



Summary

Employee Stock Option - Introduction



Here's a quick summary of the session for you. The video focused on Employee Stock Options Pool. Compensation is one of the components of Total Rewards Model. Compensation includes base salary, variable pay, profit sharing etc. ESOPS is a chunk or pool of company shares dedicated for remuneration or salary. It is about creating a pool of employees of organisation shares which gets linked with remuneration. We learned about the four elements of ESOPS. The elements of ESOPS are : Grant, Vest, Exercise and Sale. Grant refers to employee receiving the right for share, Vest refers to earning the right for share, Exercise refers to getting the share with strike price with the company and sale refers to selling the shares in exchange of cash. We also learned about ESOPS as a compensation strategy. It includes making ESOPS part of initial offer, hire on reduced cash component, have a lock in period which suits the company and move the ESOPS offer to next joiners.