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Employee share ownership and human resource management: between shareholder and partnership approaches to governance

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Employee share ownership and human resource management: between shareholder and partnership approaches to governance

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1. Introduction

- 1 A recent report by the European Federation of Employee Share Ownership (Mathieu, 2023, p. 8) shows that the share of capital owned by employees in major European companies has continued to grow despite crises, climbing from 2.37 % to 3.26 % between 2006 and 2022, i.e., € 447 billion, an unprecedented record. The number of companies with an employee share ownership (ESO) scheme has also grown, reaching 95 % of large companies in 2022. France stands out in Europe for high employee share ownership and distribution (Cézanne, Hollandts, 2021 : ERES-FEAS, 2017 ; cf. Appendix 1). This results from an enduring political will to develop their financial involvement since the 1960s through the legal obligation of participation in the benefits of growth (for companies with 50 employees or more) and fiscal and social incentives for employees' savings plans (Stévenot, 2018 ; Criffo, Rebérioux, 2019). The PACTE law (2019), which introduced additional incentives to encourage participation and ESO, aims for 10 % of French companies' capital to be held by their employees in 2030. Yet, although the ESO democratisation rate (the proportion of employees concerned) remains above the European average, this indicator has deteriorated significantly,

dropping from 41.5 % to 32 % in large French-listed companies between 2010 and 2022 (ERES-FAES, 2017 ; Mathieu, 2023).

- 2 Article L225-102 of the French Code of Commerce does not explicitly define ESO. It confines itself to providing a restrictive list of shares that should be considered part of an ESO scheme : those included in company savings plans (CSP), in employee investment funds (*Fonds communs de placement entreprise*), and those acquired from privatisation, provided they are within their lock-up period. Thus, company shares held by employees individually before or after exercising a stock option are not included (unless paid into a CSP), nor are the shares acquired as part of an employee buyout¹. Consequently, ESO covers a variety of situations, mainly depending on whether such a scheme is “democratic” (accessible to all employees), reserved to a specific category of employees (stock options, free shares based on performance), or offered to executive officers only (Mathieu, 2023).
- 3 The academic literature often presents ESO as a means of stabilising capital or a weapon against takeover bids for listed companies (Toe *et al.*, 2017 ; Aubert *et al.*, 2014). It is argued to offer employees a tax-efficient form of additional compensation. As a result, most empirical studies investigate ESO’s impact on companies’ economic and financial performance (e.g., Blasi *et al.*, 2016 ; Cézanne, Hollandts, 2021 ; Kim, Patel, 2017 ; O’Boyle *et al.*, 2016). Less often, they examine the ties between ESO and employees’ organisational behaviour (Buchko, 1993 ; Frohlich *et al.*, 1998 ; Guery, Stévenot, 2013, 2017 ; Jones, Kato, 1995 ; Kim, Ouimet, 2014 ; Pendleton, 2001 ; Sengupta *et al.* 2007).
- 4 Rarer studies still consider the linkages between ESO, human resource management (HRM) and employment relations. Yet, this is an essential topic for two reasons :
 First, financial participation is not merely a financial issue. It is part of a renewed and balanced view of the relationship between capital and labour. It breaks away from the traditional divide between shareholders and employees and promotes greater cooperation among them (Poutsma *et al.*, 2003). Hence, employee financial participation is also a societal issue. In this respect, ESO highlights specific governance issues, which are reinforced within the French context (Crifo, Rébérioux, 2019): since 2006, ESO grants employees the right to directly participate in decision-making when they hold more than 3% of capital in listed and unlisted companies.
 Second, ESO has potential implications for the orientation of HRM policies and practices and the linkages between governance and HRM (Kaarsemaker, Poutsma, 2006). By nature, ESO is a long-term scheme. Its implementation, therefore, raises several challenges relating to employment and HR retention based on human capital investment considerations and practical ways of ensuring that this capital is retained (employee voice, participation, training, etc.) These issues fuel the firm’s strategic choices in HR policies and practices and impact crucial social dialogue topics (compensation, employment and employability, employees and their representatives’ participation in governance, etc.; Laroche et Salesina, 2018, p. 43–54).
- 5 Adopting an exploratory approach, we first examine the linkages between ESO, other dimensions of the employment relationship, and HRM. Configurational approaches (Delery, Doty, 1996) encourage us to study HRM through the concept of “bundles” of HRM practices. The benefit of studying combinations rather than individual practices is the ability to consider interdependence effects, as a specific practice’s contribution to performance can be improved or reduced depending on the other practices adopted.

Practices interdependence means that the relationship between the implementation of configurational models and organisational performance is non-linear. The HR function can be analysed as a complex and interactive system, and the “black box” of universalistic and contingency approaches (Delery, Doty, 1996) can be overcome.

- 6 Without going so far as to study the link between HRM practices and performance, our study adopts this perspective to fill the gap in the literature on the study of ESO as a component of bundles of HRM practices tied with specific HRM strategies. More specifically, we seek to ascertain whether ESO is linked to employment (changes to workforce, external flexibility), investments in training, and other compensation components. We also examine the links between ESO and employment relations, particularly the conflict-cooperation dynamic between management and employee representatives. Does the use of ESO indicate a specific approach to governance? How does ESO relate to employee relations, collective conflicts, and the relationships among social dialogue actors? Thus, we answer calls for more integration of the fields of corporate governance, HRM, and industrial/employment relations (Kaarsemaker, Poustma, 2006; Kaarsemaker *et al.*, 2010; Appelbaum *et al.*, 2013, p. 499; Martin *et al.*, 2016; Lima, Galleli, 2021).
- 7 We constructed an original and unique database using data from the 2017 REPOSE study (*Relations professionnelles et négociations d'entreprise*, Employment Relations and Workplace Bargaining)² and the European Federation of Employee Share Ownership (EFES) databases. Our research targets listed French companies by substantially enriching the REPOSE database using additional data on ESO.
- 8 We contribute to further the understanding of the multi-dimensional nature of ESO by accounting for the percentage of ESO in a company's capital (*intensity*) and the proportion of employees who hold shares in their company (*scope*). This latter variable, rarely considered in the literature (Kaarsemaker *et al.*, 2010), serves as an indicator of ESO's “democratisation”.
- 9 The first section presents the theoretical and empirical issues highlighted by the literature, providing a basis for our research model (1). The empirical section (2) relies on our *ad hoc* database and a sample of 524 establishments owned by 308 companies listed on the French market. Probit regression results are subsequently presented and analysed (3). The empirical study confirms the existence of linkages between ESO, HRM practices, and employment relations, attesting to a disciplinary approach based on aligning interests and preserving investments in training. We observe differences between ESO's intensity and scope regarding temporary employment, investment in training, compensation practices, and the perception of trade unions, which attest to distinct and even opposite shareholder- or partnership-based approaches. These results are discussed.

