

Instructor's manual

Chapter 6 – Democracy in the workplace II: employee ownership

This chapter shows that the spectrum of employee ownership is broad and there are key distinctions between various models within that spectrum. By the end of this chapter you will be able to:

- explain the rights of workers in an employee-owned firm;
- understand the nature and characteristics of the main forms of employee ownership;
- assess the current state of employee ownership in the UK and internationally.

The key arguments that will be developed in this chapter are:

Employee ownership encompasses a wide variety of organisational forms.

In an employee-owned firm, workers have the right to participate in ownership, governance and profit, as well as access to information and participation in management.

Employee-owned firms have developed a multitude of governance structures to facilitate employee participation in decision-making.

Chapter cases and seminar exercises

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| Case 6.1 | Science Applications International Corporation (SAIC) |
| Case 6.2 | John Lewis Partnership |
| Case 6.3 | Loch Fyne Oysters |
| Case 6.4 | Allied Plywood |



Summary of Learning

This chapter has argued that:

- Employee ownership takes a variety of forms. There are differences, for example, between the EBT model in the UK and the ESOP model in the US, and between minority and majority ESOPs.
- In an employee-owned firm, workers have the right to participate in ownership, governance and profit, as well as access to information and participation in management.
- The selection of an appropriate governance structure is a crucial aspect of employee ownership.
- The extent to which employees participate in the rights of ownership differs for each form of employee ownership.

Possible Essay/Discussion Questions

- Of the models of employee ownership analysed in this chapter, which one do you think best represents the ideal form of employee ownership?
 - Do you think that one model is more stable (in terms of organisational sustainability and in terms of preserving employee ownership) than the others?
- Is 1980s style employee ownership (means of distributing wealth more widely and sustaining employment) simply an acceptable face of capitalism or a genuine alternative?

Useful resources

Employee Ownership Association <http://www.employeeownership.co.uk/home/>.

The Ohio Employee Ownership Center <http://www.oeockent.org/>.

John Lewis Partnership <http://www.johnlewispartnership.co.uk/media/webcasts-and-videos.html>.

The ESOP Association <http://www.esopassociation.org/>.

National Centre for Employee Ownership <http://www.nceo.org/>.

European Federation of Employee Share Ownership <http://www.efesonline.org/>.

Ownership Associates <http://www.ownershipassociates.com/abt.shtm>.

Venture Capitalist http://www.avc.com/a_vc/stocks/.

