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'World's First' Professorship in Employee Ownership Endowed at Rutgers

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NEW BRUNSWICK, N.J. – The Foundation for Enterprise Development (FED) has committed \$2 million – the largest gift in the history of Rutgers University's School of Management and Labor Relations (SMLR) – to establish the J. Robert Beyster Professorship of Employee Ownership. The Beyster Professorship is SMLR's first endowed professorship and, as far as can be determined, it is the first named chair in employee ownership established anywhere, according to Dean David Finegold.

Dr. Beyster is founder and chairman of the private operating foundation established in 1986 to help promote the concept of broad-based, participative employee ownership and entrepreneurship, especially to advance science and technology innovations with impact on nationally important interests. He founded Science Applications International Corp. (SAIC) in 1969 and is its former chairman and CEO. Under his leadership, SAIC grew to over \$7 billion in annual revenues and more than 40,000 workers, becoming the largest employee-owned research and technology company in the U.S.

Previously, the FED made a \$150,000 gift to SMLR to recognize the school's leadership in the growing worldwide network of employee ownership researchers and practitioners supported by the foundation. The gift provides funds to support young scholars studying employee ownership and related ideas, such as profit sharing and broad-based stock options, through fellowships, including Beyster Postdoctoral, Graduate and Visiting Graduate fellowships, as well as a Visiting Professorship.

"I wanted to establish a chair in employee ownership to provide the resources for a major professor in the field to conduct research," Dr. Beyster said. "Rutgers has a long-standing interest in employee ownership and has demonstrated its commitment to the field."

Added FED President Mary Ann Beyster, "The foundation's relationship with the professors at the School of Management and Labor Relations is more than 25 years old, and we continue to be impressed by the caliber of research and teaching in the field of employee ownership and shared capitalism. Success for our next generation of leaders will largely depend on their ability to attract and guide people – human capital. Through this chair, we hope to help Rutgers shape and guide future leaders on the power of ownership."

"We are delighted to receive continuing support from Dr. Beyster and his daughter Mary Ann Beyster, especially during these challenging economic times," said Finegold. "This gift comes at a particularly opportune time for our country, when we are asking such fundamental questions about our models of corporate governance as how the pie can be fairly divided among shareholders, executives, managers and workers in the corporation, and how to make sure that workers do not bear excessive risk."

"The research that the Beyster Professor conducts can help shape new approaches to prudent and responsible broad-based sharing of the results of corporate performance that could help the U.S. emerge from this deep financial crisis."

"An endowed professorship is one of the highest honors a university can bestow," Finegold continued, "and is reserved for an eminent scholar whose work and research significantly advances the discipline. The Beysters' generosity is recognition of the unparalleled level of expertise that our school has in the area of employee ownership, profit-sharing and broad-based stock options."

Finegold added that the process for selecting the first J. Robert Beyster Professor, who will be appointed for a renewable five-year term, will begin in the fall of 2010. Developing and teaching undergraduate and graduate-level elective courses focused on employee ownership and related issues, and mentoring Beyster fellows at Rutgers and other academic institutions will be among the named professor's responsibilities, he said.

The Beysters have been interested in SMLR's work since the late 1980s, especially the research of professors Joseph Blasi and Douglas Kruse, who collaborated on the books *The New Owners* (HarperCollins, 1991) and *In The Company of Owners* (Basic Books, 2003, with former Business Week associate editor Aaron Bernstein). The recent book examines how high technology companies like Adobe, Cisco Systems, Google, Intel, Microsoft and others share profits and stock options with workers while often limiting their exposure to higher risk company stock investments.

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