2. Employee share ownership challenges for human resource management

Theoretical foundations of employee share ownership : shareholder- and partnership-based approaches and considerations for HRM

- 10 To explain and illustrate how firms' objectives and behaviour vary depending on their form of governance, the literature opposes two models : shareholder (or *shareholder value* perspective ; Berle, Means, 1933 ; Jensen, Meckling, 1976) and partnership approaches (or *stakeholder* perspective ; Freeman, 1984). The former is based on a contractual view of governance, in which ownership and control are separate (Fama, Jensen, 1983), information is asymmetrical, and the delegation contract between owners and managers is incomplete. In the latter, the hierarchy of interests is, conversely, uncertain and dynamic. The firm is conceptualised as a network of actors, and its success depends on its ability to satisfy multiple interests (Freeman, 1984 ; Blair, Stout, 1999), in particular, on whether stakeholders — whose interests are simultaneously convergent and divergent — can influence senior management (Mitchell *et al.*, 1997) and on the capacity of senior management to correctly identify, understand and prioritise these interests (Mitchell, Lee, 2019).
- 11 According to the shareholder view, and in line with the agency costs theory (Jensen, Meckling, 1979), employees' collective involvement in capital or the company's decisions is a suboptimal form of governance and results in conflicts of interest — and consequently, agency costs — between traditional shareholders, executives, and employees. Employees are viewed as pursuing interests distinct from maximising shareholder value, such as job retention, employability (training), and wage raises. The concern is that value creation could be misappropriated to the benefit of employees and the detriment of the company, its competitiveness and the wealth of its financial capital providers (Cézanne, Hollandts, 2021). Still, according to the same theory, ESO can also serve as a mechanism to align interests and incentivise employees by financially involving them in maximising the value of the firm's equity (Jensen, Meckling, 1976 ; Holmström, Milgrom, 1994 ; Hart, 1995 ; Shleifer, Vishny, 1997). Thus, even in this context, the issues ESO raises regarding governance, value sharing, and the firm's objectives are ambivalent.
- 12 Approaches rooted in the notion of human capital investment (Rajan, Zingales, 1998 ; Blair, 1995) reverse the agency relationship by considering that employees invest their resources in the company : "Employees hold a source of power to the same extent as shareholders given that they might deprive management of their skills and ultimately the use of human capital" (Guery, 2018, p. 80). ESO extends the status of a residual creditor to employees and grants them property rights over the firm, consequently limiting executives' anchoring strategies. Furthermore, ESO's financial incentive reduces the risk of hold-up and under-investment in human capital, exemplified by behaviours such as turnover, absenteeism, strikes, etc. (Fauver, Fuerst, 2006).
- 13 Moreover, in France, employee shareholders benefit from a special status that grants them a role in governance bodies when representing over 3 % of the company's capital³. Since 2006, ESO has given them direct participation in corporate-level decision-making in listed and unlisted companies, where boards must include one or

two employee shareholders' representatives (directors representing employee shareholders, DRES). Therefore, the 3% threshold is a strong contextual element of employee-shareholder participation in the company's governance as it entails increased control and participation in decision-making. Studies on ESO in France must consider the differences below and above this threshold.

- 14 Links among employee share ownership, human resource management, and employment relations : practical implications
- 15 In connection with the issues of interests alignment discussed above, ESO may be perceived as a signal by potential or current employees (ESO's additional compensation opportunities may attract the former ; the latter may want to continue to benefit from or seek to avoid losing it) (FitzRoy, Kraft, 1992). Financial involvement in the capital could promote stability in employment and organisational commitment. Such theoretical considerations lead us to establish a first set of hypotheses on the links between ESO and employment (evolutions to the workforce and external flexibility).
- 16 ESO is also thought of as a solution when surveillance, appraisal, and individual rewards are challenging to implement, e.g., when the production process relies on collective contributions (Kruse, 1996) and/or when the company faces cashflow difficulties and uses ESO instead of other compensation changes, such as wage increases. Here, the implications of ESO relate to the compensation package : does ESO act as a supplement to wages or a substitute for raises ? Is ESO linked to other compensation components, such as individual or collective performance bonuses ? If so, do effects vary according to occupation (executives v. non-executives) ? A second series of hypotheses tests whether ESO and compensation are linked, considering general wage increases and individual and collective bonuses.
- 17 Some models conceptualise the firm as a nexus of specific resources (Blair, 1995 ; Rajan, Zingales, 1998), in which each resource provider seeks to protect their investment within a context of incomplete contracts. ESO may help the company to preserve access to critical resources and reduce its vulnerability (Pfeffer, Salancik, 1978), i.e., avoid losing access to human capital it contributed to developing, notably through training. Employees are highly motivated to acquire skills that can be redeployed in case of job loss, which act as a safeguard. In contrast, the organisation aims to develop specific skills that are unique and difficult to replicate. This approach helps the company build and sustain its competitive advantage (Wernerfelt, 1984). In this context, as a long-term scheme, ESO could signal that the employer favours a sustainable employment relationship, thus changing the stakes associated with the threat of separation and training : investing in the development of firm-specific human capital becomes less risky when employees are not afraid of losing their jobs, and the company is not afraid of not getting a return on its investment. This is because employees are more likely to stay with the company long-term, and the company can benefit from the skills and knowledge of their employees (Blair, 1999). Some empirical studies support the relationship between ESO and investment in human capital in British (Robinson, Zhang, 2005) and French contexts (Guery, Pendleton, 2016). Guery and Pendleton (2016) highlight that significant investment in training precedes the adoption of an ESO scheme. Our study hypothesises a link between ESO and training expenditures.
- 18 On another level of analysis, ESO has been promoted as a solution to political or ethical issues arising from organisational justice or identity-building matters. In this case, ESO would operate as an alternative form of employee voice (Blair, 1995) or as a guarantee

