

[Home](#) > [Journal of Economics and Finance](#) > [Article](#)

# ESOPs, takeover protection, and corporate decision-making

| Published: June 1999

| Volume 23, pages 170–183, (1999) [Cite this article](#)



[Journal of Economics and Finance](#)

[Aims and scope](#) →

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

- > **Store and/or access information on a device**
- > **Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

## Access this article

Log in via an institution →

## Subscribe and save

✓ Springer+

from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

View plans →

Buy Now

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

Reject optional cookies

Manage preferences

## Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

[Business Law](#)[Corporate Crime](#)[Corporate Finance](#)[Corporate Governance](#)[Mergers and Acquisitions](#)[Privatisation](#)

## References

Agrawal, Anup, and Gershon N. Mandelker. 1990. "Large Shareholders and the Monitoring of Managers: The Case of Antitakeover Charter Amendments." *Journal of Financial and Quantitative Analysis* 25: 143–161.

[Article](#) [Google Scholar](#)

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

### Store and/or access information on a device

### Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Beatty, Anne. 1995. "The Cash Flow and Informational Effects of Employee Stock Plans." *Journal of Financial Economics* 38: 211–240.

[Article](#) [Google Scholar](#)

Blasi, J.R. 1988. *Employee Ownership Through ESOPs: Implications for the Public Corporation*. New York: Pergamon Press.

[Google Scholar](#)

Brennan, Michael J. 1990. "Latent assets." *Journal of Finance* 45: 709–729.

[Article](#) [Google Scholar](#)

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Dann, Larry Y., and Harry DeAngelo. 1988. "Corporate Financial Policy and Corporate Control: A Study of Defensive Adjustments in Asset and Ownership Structure." *Journal of Financial Economics* 20: 87–127.

[Article](#) [Google Scholar](#)

DeAngelo, Harry, and Edward M. Rice. 1983. "Antitakeover Charter Amendments and Stockholder Wealth." *Journal of Financial Economics* 11: 329–360.

[Article](#) [Google Scholar](#)

Dempsey, Stephen J., and Gene Laber. 1992. "Effects of Agency and Transaction Costs on Dividend Payout Ratios: Further Evidence of the Agency-Transaction Hypothesis." *Journal of Financial Research* 15: 317–321.

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Friend, Irwin, and Larry H.P. Lang. 1988. "An Empirical Test of the Impact of Managerial Self-interest on Corporate Capital Structure." *Journal of Finance* 43: 271-281.

[Article](#) [Google Scholar](#)

Israel, Ronen. 1991. "Capital Structure and the Market for Corporate Control: The Defensive Role of Debt Financing." *Journal of Finance* 46: 1391-1409.

[Article](#) [Google Scholar](#)

Jarrell, Gregg A., and Annette B. Poulsen. 1987. "Shark Repellents and Stock Prices: The Effect of Antitakeover Amendments Since 1980." *Journal of Financial Economics* 20: 3-27.

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

### Store and/or access information on a device

### Personalised advertising and content, advertising and content measurement, audience research and services development

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Linn, Scott, and John McConnell. 1983. "An Empirical Investigation of the Impact of Antitakeover Amendments on Common Stock Prices." *Journal of Financial Economics* 11: 361–399.

[Article](#) [Google Scholar](#)

Lloyd, William P., John S. Jahera, Jr., and Daniel E. Page. 1985. "Agency Costs and Dividend Payout Ratios." *Quarterly Journal of Business and Economics* 24: 19–29.

[Google Scholar](#)

Lloyd, William P., John S. Jahera, Jr., and Steven J. Goldstein. 1986. "The Relationship Between Returns, Ownership Structure, and Market Values." *Journal of Financial Research* 13: 214–225.

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Test." *Journal of Political Economy* 98: 1,108–1,117.

[Article](#) [Google Scholar](#)

Nasar, Sylvia. 1989. "The Foolish Rush to ESOPs." *Fortune* (September 25) 120: 141–150.

[Google Scholar](#)

National Center for Employee Ownership. 1989. *The Structure and Implementation of ESOPs in Public Companies*. Research Paper. National Center for Employee Ownership. Oakland, CA.

[Google Scholar](#)

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)



Antitakeover Charter provisions on Capital Structure Decisions.”*Advances in Financial Planning and Forecasting* 6: 1–14.

[Google Scholar](#)

Rozeff, Michael S. 1982. “Growth, Beta and Agency Costs as Determinants of Dividend Payout Ratios.”*Journal of Financial Research* 5: 249–259.

[Google Scholar](#)

Rice, Bob, and Bob Spring. 1989. “ESOP at the Barricade: Polaroid Uses a Novel Anti-takeover Defense.”*Barrons* (February) 69: 38–39.

[Google Scholar](#)

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Scherer, F. 1988. "Corporate Takeovers: The Efficiency Arguments." *Journal of Economic Perspectives* 2: 69–82.

[Google Scholar](#)

Scholes, Myron S., and Mark A. Wolfson. 1990. "Employee Stock Ownership Plans and Corporate Restructuring: Myths and Realities." *Financial Management* 19: 12–28.

[Article](#) [Google Scholar](#)

Smith, Clifford W., Jr. 1986. "Investment Banking and the Capital Acquisition Process." *Journal of Financial Economics* 15: 3–31.

[Article](#) [Google Scholar](#)

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **partners**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **privacy policy** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

**Department of Finance, Auburn University, 36849-5245, Auburn, Alabama**

William N. Pugh & John S. Jahera

**Department of Management, Auburn University, 36849-5245, Auburn, Alabama**

Sharon Oswald

## Rights and permissions

[Reprints and permissions](#)

## About this article

[Cite this article](#)

### Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 **[partners](#)**, also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our **[privacy policy](#)** for more information on the use of your personal data. Your consent choices apply to springer.com and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

[Accept all cookies](#)

[Reject optional cookies](#)

[Manage preferences](#)

Find a journal

Publish with us

Track your research

## Your privacy, your choice

We use essential cookies to make sure the site can function. We, and our 93 [partners](#), also use optional cookies and similar technologies for advertising, personalisation of content, usage analysis, and social media.

By accepting optional cookies, you consent to allowing us and our partners to store and access personal data on your device, such as browsing behaviour and unique identifiers. Some third parties are outside of the European Economic Area, with varying standards of data protection. See our [privacy policy](#) for more information on the use of your personal data. Your consent choices apply to [springer.com](#) and applicable subdomains.

You can find further information, and change your preferences via 'Manage preferences'. You can also change your preferences or withdraw consent at any time via 'Your privacy choices', found in the footer of every page.

We use cookies and similar technologies for the following purposes:

**Store and/or access information on a device**

**Personalised advertising and content, advertising and content measurement, audience research and services development**

Accept all cookies

Reject optional cookies

Manage preferences