

On-Line University: Employee Ownership 101

The Foundation of Employee Ownership: A Brief History

2 Units-MBA level

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COURSE DESCRIPTION

Employee Ownership 101 is designed as a concept exploration 2 unit elective course. After completing the course, students will have an understanding of the role of private capital in the development of wealth and the evolution of private capital from its earliest forms to our modern capitalist system. The course content includes an exploration of colonial America and the nature of wealth as it evolved in the United States; introduction to visionary entrepreneurs who practiced capitalism in a very inclusive fashion; a study of the outcomes of inclusive capitalism; investigation of origins of the union movement's experimentation with employee ownership, ESOPs and other systems of inclusive capitalism; and inquiry into the nature of ownership and the dual features of equity and control that comprise ownership in a western sense.

Session and Due Dates	Materials Used in Class	Class Topic & Activities	Assignments
Session 1	<p>Thirty minute video of President Clinton talking with an employee owner on a panel</p> <p>Presentation by Anthony Mathews on the nature of wealth in the US.</p> <p>LaSalle Bank video that is about 20 minutes long and covers an ESOP company called Parkside, which is in the construction supply industry.</p>	The Nature of Wealth in the United States: the role of private capital and entrepreneurship	<p><u>Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity</u>, Baumol, Litan and Schramm., Yale University Press, 2007. Paperback. Sections from the first half of the book.</p> <p><u>Who Benefits from Shared Capitalism? The Social Stratification of Wealth and Power in Companies with Employee Ownership</u>, Carberry, Edward J. Book Chapters. University of Chicago Press. 2008. 32 pages. Available through CLEO.</p>

Session 2	Shared capitalism is part of US History, A Section of Joseph Blasi and Richard Freeman's Presentation to the Beyster/NCEO	The Deep Roots of Employee Ownership and Entrepreneurship: from Early America's visionary leaders and	<u>The Inherent Motivation to Work Productively: A Brief Look at Employee Ownership and Industrial History</u> , <i>Staubus, Martin. The Beyster Institute.</i>
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	<p>conference in 2011.</p> <p>Presentation by Anthony Mathews of his history with employee ownership transactions</p>	<p>owners through to modern employee ownership</p>	<p>2008. 6 pages.</p> <p><u>Good Capitalism. Bad Capitalism. and the Economics of Growth and Prosperity,</u> <i>Baumol, Litan and Schramm., Yale University Press, 2007.</i> Paperback. Sections from the last half of the book.</p>
Session 3	<p>Reluctant Capitalists, Epstein, Eugene (A story of the Weirton Steel Buyout). National Review; bnet.com. 1985. Approximately 4 pages. From CLEO.</p> <p>Presentation by Anthony Mathews on the buyouts he worked on which involved labor unions</p>	<p>Natural Social Tensions in the Development of Business: The Union Movement and controversies over equity and control</p>	<p><u>Labor-Management Cooperation at Eastern Air Lines.</u> U..S. Department of Labor. <i>Smaby. Meek, Barnes, Blasi, Bansal.</i> 1988.</p>
Session 4	<p>Creating Entrepreneurial Employee Ownership at SAIC, Beyster, J. Robert. Entrepreneurship. 2008. From CLEO. 3 pages.</p> <p>ESOP Feasibility, Pete Prodoehl, Principal Financial Group. 11 slides.</p>	<p>Alternative structures of employee ownership and the primacy of control: fact or fallacy</p>	<p><u>John Lewis Partnership: A Guide to Employee Ownership.</u> <i>John Lewis Partnership.</i> 2010. 8.pages. From CLEO</p>
Session 5	<p>A remix video about Louis Kelso and his ideas</p> <p>Anthony Mathews presents on the modern leaders of employee ownership</p>	<p>Kelso and the Modern Employee Ownership Movement: the birth of the ESOP</p>	<p><u>Louis O. Kelso.</u> http://en.wikipedia.org/wiki/Louis_O._Kelso, 3 pages.</p> <p>Watch 2 hours of videos on employee ownership companies listed at the following url: http://www.esopassociation.org/media/media_youtube.asp</p>
Self-Administered		Final Exam	

COURSE OBJECTIVES

The objective of the course is to equip students with an understanding of the social dynamics of the capitalist system and an appreciation of alternative implementation models.

COURSE MATERIALS

Course materials will include:

- Baumol, William J.; Litan, Robert E.; and Schramm, Carl J. Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity. New Haven, CT: Yale University Press, 2007, on amazon.com.
- Carberry, Edward J. Who Benefits from Shared Capitalism? The Social Stratification of Wealth and Power in Companies with Employee Ownership. Chicago, IL: University of Chicago Press, 2008.
- Staubus, Martin. The Inherent Motivation to Work Productively: A Brief Look at Employee Ownership and Industrial History. La Jolla, CA: The Beyster Institute, 2008.
- Smaby, B.; Meek, C.; Barnes C.; Blasi, J.; Bansal, P. Labor-Management Cooperation at Eastern Air Lines. Washington, DC: U.S. Department of Labor, 1988, on amazon.com.
- Lewis, John. John Lewis Partnership: A Guide to Employee Ownership. London, UK: John Lewis Partnership, 2010.
- Kelso, Louis O. http://en.wikipedia.org/wiki/Louis_O._Kelso (video). Wikipedia.
- Watch two hours of videos on employee ownership companies listed at the following url: http://www.esopassociation.org/media/media_youtube.asp. Washington, DC: The ESOP Association
- Epstein, Eugene. Reluctant Capitalists (A Story of the Weirton Steel Buyout). National Review, 1985.
- Beyster, J. Robert. Creating Entrepreneurial Employee Ownership at SAIC. CLEO, 2008.

COURSE ASSIGNMENTS

Course assignments will include weekly readings and worksheet on each topic covered. Worksheets will not be graded per se. The course will also include a design project to be completed and submitted in the last week of the program (prior to the Final Exam). There will also be a Final Exam reviewing the course including multiple choice and short essay questions. Class participation will count toward final grade.

GRADING CRITERIA

The course is a skills based course that will focus on students developing an executive's understanding of the myriad vehicles available under current law and in current practice to employ equity and employee ownership to create a successful business. Therefore, the grading criteria will be as follows:

Class Participation	30%
Topic Worksheets	30%
Term Project	30%
Final Exam	10%

STUDENTS WITH DISABILITIES

A student who has a disability or special need and requires an accommodation in order to have equal access to the classroom must register with the Office for Students with Disabilities (OSD). The OSD will determine what accommodations may be made and provide the necessary documentation to present to the faculty member.

The student must present the OSD letter of certification and OSD accommodation recommendation to the appropriate faculty member in order to initiate the request for accommodation in classes, examinations, or other academic program activities. **No accommodations can be implemented retroactively.**

Please visit the [OSD website](http://osd.ucsd.edu) (osd.ucsd.edu) for further information or contact the Office for Students with Disabilities at (858) 534-4382 or fosorio@ucsd.edu.

ACADEMIC INTEGRITY

Integrity of scholarship is essential for an academic community. As members of the Rady School, we pledge ourselves to uphold the highest ethical standards. The University expects that both faculty and students will honor this principle and in so doing protect the validity of University intellectual work. For students, this means that all academic work will be done by the individual to whom it is assigned, without unauthorized aid of any kind.

The complete UCSD Policy on Integrity of Scholarship can be viewed at: <http://www-senate.ucsd.edu/manual/appendices/app2.htm#AP14>