of good faith through the explicit or implicit promise of a long-term employment relationship as it implies, in principle, participation in decision-making (Rousseau, Spherling, 2003). Thus, ESO could promote transparency, increased information diffusion and greater satisfaction through employee involvement (Blasi *et al.*, 2018 ; Guery, Stévenot, 2013 ; Guery, Stévenot, 2017). Empirical research on this matter is scarce and offers contrasting results. The effects of ESO on the disclosure of information to employees would concern unlisted companies. In contrast, its impact on employee participation in decision-making would concern listed companies : in other words, ESO effects could depend on existing practices – and obligations – regarding transparency and employee involvement at the board level (Guery, Stévenot, 2017). ESO's influence could, therefore, depend on its appropriation and acceptance by actors (shareholders, executives, employees). This tension is particularly strong within the French context, where a “system [...] historically indicative of a partnership approach has transitioned towards the mandatory representation of labour in governance”, so much so that “France's uniqueness [...] consists of navigating between partnership-based and shareholder-based approaches to governance” (Hollandts, Aubert, 2019, p. 3). Collective satisfaction and employee relations improvement may, therefore, depend on the effective involvement of employees in governance. By reinforcing employees' sense of financial and psychological ownership, ESO can raise new expectations on their part, which, if disappointed, could generate frustration (Pierce, Jussila, 2011). Therefore, our empirical study tests the links between ESO and employment relations.

3. Methods

3.1. Data and sampling

- 19 The data is from the REPONSE 2016–2017 survey conducted by the DARES (Ministry of Labour's Department for the Coordination of Research, Studies, and Statistics) on a sample of around 4,000 establishments with at least 11 employees, representative of French companies in the private, non-agricultural sector (Appendix 2). The REPONSE survey comprises three sections : “Management representatives”, “Employees”, and “Employee representatives”, and thus targets three categories of respondents. In this study, we used the “Management representatives” section. We selected establishments directly owned by a listed company to pair these findings with data from the EFES database. The number used to identify establishments in the REPONSE survey is the SIRET (French company ID) number (14 numbers comprising their SIREN number plus their Internal Classification Number or “NIC”). The number used to identify establishments in the EFES database is their ISIN code (International Securities Identification Number). We associated each company with its ISIN code and SIREN number and paired the databases based on their SIREN number. The information about ESO was systematically verified using annual reports and/or institutional websites.
- 20 The final sample size is 524 establishments, which belong to 308 companies listed on the French market. The accounting and financial information used in the study is from the FARE file⁴ (Annual Structural Statistics of Companies ; ESANE). Our dataset is, therefore, unprecedented and, as such, is a first step towards integrating the literature in governance, HRM, and industrial/employment relations.

3.2. Variables selection and measurement

21 Appendix 3 summarises the definitions and coding methods for all variables in our econometric models.

3.2.1. Dependent variables

22 The construction of our dependent variables draws from the many themes covered by the REPONSE survey. They are all binary variables, coded as 1 when the practice or situation considered is reported by the respondent and as 0 otherwise. They cover six themes. Four relate to HRM :

23 Changes to *workforce* size are operationalised based on respondents' statements regarding their establishment's situation over the last three years. Three binary variables account for increased, stable, or decreased workforce.

24 ESO's impact on *employment* is first tested by creating a variable representing situations of workforce reduction despite increased business activity. We also examine temporary employment to operationalise labour's external flexibility.

25 *Training* is studied through training expenditures, which we use as a proxy of investment in human capital development (Blair, 1999; Robinson, Zhang, 2005), thanks to three variables reflecting the situations where expenditures are less than 2%, between 2% and 4%, and over 4% of the wage bill, respectively.

26 We created six additional variables to study the link between ESO and other *compensation* practices: general wage increases, individual bonuses, and collective bonuses. We considered each of these practices for both non-executives and executives.

27 The inclusion of various HR dimensions allows us to anchor our study to the configurational perspective (Delery, Doty, 1996) and to examine the organisational effects of HRM practices through the concept of "bundles" (Jiang *et al.*, 2002). This concept accounts for the deliberate and simultaneous implementation of several HRM practices relating to different dimensions of the employment relationship as part of an organisational fit rationale. Recent literature on employees' financial involvement underlines the importance of *combining* different compensation components — including ESO — with effective employee involvement in decision-making. Consistently with a "horizontal" fit rationale, such a combination seeks to build on ESO's complementarity with other practices in the HRM bundle, which is argued to be critical to enticing the desired organisational effects (Kruse *et al.*, 2010 ; Ligthart *et al.*, 2022). It also considers the impact of complementarity between financial participation and corporate strategy (i.e., ESO's complementarity with the organisation's strategic choices as part of a "vertical" fit rationale).

28 REPONSE contains two additional themes that provide our employment relations variables :

29 ESO schemes may be adopted for various reasons (Blasi *et al.*, 2003). One reason may be a control rationale adopted to align employees' interests with the firm's. Another may be its inclusive nature as part of a stakeholder rationale. This ambiguity is central to understanding ESO as a scheme with the potential to promote employee participation (Criffo, Rebérioux, 2009) or workplace democracy (Blasi, Kruse, 1992; Aubert, Hollandts, 2022): the justification for its development through legal incentives (increase in

participation and social democracy) can be instrumentalised to increase control over employees. To address this, we consider how the respondent (here, a management representative) *perceives* employee representatives and trade unions. We use this perception as a proxy of the reason for adopting ESO: a negative view of employee representatives would be highly compatible with the conception of ESO as a way of aligning interests. In contrast, a positive view would reflect that ESO is a joint governance tool. This perception is operationalised through three variables constructed from responses to Likert scale-type questions in REPONSE. These scales contain five response points, and each variable is coded as 1 when the response is positive (“Agree” or “Strongly agree”) and 0 otherwise.

- 30 Lastly, we sought to understand the effects of ESO on *employee relations* or social climate in the workplace. To do so, we used two variables representing situations in which the establishment experienced at least one strike lasting less than two days and strikes regardless of their duration within the last year.
- 31 Producing empirical findings on all these topics is a second contribution to integrating the governance, HRM, and industrial/employment relations pieces of literature.

