

On-Line University: Employee Ownership 105

Sustaining Employee Ownership: Factors that Affect its Effect and its Future

2 Units-MBA level

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COURSE DESCRIPTION

Employee Ownership 105 is designed as a concept exploration 2 unit elective course. After completing the course, students will have an understanding of the factors that affect the long and short term lifespan of an employee owned company. Examples of long-term successful implementations as well as those that burned bright for a short time will be explored and the causes of each outcome evaluated. Legal, financial and accounting pressures will be explored.

Session and Due Dates	Materials Used In Class	Class Topic & Activities	Assignments
Session 1	<p>Tony Mathews, 35 slides on repurchase obligations.</p> <p>The Responsibility of the Board of Directors in Addressing ESOP Repurchase Obligation. 16 slides. 2010. Kim Blaugher VP Consulting, The Principal Financial Group and Philip J. Carstens, Partner, K&L Gates.</p>	Sustainability of a Business Model: What is it? And how is it measured?	<p>Mathews 2 recent articles in the Beyster Institute's newsletter on sustainability. 1-2 pages; 2010, 2011.</p> <p>Employee Stock Ownership Plans: ESOP Planning, Financing, Implementation, Law and Taxation. Robert W. Smiley, Jr., Ronald J. Gilbert, David M. Binns, Ronald L. Ludwig and Corey M. Rosen, Editors. Published by the Beyster Institute at the Rady School of Management University of California, San Diego. 2007. Chapters. On amazon.com.</p>

Session 2	How The Repurchase Obligation Affects	Major Financial Considerations related to	The ESOP Trustee's Role in ESOP Stock Valuation
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	Valuation. Joel Davis, Principal Financial Group. 13 slides.	sustainability: recycled equity and growth; tax and related influences	and Repurchase
Session 3	<p>Perpetuating an Ownership Culture, Binns, David. Concept Paper. The Beyster Institute. 2010. Available from CLEO. 2 pages.</p> <p>Understanding Motivation: How Managers Can Contribute to the Success of the Organization. 16 slides. Sid Scott.</p> <p>Presentation by Tony Mathews on what makes a good employee ownership manager.</p>	Major Cultural Influences on Employee Ownership over time: Strengths and Vulnerabilities.	Employee Ownership: Operating Through Tough Times , Mathews, Anthony. The Beyster Institute. 2006. 3 pages. Available on CLEO.
Session 4	<p>Is Employee Ownership Counterproductive? <u>Faleye, Olubunmi</u>; Mehrotra, Vikas; <u>Morck, Randall</u>. MIT Sloan Management Review. 2005. 2 pages. From CLEO.</p> <p>Are Characteristics, Behaviors and Skills of Managers in ESOPS Different than Other Companies? Sid Scott. 2 pages.</p>	Alternative forms of ownership: Strengths and Weaknesses.	<p>The Fabric of Creativity: At W.L. Gore, innovation is more than skin deep: The culture is as imaginative as the products. Deutschman, Alan. Magazine Article. Fast Company, Issue 89. 2007. 3 pages. From CLEO.</p> <p>Varieties of Employee Ownership: Some Unintended Consequences of Corporate Law and Labor Law, Bagchi, Aditi. University of Pennsylvania Journal of Business and Employment Law, Vol. 10, p. 305. 2008. 33 pages. From CLEO.</p> <ul style="list-style-type: none"> •

Session 5	<p>Employee Ownership: Adapting a Powerful Business Strategy to Attract and Retain the Next Generation of Talent. Emily Meyertholen. Rady Business Journal, UC San Diego, Issue 1, p. 11-13, 2008.</p> <p>ESOP Success Stories. Tony Mathews. 30 slides.</p> <p>“Practitioner Conduct: The Need for Open Debate,” John Hoffmire. Journal of Employee Ownership Law and Finance, Volume 2, Number 2, 1990. 5 pages.</p> <p>Effects of ESOP Adoption and Employee Ownership: Thirty Years of Research and Experience, Freeman, Steven F. Report. University of Pennsylvania, Center for Organizational Dynamics. 2007. Available on CLEO. 34 pages.</p>	A Review of the research: Historical achievements and failures – the future of employee ownership	<p>The ESOP-Owned S Corporation: Bringing Ownership to Life with Synthetic Equity, Staubus, Martin. The Beyster Institute. 6 pages. 2008.</p> <p>Hy-Vee’s Winning Ways, Rubow, Steven. Private Label Magazine. 2007. From CLEO. 2 pages.</p> <p>Effects of ESOP Adoption and Employee Ownership: Thirty Years of Research and Experience, Freeman, Steven F. Report. University of Pennsylvania, Center for Organizational Dynamics. 2007. Available on CLEO. 34 pages.</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:

- Mathews, Anthony. More than Merely Sustainable. La Jolla, CA: The Beyster Institute, 2010.
- Mathews, Anthony. Let's Deal with Sustainability Once and for All. The Beyster Institute, 2011.
- Smiley, Robert W. Jr.; Gilbert, Ronald J.; Binns, David M.; Ludwig, Ronald L.; Rosen, Corey M. Employee Stock Ownership Plans: ESOP Planning, Financing, Implementation, Law and Taxation, on amazon.com. La Jolla, CA: The Beyster Institute, 2007.
- Mathews, Anthony: Employee Ownership: Operating Through Tough Times. La Jolla, CA: The Beyster Institute, 2006.
- Deutschman, Alan. The Fabric of Creativity. New York, NY: Fast Company, 2004.
- Bagchi, Aditi. Varieties of Employee Ownership: Some Unintended Consequences of Corporate Law and Labor Law. University of Pennsylvania Law School, 2007.
- Staubus, Martin. The ESOP-Owned S Corporation: Bringing Ownership to Life with Synthetic Equity. La Jolla, CA: The Beyster Institute, 2008.
- Rubow, Steven. Hy-Vee's Winning Ways. Fort Lee, NJ: Private Label Magazine, 2007.
- Freeman, Steven F. Effects of ESOP Adoption and Employee Ownership: Thirty Years of Research and Experience. Philadelphia, PA: University of Pennsylvania, Center for Organizational Dynamics, 2007.

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](https://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.