

On-Line University: Employee Ownership 104

Broad Based Ownership and Governance: Who's Running This Company Anyway?

2 Units-MBA level

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COURSE DESCRIPTION

Employee Ownership 104 is designed as a concept exploration 2 unit elective course. After completing the course, students will have an understanding of the governance structures that control modern corporations, the relationship between ownership of equity of a corporation and its control. Students will have explored legal and philosophical implications of earned capitalism and how those features vary depending on the form through which ownership is implemented.

Session and Due Date	Materials Used In Class	Class Topic & Activities	Assignments
Session 1	Mathews 30 slide presentation on corporate governance and employee ownership.	The Two Factors of Ownership - equity and control: what is given and what is taken for granted?	<u>The Entrepreneur's Guide to Equity Compensation</u> , Binns, David; Bernstein, Ron. Book. The Beyster Institute. 2006. Available from CLEO. 126 pages.

<p>Session 2</p>	<p>Show three video presentations by Genferre that demonstrate Mondragon's special governance structure. These can be found on YouTube. 30 minutes.</p> <p>Video on the importance of the networking that goes on between the cooperatives that make up Mondragon. Fred Freundlich and Mikel Lezamiz. http://vimeo.com/8627911. At least 20 minutes spread across a number of Vimeo URLs. Best found on Google using Fred's name. 2010.</p>	<p>The Primacy of control: governance structures in worker cooperatives past and present</p>	<p>Governance structures are discussed in detail in the wikipedia article on worker cooperatives. http://en.wikipedia.org/wiki/Worker_cooperative. 5 pages.</p> <p>The "Mondragon Experience": A Case Study of Participatory Leadership and Workplace Democracy, Herrera, David. University of San Diego. 2009. 7 pages. From CLEO.</p> <p>The Evolution of Management in the Mondragon Cooperatives,</p>
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	<p>A You Tube video with Fred Freundlich talking about the Mondragon Cooperatives. 11 minutes. http://www.youtube.com/watch?v=7exbkJPFP50.</p>		<p><u>Clamp, Christina A.</u> Source: Southern New Hampshire University, 1999. Number of pages: 35.</p>
Session 3	<p>Anthony Mathews' presentation on the history of employee ownership. It is 20 slides in length.</p> <p>How participative management and employee ownership can be used in companies that consult around employee ownership. A presentation by Tony Mathews.</p>	<p>The Primacy of Equity Distribution: a collaborative style of management in ESOP companies.</p>	<p>Carris Companies' Practice of Employee Governance, Betit, Cecile G. The Journal of Corporate Citizenship, Issue 6, Summer 2002, pp. 87-109. 2002. From CLEO.</p>
Session 4	<p>Telepresence lecture on Employee Financial Participation: An International Survey, Binns, David M. George Mason University John M. Olin Institute for Employment Practice and Policy. 2008. 532 pages. Excerpts would be borrowed from this book. Available from CLEO.</p>	<p>Where Equity is Limited and Control is not on the Table: The stock option ownership wave.</p>	<p>Broad-based Stock Options, Company Performance. Blasi, Kruse, Sesil and Kroumova, State University of New Jersey, Rutgers. 2010.</p> <p>Give Everyone a Prize? Employee Stock Options in Private Venture-backed Firms, Hand, John R. M. Report. University of North Carolina at Chapel Hill. 2005. 36 pages. Available from Hand's website and from CLEO. Sections.</p>
Session 5	<p>Effective Boards of Directors. Matt Keene, Principal Financial Group. 13 slides.</p> <p>The Employee Ownership Effect: A Review of the Evidence. Matrix Evidence, contracted for through Employee Ownership Association (of the United Kingdom). 2010. 30 pages.</p>	<p>A Review of the research: Governance vs. Equity: Are they mutually exclusive? A select group of examples.</p>	<p>Control and Return Rights in the Knowledge Economy: Is Sharing the Rights of Ownership with Employees Efficient?, <u>Sesil, James</u>. Source: Center for HR Strategy, Rutgers University. 2005. Number of pages: 33. 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:

- Binns, David; Staubus, Martin; Bernstein, Ron. The Entrepreneur's Guide to Equity Compensation. La Jolla, CA: The Beyster Institute, 2006.
- Governance structures are discussed in detail in the Wikipedia article on worker cooperatives. http://en.wikipedia.org/wiki/Worker_cooperative
- Herrera, David. The Mondragon Experience: A Case Study of Participatory Leadership and Workplace Democracy. San Diego, CA: University of San Diego, 2009.
- Clamp, Christina A. The Evolution of Management in the Mondragon Cooperatives. Manchester, NH: Southern New Hampshire University, 1999.
- Betit, Cecile G. Carri's Companies' Practice of Employee Governance. Sheffield, UK: The Journal of Corporate Citizenship, Greenleaf Publishing, 2002.
- Blasi, Joseph; Kruse, Douglas; Sesil, James; Krumova, Maya; Carbery, Ed. Broad-based Stock Options and Company Performance. The State University of New Jersey, Rutgers, 2010.
- Hand, John R. M. Give Everyone a Prize? Employee Stock Options in Private Venture-backed Firms. Chapel Hill, NC: University of North Carolina, 2005.
- Sesil, James. Control and Return Rights in the Knowledge Economy: Is Sharing the Rights of Ownership with Employees Efficient? Piscataway, NJ: Rutgers University, 2005.

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.