3.2.2. Independent variables

- 32 One advantage of using the EFES database is that it specifies the proportion of ESO in the company’s capital, thereby measuring its *intensity*. The absence of such measurement is a known limit in studies that use other data (notably the REPONSE survey alone), which only provide binary knowledge of whether the company uses ESO (Guery, Stévenot, 2017). Yet, the intensity of ESO can impact its organisational challenges. This was highlighted by Guedri and Hollandts (2008) for example, who found that the proportion of capital held by employees and the company’s financial performance are linked by an inverted U-shaped curve : ESO has a very weak effect on performance when the proportion of capital held by employees is very low and increases to a maximum of 1.67 % of capital held, after which the curve declines once more. Similarly, Kim and Ouimet (2014) demonstrate that its positive effects on productivity are more significant under the 5 % threshold than above. One explanation offered by the authors hinges on the motivations for adopting ESO, which may differ depending on the proportion of capital open to employees. In some cases, senior executives implementing ESO plans resulting in employees holding more than 5 % of the capital might not aim to improve employee performance. Still, they may act accordingly with a desire to protect the company’s capital against takeover bids, substituting wage increases with share distribution.
- 33 To understand the effects of ESO’s *intensity* (proportion of capital held by employees under an ESO scheme), we created the ordinal variable *IESO*, coded from 1 to 5 according to the following classes : no ESO, ESO between 0 and 3 % of capital (excluded), ESO between 3 % and 10 % of capital (excluded), ESO between 10 % and 33 % of capital (excluded), and ESO of 33 % or more. These thresholds have been selected for several reasons. As underlined in the first section, the 3 % threshold is essential in France since it triggers the obligation of having DRES and, therefore, has implications regarding the involvement of employee shareholders in the company’s control and strategic decisions. The 10 % ESO threshold meets the target for 2030 as set out in the PACTE law, which was taken up by major employee shareholder associations, such as the EFES and FAS (French Federation of Employee Shareholder Associations for current and former

employees) (e.g., see : FAS, 2022). The 33 % threshold corresponds to the blocking minority that grants employee shareholders a unique influence over the governance of listed companies.

- 34 Furthermore, to understand the *scope* of ESO (the proportion of employees concerned), we have included the rate of employee shareholders in our analysis, i.e. the ratio between the number of employee shareholders and the total number of employees in the company, thereby creating the continuous variable *SESO*. This measurement indicates the “democratisation” of ESO, which has suffered a significant decline over the last ten years in Europe, particularly in France (Mathieu, 2023, p. 8). By addressing the democratisation of ESO, our study can assess the ESO policy, its motives, and HRM and employment relations challenges. In France, ESO is part of employee savings schemes (usually incorporated into CSPs), financed by legal participation, profit-sharing, and voluntary corporate payments and contributions through increased tax and social advantages in case of investment in company shares. ESO is open to all employees, the sole condition being a minimum of three months’ seniority. Therefore, its diffusion to all employees depends not only on the company’s policy, communication, and incentives for employees to join ESO schemes but also on employees’ ability and desire to subscribe to them. A widespread ESO scheme would, therefore, indicate the collective commitment of employees towards the company and suggest a financial participation culture.

3.2.3. Control variables

- 35 We created a set of control variables that the literature recognises as determinants of HRM practices and employment relations. We considered the reference shareholder through binary variables (one dummy variable for each of the following : employees, family, the Government, other forms of shareholding and the absence of a reference shareholder). Many studies have demonstrated the influence of reference shareholders on governance and the company’s strategic choices and priorities (Gospel, Pendleton, 2003 ; Stévenot *et al.*, 2018 ; Colombo *et al.*, 2022). Besides, Konzelmann *et al.* (2006) underline the influence of forms of governance on HRM : the existence of a two-tier governance structure as opposed to a unitary structure is, therefore, another essential corporate governance variable. It is operationalised through a binary variable coded 1 for two-tier (management and supervisory boards) and 0 for unitary companies (board of directors).
- 36 A set of binary variables controls the business sector (industrial, construction, services, trade and others), whether the company has a single establishment or more, and the establishment’s priority strategy (price, innovation, quality, and product/service diversification). The company’s economic and financial situation is controlled by accounting and financial variables (measured by the establishments’ logarithm of total assets, long-term financial debts, and EBITDA), variables relating to the company’s growth (growing, stable, and declining business activity; three binary variables), and variables relating to the establishment’s scope of operation (local, national, and international; idem). Employment relations are controlled by the presence of union representatives in the workplace (one binary variable).

3.3. Econometric models specification : Probit regressions – marginal effects

37 We used Probit regression models to test the links between independent (*IESO* and *SESO*) and dependent variables. Computing marginal effects allows us to determine the sensitivity of independent variables to the probability P_i of the event $Y_i = 1$ ⁵. We produced a correlation matrix to study the relations between independent and control variables (Table 1). Pearson correlation coefficients are all under 0.80, reporting no multicollinearity issues (Gujarati, 2002). The matrix shows a weak correlation between *IESO* and *SESO*.

38 In the first series of models (M1), we examine the scope and intensity of ESO simultaneously. The aim is to investigate possible associations of *IESO* and *SESO* with HRM and employment relations variables and to ascertain the direction of any potential associations. Thus, we tested the following :

$$39 Y_i = \beta_1 IESO_{-2_i} + \beta_2 IESO_{-3_i} + \beta_3 IESO_{-4_i} + \beta_4 IESO_{-5_i} + \beta_5 SESO_i + \beta_n \text{controls}_i + \varepsilon_i \text{ (M1)}$$

40 Where :

$\beta_1, \beta_2, \beta_3,$ and β_4 are the coefficients of each category of *IESO* compared to the reference (*IESO*= 1, i.e. no ESO);

β_5 is the coefficient associated with the *SESO* variable representing the scope of ESO;

ε_i is the error term;

i denotes the establishment.

