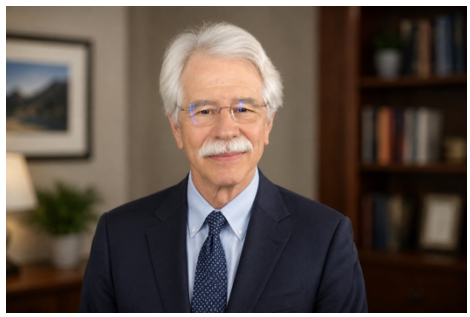
Ownership Without Voice:
From Employee Ownership to Employee Agency

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Almost 15 million Americans own company stock through ESOPs. Why do so few have a meaningful voice as shareholders?

The Problem

Most employee ownership programs build wealth but not shareholder agency. Employees have little practical access to shareholder proposal rights, receive limited governance education, and have few opportunities to communicate as shareholders.

The result is a growing **rights–power gap** between employee ownership and employee agency.

The Proposal

Public companies can close that gap by combining **material but non-controlling employee ownership** (generally 3–20%), **ordinary shareholder rights** (including confidential pass-through voting and practical Rule 14a-8 access), and **governance safeguards** (including abstention of unallocated shares, enhanced disclosure, and protections against coordinated control).

The objective is to enable employees to become informed, independent, long-term shareholders while preserving **board primacy, fiduciary accountability, diversified ownership, and public-market discipline**.

Why It Matters

For companies: higher productivity, innovation, resilience, and long-term performance.

For employees: greater wealth creation, engagement, and economic agency.

For investors and society: stronger governance, broader capital ownership, more equitable distribution of wealth, more democratic participation.

A New Research Agenda

The employee ownership movement has largely answered one question:

Does employee ownership create value?

The next question is:

How does ownership become agency?

The paper argues that employee ownership and participation reinforce one another. Research increasingly suggests that ownership produces the greatest benefits when employees are able to function as active shareholders rather than passive beneficiaries.

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The paper argues that employee ownership should complement—not replace—traditional shareholder governance by enabling employees to become informed, independent shareholders rather than a controlling constituency.

👥 Employees ⚖️ Gap 🏛️ Board