assignment of employee ownership in actual work settings would be extremely difficult to implement, laboratory experiments have found higher productivity among subjects randomly assigned to be in employee-owned “firms” (Frohlich et al. 1998; Mellizo 2013), suggesting that there can be true causal effects of employee ownership on performance.

**Job Security and Firm Survival.** The GSS results show that both actual layoffs (Figure 1.2) and the perceived likelihood of layoff (Figure 1.3) are lower for employee-owners than for nonowners. As we can see in Figure 1.2, in each year, workers who participated in employee ownership programs indicated a lower incidence of losing their jobs than workers who were not employee owners. For example, in 2002, 3.0 percent of employee owners reported being laid off from their jobs in the past year compared to 9.2 percent of non-employee owners. In each

**Figure 1.2 Layoffs and Employee Ownership**

![Bar chart showing layoffs and employee ownership](image)

**NOTE:** Layoff information based on the GSS variable `laidoff`, which indicates whether the employee was laid off from his or her main job at any time in the past year. Figure illustrates mean response by employee ownership.

**SOURCE:** Data are from the GSS on employees at private firms.