Table 1. Correlation Matrix of the Variables Under Study

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
IESO	1															
SESO	0.2763***	1														
Two-tier structure	0.0377	-0.1597***	1													
Reference shareholder	-0.4083***	0.0216	-0.0012	1												
Single establishment	0.0693	-0.1641***	0.0639	-0.0147	1											
Age	0.0278	0.1563***	-0.0799*	-0.1278***	-0.0858**	1										
Number of employees	-0.0626	0.1687***	0.0463	0.0277	-0.0097	0.1703***	1									
Main category of employees	0.0211	-0.0086	-0.0151	-0.0153	0.1148***	-0.0701	0.1691***	1								
Industry	0.0186	0.0669	0.1283***	0.0838*	-0.0372	-0.2364***	-0.2008***	0.0275	1							
Activity	0.0402	-0.1249***	-0.0076	-0.0561	0.0592	-0.0096	0.1386***	0.0748*	-0.0763*	1						
Strategy	-0.1292**	-0.0804	-0.0332	-0.0407	-0.0659	0.0226	0.0207	-0.0289	-0.0177	-0.0161	1					
Total assets (Log)	-0.0575	0.045	-0.2847***	-0.0645	-0.1189***	-0.0633	0.0811*	-0.0378	-0.1259***	-0.1203***	0.0731	1				
Debt (Log)	0.1365***	0.2626***	-0.1977***	-0.1369***	-0.1683***	0.0838	0.1401***	0.1086**	-0.1264***	-0.0902**	0.041	0.6608***	1			
EBITDA (Log)	0.0518	-0.0608	-0.064	-0.2056***	-0.059	0.0703	0.1238***	0.0504	-0.3103***	0.034	0.009	0.4712***	0.4333***	1		
Scope of operation	0.0017	-0.0243	-0.0969**	-0.0146	0.0741*	0.0934**	0.2899***	0.1973***	-0.3305***	0.1001*	0.0678	0.1695***	0.1399***	0.2035***	1	
Union presence	0.0876**	-0.1411***	0.041	-0.0571	-0.02	-0.1565***	-0.5069***	0.0398	0.1735***	0.0128	-0.0607	-0.0996**	-0.0366	-0.0385	-0.1313***	1

*** p < 0.01; ** p < 0.05; * p < 0.1

41 These first econometric models report several statistically significant relations (see 3.1). Yet, *IESO* and *SESO* provide two distinct yet complementary measurements of shareholding dispersion, the first regarding the proportion of capital held and the second regarding democratisation. This complementarity encourages further studying their distinctive effects. For instance, democratisation can impact the intensity of ESO. When the scope of ESO is broad, a large proportion of employees are involved, which could influence the effects of the proportion of capital employees hold. This may happen because, for instance, even a low proportion of capital held by many employees may raise the stakes associated with workplace democracy. Thus, in a second type of

model (M2), we explored interaction effects between these variables within a sub-sample comprised only of establishments owned by companies using ESO ($n = 353$). Analysis of interaction effects allows our econometrics to shed light on the possibility that “the effect of an independent variable on a dependent variable [is] dependent on the value of a third variable” (Jaccard, 2001, p. 12). Produced for exploratory purposes, this analysis provides an understanding of whether and to what extent the effects of various ESO levels are moderated or intensified by the scope of ESO. Thus, in type 2 models, we introduced the interaction variable $IESO \times SESO$:

$$42 \quad Y_i = \beta_1 IESO_3_i + \beta_2 IESO_4_i + \beta_3 IESO_5_i + \beta_4 SESO_i + \beta_5 IESO_3_i \times SESO_i + \beta_6 IESO_4_i \times SESO_i + \beta_7 IESO_5_i \times SESO_i + \beta_n \text{controls}_i + \varepsilon_i \quad (M2)$$

43 Where β_5 , β_6 , and β_7 are interaction coefficients between $SESO$ and each $IESO$ category compared to the reference ($IESO = 2$, i.e. ESO is used but under 3 %).

3.4. Sample characteristics

44 The sample comprises 524 establishments of 308 companies listed on the French stock market. Table 2 provides descriptive statistics for the variables under study. The average percentage of capital held ($IESO$) ranges between 3 % and 10 %. More specifically, 32.6 % of companies in our sample do not use ESO, 24.4 % have an ESO scheme ranging from 0 % to 3 % (excluded) of capital, 22.9 % from 3 % to 10 % (excluded), 8.21 % from 10 % to 33 % (excluded), and only 5.53 % have an ESO scheme representing more than 33 % of capital. The average rate of democratisation ($SESO$) is 32.07 %.

Table 2. Descriptive Statistics (1/3)

	Type of variable	Obs.	Frequency ^(a) /Average	Min	Max
Dependent variables					
Workforce changes					
Increase in workforce	Binary	524	0.3798	0	1
Stable workforce	Binary	524	0.3416	0	1
Decline in workforce	Binary	524	0.2786	0	1
Employment management					
Workforce is declining while activity is growing	Binary	515 ^(b)	0.1573	0	1
Temporary employment	Binary	521	0.2975	0	1
Training					
Training expenditure is below 2% of the wage bill	Binary	524	0.2958	0	1
Training expenditure is between 2% and 4% of the wage bill	Binary	524	0.4275	0	1
Training expenditure is above 4% of the wage bill	Binary	524	0.2767	0	1
Compensation					
General increases for non-executives	Binary	524	0.7195	0	1
General increases for executives	Binary	524	0.3798	0	1
Individual bonuses for non-executives	Binary	524	0.6450	0	1
Individual bonuses for executives	Binary	524	0.9179	0	1
Collective bonuses for non-executives	Binary	515	0.8874	0	1
Collective bonuses for executives	Binary	518	0.8900	0	1
Management representatives' perception of employee representatives					
Employee representatives take account of economic opportunities	Binary	524	0.6412	0	1
Trade unions play an irreplaceable role	Binary	518	0.6313	0	1
Trade unions are of service to employees	Binary	524	0.7882	0	1
Strikes					
Strikes lasting less than two days	Binary	524	0.2519	0	1
Strikes regardless of their duration	Binary	524	0.3073	0	1
Independent variables					
ESO (Intensity of Employee Share Ownership)	Categorical ^(c)	524	2.2958	1	5
IESO = 0	Binary	524	0.3263	0	1
IESO < 3 %	Binary	524	0.2443	0	1
3 % ≤ IESO < 10 %	Binary	524	0.2920	0	1
10 % ≤ IESO < 33 %	Binary	524	0.0821	0	1
IESO ≥ 33 %	Binary	524	0.0553	0	1
SESO (Scope of Employee Share Ownership)	Numerical ^(d)	524	0.3207	XXX	XXX

(a) The mean of the SESO variable is an average rate. We present the mean of the ESO variable's measurement levels and the means of financial and accounting variables. We present the frequencies of binary variables.

(b) The sample size ($n = 524$) varies based on the data available for the following five variables: "Workforce declining while activity is growing" ($n = 515$), "Temporary employment" ($n = 521$), "Non-executive collective bonuses" ($n = 515$), "Executive collective bonuses" ($n = 518$) and "Trade unions play an irreplaceable role" ($n = 518$).

