

On-Line University: Employee Ownership 102

Theories of Employee Ownership: A Look at Underpinnings and Ideas

2 Units-MBA level

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COURSE DESCRIPTION

Employee Ownership 102 is designed as a concept exploration 2 unit elective course. After completing the course, students will have an understanding of the philosophical and theoretical bases for broadening access to capital among wider ranges of the population as a way of strengthening the capitalist model. Students will have explored thinkers from the past as well as implementation models ranging from the Mondragon Cooperative model to the largest financially driven employee ownership transactions of the day. The focus of the class will be to explore the thinking that underlies these approaches to ownership, both in terms of similarities and differences, and achieve an understanding of their relative strengths and weaknesses. The course will also explore the scientific evidence illustrating the success levels of some of the models these thoughts represent.

Session and Due Dates	Materials Used In Class	Class Topic	Assignments
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<p>Session 1</p>	<p>ESOP Management Strategies: Beyond Financial Literacy; From Open Minds to Open Books, a presentation by. Tony Mathews. Approximately 30 slides.</p> <p>Ray Carey, ex-CEO of ADP, was video-taped talking about the philosophy underpinning employee ownership. The footage is of him being interviewed on TV. http://www.democratic</p>	<p>The Relationship between Non-financial Factors and Business Results: a survey of influences</p>	<p>Building a System of Trust: Ten Hidden Secrets of Success in Employee-Owned Companies. Martin Staubus and Robert Porter Lynch. Beyster Institute Newsletter. 2010. 2 pages.</p> <p>Correlates of Employee Satisfaction with Stock Ownership: Who Likes an ESOP Most? Klein, Katharine, J.; Hall, Rosalie J. Journal of Applied Psychology. 1988. Number of pages: 9. Available from CLEO.</p> <p>Wealth and Income Consequences of Employee Ownership: A Comparative Study of Washington State, Kardas, Peter A.; Scharf, Adria L.; Keogh, Jim. 1998. Approximately 20 pages. Available through CLEO.</p>
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Session 2	<p>Shared Capitalism, An Overview of Douglas Kruse, Joseph Blasi and Richard Freeman’s New Research in Presentation Given to the Beyster/NCEO in 2011.</p> <p>Employee Ownership as Creative Capitalism. Ben Durwood. Beyster newsletter. 2010. 2 pages</p>	<p>The Specific Impact of Broadened Capital Ownership on Companies and their Employees: a meta study of results</p>	<p>Shared Capitalism at Work: Employee Ownership, Profit and Gain Sharing, and Broad-Based Stock Options; Edited by Douglas L. Kruse, Richard B. Freeman, and Joseph R. Blasi; 2010</p>
Session 3	<p>Employee Ownership Culture Building, Anthony Mathews. About 30 slides.</p> <p>LightWorks Optics Teaching Notes case that Professor Anne T. Lawrence, San Jose State University; Anthony Mathews, Beyster Institute, University of California, San Diego; and Professor Erik Noyes, Babson College put together. 19 pages. Available on CLEO.</p>	<p>What Motivates Employees? And How Can Employees be Influenced?</p>	<p>These Workers Act like Owners (Because They Are). Taylor, William C. Newspaper Article. The New York Times. 2006. Approximately 3 8.5” by 11” pages. From CLEO.</p> <p>The Southwest Airlines Way, <u>Gittell, Jody Hoffer</u>. McGraw-Hill Publishing. 2005. Number of pages: 320. Available through CLEO. Chapters.</p>
Session 4	<p>What is an Employee Cooperative? How does it work? An introduction for employee-members, Ohio Employee Ownership Center, Kent State University. 2006. 8 pages . Available on CLEO or Ohio Center</p>	<p>The worker cooperative model at work: workplace democracy.</p>	<p>Making Mondragon: The Growth and Dynamics of the Worker Cooperative Complex (Cornell International Industrial and Labor Relations Report), Whyte, Kathleen K.; Whyte, William F. ILR Press. 1991. Number of pages: 335. Available from CLEO. Chapters.</p>

	Website.		
Session 5	<p>ESOP Basics: What is an ESOP? Source: Ohio Employee Ownership Center, Kent State University. 2009. Number of pages: 4. Available through CLEO.</p> <p>The Beyster Fellowship Symposium Video Series (2009). David Binns, Joseph Blasi, Anthony Mathews, Arthur Boni. A historical look at employee ownership. http://www.fed.org/advancing-research-beyster-symposium. 40 minutes.</p> <p>Anthony Mathews slide presentation on these issues as they relate to ESOP companies</p>	ESOPs and the primacy of Equity over Control: strengths and pitfalls	<p>Quotes from Louis Kelso from the Kelso Institute webpage. 2 pages. http://www.kelsoinstitute.org/quotes.html</p> <p>This URL shows the research that was done at Kent State University by John Logue regarding the performance of employee ownership to address social issues and economic concerns such as anchoring jobs and capital in the communities and creating enough profitability to satisfy basic business needs. The research is Ohio specific. http://dept.kent.edu/oeoc/oeoclinary/EO&EDinOhio.ppt 7 slides.</p> <p>Participation and Democratic Theory, Pateman, Carole. 1970. Chapter 4 from her book published by Cambridge University Press. From Joseph Blasi and Douglas Kruse syllabus. From CLEO.</p>
Self-Administered		Final Exam	

COURSE OBJECTIVES

The objective of the course is to equip students with an understanding of the theoretical and philosophical basis for the development of systems to more broadly distribute capital.

COURSE MATERIALS

Course materials will include:

- Staubus, Martin and Lynch; Robert Porter. Building a System of Trust: Ten Hidden Secrets of Success in Employee-Owned Companies. La Jolla, CA: Beyster Institute, 2010.
- Klein, Katharine, J.; Hall, Rosalie J. Correlates of Employee Satisfaction with Stock Ownership: Who Likes an ESOP Most? College Park, MD: Journal of Applied Psychology, 1988.
- Kardas, Peter A.; Scharf, Adria L.; Keogh, Jim. Wealth and Income Consequences of Employee Ownership: A Comparative Study of Washington State. Curriculum Library on Employee Ownership, 1998.
- Kruse, Douglas L.; Freeman, Richard B.; Blasi, Joseph R. Shared Capitalism at Work: Employee Ownership, Profit and Gain Sharing, and Broad-based Stock Options. Cambridge, MA: National Bureau of Economic Research, 2010.
- Taylor, William C. These Workers Act Like Owners (Because They Are). New York, NY: The New York Times, 2006.
- Gittel, Jody Hoffer. The Southwest Airlines Way: Using the Power of Relationships to Achieve High Performance. McGraw Hill, 2005.
- Whyte, Kathleen K.; Whyte, William F. Making Mondragon: The Growth and Dynamics of the Worker Cooperative Complex. Ithaca, NY: Cornell University Press, 1991.
- Kelso, Louis. Quotes from Louis Kelso. <http://www.kelsoinstitute.org/quotes.html>. The Louis Kelso Institute.
- Logue, John. This URL shows the research that was done by John Logue. <http://dept.kent.edu/oeoc/oeoclibrary/>. Kent, OH: Kent State University.
- Pateman, Carole. Participation and Democratic Theory. Cambridge, UK: Cambridge University Press, 1970.
- Binns, David; Blasi, Joseph, Mathews, Anthony; Boni, Arthur. The Beyster Fellowship Symposium Video Series. <http://www.fed.org/advancing-research-beyster-symposium>. La Jolla, CA: 2009

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.