(c) IESO is an ordinal categorical variable for which possible values are the thresholds. The variable is coded 1 where there is no ESO, 2 for ESO between 0 and 3% (excluded), 3 when ESO is between 3 and 10% (excluded), 4 and 5 respectively for ESO between 10 and 33% (excluded) and 33% or more. The 2.29 value corresponds to an ESO mean between 3% and 10% (excluded)

(d) As part of the anonymisation of data from the CASD, we cannot disseminate information that would isolate an individual statistic in a dataset. The min. and max. numerical variables are therefore blacked out.

Table 2. Descriptive Statistics (2/3)

	Type of variable	Obs.	Frequency ^(a) /Average	Min	Max
Control variables					
Two-tier structure	Binary	524	0.1775	0	1
Reference shareholder					
Employees	Binary	524	0.0687	0	1
Family	Binary	524	0.1966	0	1
Government	Binary	524	0.1775	0	1
Other	Binary	524	0.1641	0	1
No reference shareholder	Binary	524	0.3931	0	1
Single establishment	Binary	524	0.0897	0	1
Age of establishment					
Under 5 years	Binary	524	0.0650	0	1
5 to 9 years	Binary	524	0.2390	0	1
10 to 19 years	Binary	524	0.3610	0	1
20 to 49 years	Binary	524	0.2540	0	1
50 years or more	Binary	524	0.0820	0	1
Number of employees					
Less than 50 employees	Binary	524	0.1183	0	1
50 to 199 employees	Binary	524	0.2214	0	1
200 to 999 employees	Binary	524	0.4943	0	1
1,000 and more	Binary	524	0.1660	0	1
Main category of staff					
Workers	Binary	524	0.2824	0	1
Employees	Binary	524	0.2195	0	1
Technicians	Binary	524	0.1603	0	1
Sales representatives	Binary	524	0.0324	0	1
Engineers and executives	Binary	524	0.3053	0	1
Industry					
Industrial	Binary	524	0.3912	0	1
Construction	Binary	524	0.0954	0	1
Services	Binary	524	0.2920	0	1
Commerce	Binary	524	0.2061	0	1
Other	Binary	524	0.0153	0	1
Activity					
Growth	Binary	524	0.4847	0	1
Stable	Binary	524	0.3092	0	1
Declining	Binary	524	0.2061	0	1

(a)The mean of the SESO variable is an average rate. We present the mean of the ESO variable's measurement levels and the means of financial and accounting variables. We present the frequencies of binary variables.

Table 2. Descriptive Statistics (3/3)

	Type of variable	Obs.	Frequency ^(a) /Average	Min	Max
Strategy					
Price	Binary	524	0.1145	0	1
Innovation	Binary	524	0.2347	0	1
Quality	Binary	524	0.4656	0	1
Product/service diversification	Binary	524	0.0916	0	1
Other	Binary	524	0.0935	0	1
Financial and accounting variables					
Total assets (Log)	Numerical	524	5.9148	XXX	XXX
Debt (Log)	Numerical	524	4.2453	XXX	XXX
EBITDA (Log)	Numerical	524	4.4915	XXX	XXX
Scope of operation					
Local	Binary	524	0.2424	0	1
National	Binary	524	0.1851	0	1
International	Binary	524	0.5725	0	1
Union presence	Binary	524	0.8511	0	1

(a)The mean of the SESO variable is an average rate. We present the mean of the ESO variable's measurement levels and the means of financial and accounting variables. We present the frequencies of binary variables.

Note: The number indicated in each box is the percentage of establishments with the characteristic considered on the row, except for variables with the "Log" indication, which are logarithmic. For example, 37.98% of establishments have recorded an increase in workforce over the last three years.

- 45 The two-tier governance structure (management and supervisory boards compared to a board of directors) accounts for 17.75 % of the sample. The primary shareholders are most often families (19.66 %), the government (17.75 %), and employees (6.87 %). Single establishments represent 8.97 % of the sample. 49.43 % of observations are establishments with a workforce between 200 and 999 employees. We observe a predominance of situations where executives (30.53 %) or workers (28.24 %) are the

largest category of employees. The industrial (39.12 %), services (29.20 %) and retail (20.61 %) sectors are the most represented. Business activity is mainly growing or stable. Establishments primarily operate internationally. Quality is the most cited strategic objective (46.56 %).

- 46 Regarding HRM practices, most respondents (42.75 %) report training expenditures between 2 % and 4 % of the wage bill. Workforce numbers are mainly on the rise (almost 38 % of establishments) or stable (34.16 %). Less than 30 % of establishments have used temporary employment in the last three years, and 15.73 % have recorded a decline in the workforce despite growing business activity. The vast majority of establishments pay their executives individual (91.79 %) and collective bonuses (89 %), which contrasts with the practice of wage increases, which were only granted by 37.98 % of them (and by 71.95 % of establishments for non-executives). Regarding employment relations, under 31 % of establishments in the sample have experienced strikes, notably short strikes (less than two days), which concerned one-quarter.

4. Results : the challenges of employee shareholding intensity and scope for HRM and employment relations

4.1. Type 1 models : simultaneous effects of the intensity and scope of employee shareholding

4.1.1. Few links between employee shareholding and employment, but lesser temporary employment in companies with employee shareholding

- 47 Results from type 1 models (Table 1) show only a few statistically significant associations between *IESO* and employment evolution. Only the stability of the workforce variable reports a negative coefficient when *IESO* is very strong (above 33 % of capital) : the workforce appears less stable where *IESO* is above this level compared to establishments without *ESO*, though we cannot say whether their workforce was growing or declining in these. The link between a strong *IESO* and reduced employment stability was not expected, given that one might expect that strong financial links between employees and the company would, on the contrary, help anchor human capital. This result could, therefore, be interpreted differently : a strong *IESO* could occur in response to or compensation for the fluctuation of employment.
- 48 However, there is a significant and negative association between *IESO* and temporary employment, regardless of intensity level. The statistical significance level is highest when *IESO* is below 3 %. Therefore, the development of *ESO* does not seem as linked to employment itself as to employment flexibility. Since we do not observe any significant effect of *IESO* on the decline in the workforce when activity grows, employees may absorb more variations in activity (notably upwards) where *ESO* is used. A further examination could allow for a deeper analysis, for example, by studying links between *ESO* and overtime or between *ESO* and productivity (which could increase in case of a bump in activity at a constant workforce). This could confirm results suggesting increased productivity (Kim, Ouimet, 2014 : Sengupta *et al.*, 2007) or lesser absenteeism in companies using *ESO*, as observed in a previous study using the *REPONSE* survey (Guery, Stévenot, 2013).

Table 3. Results of Model 1 Estimates (Probit): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Workforce Changes and Employment Management

	Workforce changes			Employment management	
	Increase in workforce	Stable workforce	Decline in workforce	Workforce declining while activity is growing	Recourse to temporary employment
n	524	524	524	515 ^(e)	521
Prob > chi2	0.0000	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.237	0.1374	0.1915	0.0740	0.2622
IESO					
No ESO	Ref.	Ref.	Ref.	Ref.	Ref.
IESO < 3 %	0.0831	-0.0883	-0.0337	0.016	-0.1841**
3 % ≤ IESO < 10 %	-0.0273	-0.0571	0.0495	0.0503	-0.1712*
10 % ≤ IESO < 33 %	0.1416	-0.1647	-0.0146	0.0343	-0.1958*
IESO ≥ 33 %	0.1424	-0.2198** ^(f)	0.0418	0.0317	-0.1761*
SESO	-0.1616	0.2439*	-0.0057	-0.0087	0.2808**
Company cluster	yes	yes	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

(e) The sample size ($n = 524$) varies based on the data available for the following five variables: "Workforce declining while activity is growing" ($n = 515$), "Temporary employment" ($n = 521$), "Non-executive collective bonuses" ($n = 515$), "Executive collective bonuses" ($n = 518$) and "Trade unions play an irreplaceable role" ($n = 518$).

(f) When the variable IESO takes the value 5 (ESO of 33% or more), the probability of the "Increase in workforce" dependent variable being positive (1) drops by 0.2198, all other things equal.

- 49 The negative relationship between IESO and temporary employment also suggests relatively lower costs for companies with ESO than those without. These savings come from lower direct and indirect labour costs, as productivity and quality are often lower among temporary workers due to their lesser experience with the organisation or the trade (Duhautois, Gonzales, 2007).

4.1.2. Lower training expenditures, fewer general increases and individual bonuses when the intensity of ESO is high

- 50 Results on the association between IESO and investment in training on the one hand and compensation practices on the other are clear-cut and can be interpreted together (Tables 4 and 5). All levels of the *IESO* variable are negatively associated with training expenditures exceeding 4 % of the wage bill⁶ and with general wage increases (for executives and non-executives ; all significant at 0.01). Similarly, for *IESO* thresholds equal to or above 3 %, individual bonuses for executives and non-executives are used significantly less (with one exception : establishments granting individual bonuses to executives when IESO is above 33 % do not statistically differ from establishments without ESO).
- 51 These results do not support the hypothesis that ESO is associated with overall investment in human capital. Nor do they support the use of ESO alongside significant training expenditures to guarantee to retain a workforce with specific skills the company has contributed to developing (see, e.g., Robinson, Zhang, 2005 ; Guery, Pendleton, 2016)⁷. Therefore, ESO seems to act not so much as a complement or supplement to overall compensation but more as a substitute, particularly for increases in base pay.

Table 4. Results of Model 1 Estimates (Probit): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Training Expenditures

	Training		
	Training expenditure is below 2% of the wage bill	Training expenditure is between 2% and 4% of the wage bill	Training expenditure is above 4% of the wage bill
n	524	524	524
Prob > chi2	0.0000	0.0000	0.0000
Pseudo R2	0.2251	0.1427	0.2399
IESO			
No ESO	Ref.	Ref.	Ref.
IESO < 3 %	0.0933	0.1295*	-0.3057***
3 % ≤ IESO < 10 %	-0.0669	0.423***	-0.3785***
10 % ≤ IESO < 33 %	-0.0001	0.2129**	-0.2982***
IESO ≥ 33 %	0.0434	0.1089	-0.2369**
SESO	-0.1428	-0.6123***	0.8540***
Company cluster	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

Table 5. Results of Model 1 Estimates (Probit): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Compensation Practices

	Compensation					
	General increases for non-executives	General increases for executives	Individual bonuses for non-executives	Individual bonuses for executives	Collective bonuses for non-executives	Collective bonuses for executives
n	524	524	524	524	515	518
Prob > chi2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.2531	0.2997	0.2031	0.2185	0.1911	0.1588
IESO						
No ESO	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
IESO < 3 %	-0.1504**	-0.2558***	-0.0924	-0.0108	0.0179	0.0435
3 % ≤ IESO < 10 %	-0.292***	-0.4448***	-0.3174***	-0.1203***	-0.0547	-0.0431
10 % ≤ IESO < 33 %	-0.3148***	-0.5288***	-0.4361***	-0.2243***	-0.0218	-0.0705
IESO ≥ 33 %	-0.3553***	-0.1798*	-0.2608**	-0.0902	0.0128	0.054
SESO	0.4901***	0.7689***	0.8264***	0.2742***	0.1287	0.0818
Company cluster	yes	yes	yes	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

- 52 A work organisation promoting versatility, collaboration, and collective results rather than individual work (Kruse, 1996) could explain the negative relationship between *IESO* and the individualisation of compensation components. This would reflect the consistency of work organisation and compensation methods rewarding collective performance (through ESO). It could also reflect a substitution rationale and a desire to limit the direct and indirect costs (notably supervision and appraisal) induced by wage individualisation by indexing additional compensation on collective performance.

4.1.3. Fewer strikes and trade unions perceived as less useful when the intensity of employee share ownership is high

- 53 Turning to employment relations (Table 6), only the highest *IESO* reports a significant association with employee relations, as measured here : when employees hold 33 % or more of the capital, short-term strikes occur significantly less frequently ($p < 5\%$).

Table 6. Results of Model 1 Estimates (Probit): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Employment Relations

	View of SR and MR			Strikes	
	ER take account of economic opportunities	Trade unions play an irreplaceable role	Trade unions are of service	Strikes lasting less than 2d	Strikes regardless of their duration
n	524	518	524	524	524
Prob > chi2	0.0004	0.0011	0.0001	0.0000	0.0000
Pseudo R2	0.0920	0.1053	0.1261	0.2523	0.2510
IESO					
No ESO	Ref.	Ref.	Ref.	Ref.	Ref.
IESO < 3 %	-0.0629	0.0718	-0.0467	0.0068	0.0383
3 % ≤ IESO < 10 %	0.0483	-0.0676	-0.0611	-0.0028	0.0335
10 % ≤ ESO < 33 %	0.1022	-0.1011	-0.2075**	-0.1035	-0.0977
ESO ≥ 33 %	0.2168**	0.0680	-0.0059	-0.1973**	-0.1256
SESO	-0.1347	0.1575	0.2653**	0.1295	0.0417
Company cluster	yes	yes	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

- 54 For the same *IESO* level, we observe a positive and significant association with the respondents' positive attitude about employee representatives and their ability to take account of economic opportunities during negotiations or in their demands. When *IESO* is high (*IESO* between 10 % and 33 %), trade unions are less often perceived as "serving the employees" than when employees do not hold capital.
- 55 Could a high *ESO* intensity substitute other forms of employee participation or expression? Could it act as a type of employee voice, as suggested by Blair (1995) or Rousseau and Spherling (2003), via involvement in the company's governance? Or should it be interpreted, within the scope of the agency theory, as evidence of the effectiveness of interests' alignment, which, beyond a certain level of participation in the capital, might lead employees to favour their interests as shareholders rather than as employees (Jensen, Meckling, 1976; Holmström, Milgrom, 1994; Hart, 1995; Shleifer, Vishny, 1997)? Is this a circumvention of union action, as considered by Boltanski and Chiapello (1999), that would reflect a form of "neomanagement"?

4.1.4. The scope of employee share ownership : a key indicator of distinct challenges for employment relations and HRM

- 56 Results from the *SESO* variable highlight challenges that starkly contrast with *IESO*'s. We observe that high democratisation of *ESO* is associated with greater employment stability, more frequent use of temporary employment, higher training expenditures (over 4 % of the wage bill), and more frequent general wage increases and individual bonuses for executives and non-executives, all significant at 1 %. Furthermore, the broader the scope of *ESO*, the more trade unions are seen as serving employees.
- 57 Expanding *ESO* does not appear to pursue goals of interests' alignment or substitution to other HR costs. Instead, it seems consistent with attractive global compensation packages and long-term investment in HR. Large numbers of shareholding employees could contribute towards balancing out power within the employment relationship. This is consistent with the observed recognition of the role played by trade unions by management.
- 58 These results are reminiscent of the classic distinction between unitarist and pluralist frames of reference in industrial/employment relations, which are highly compatible with polarised approaches to governance (Fox, 1966; Barry, Wilkinson, 2021, p. 114–119). The *shareholder value* perspective is, by and large, a "unitarist" frame of reference,

characterised by the priority of the employer's interests and conflict being perceived as illegitimate. Conversely, the *stakeholder* perspective resembles the "pluralist" frame of reference, in which the continuation of the employment relationship relies on a balancing act between partly converging and partly diverging interests, and where conflict is a non-pathological phenomenon that resolves through negotiation. Hence, our results support interpretations associating broader ESO with a pluralist approach to the employment relationship. This is consistent with research conducted in other national contexts (notably Kim, Kim, 2015).

4.2. Type 2 models : testing the interaction effects between intensity and scope of employee share ownership

- 59 Type 2 models focus on a sub-sample of companies with ESO. Henceforth, results are no longer interpreted compared to situations where ESO is not used but to IESO below 3 %. They reveal specific challenges for IESO levels of 3 % and above compared to findings for IESO below 3 %. As mentioned above, the 3 % threshold represents the legal requirement of having at least one representative of employee shareholders on the board of directors or supervisory board. Exceeding the 3 % threshold of capital held by employees, therefore, marks a change in involvement in the company's governance, control, and decision-making at the highest hierarchical level through additional rights, notably regarding information.

4.2.1. The 3 % threshold effect of employee share ownership

- 60 Among the companies that use ESO, we find significantly different results whether the IESO is lower or higher than 3 %.
- 61 When the IESO is between 3 % and 10 %, the probability of workforce increase is lower ; consistently, workforce decrease is more likely (Table 7). Workforce decrease is also strongly associated with an IESO of 33 % or more of the capital, even when business activity grows. Furthermore, temporary employment is less likely when IESO exceeds 10 %. This is consistent with results from type 1 models : employees appear to absorb activity variations where the IESO is stronger.

Table 7. Results of Model 2 Estimates (Probit with Interaction Variables): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Workforce Changes and Employment Management

	Workforce changes			Employment management	
	Increase in workforce	Stable workforce	Decline in workforce	Workforce declining while activity is growing	Recourse to temporary employment
n	353	353	353	347	350
Prob > chi2	0.0000	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.3145	0.1965	0.2505	0.1302	0.3796
IESO					
IESO < 3 %	Ref.	Ref.	Ref.	Ref.	Ref.
3 % ≤ IESO < 10 %	-0.1198***	0.0178	0.0901**	0.0464	-0.0029
10 % ≤ IESO < 33 %	0.1323	-0.1223	0.0116	0.0328	-0.1721***
IESO ≥ 33 %	-0.0078	0.0548	0.3212***	0.2601***	-0.1529**
SESO	-0.3173**	0.7831***	0.2324*	0.2170	0.3440***
IESO × SESO					
3 % ≤ IESO < 10 % × SESO	-0.1352***	0.0156	0.0876**	0.0446	0.0094
10 % ≤ IESO < 33 % × SESO	0.1324	-0.1314	-0.0489	0.0195	-0.1674***
IESO ≥ 33 % × SESO	-0.0046	-0.3557***	0.3053**	0.2046	-0.1407*
Company cluster	yes	yes	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

- 62 Results regarding training expenditures are mixed (Table 8). Moderate IESO (3 % to 33 %) and training expenditures below 2 % of the wage bill (the lowest expenditure) show significant negative associations. However, the direction of the association reverses for expenditures between 2 % and 4 % of the wage bill (intermediate level) : moderate IESO is positively associated with this category. Therefore, the links between ESO and investment in training are more evident when IESO is above 3 %. We do not observe any significant association between the highest IESO and training expenditures. However, when the IESO is between 3 % and 10 %, training expenditures exceed 4 % less frequently than in establishments where the IESO is below 3 %. Again, these results support a substitution effect between the intensity of ESO and training expenditures rather than a supplementation rationale.

Table 8. Results of Model 2 Estimates (Probit with Interaction Variables): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Training Expenditures

	Training		
	Training expenditure is below 2% of the wage bill	Training expenditure is between 2% and 4% of the wage bill	Training expenditure is above 4% of the wage bill
n	353	353	353
Prob > chi2	0.0000	0.0000	0.0000
Pseudo R2	0.3387	0.2242	0.3283
IESO			
IESO < 3 %	Ref.	Ref.	Ref.
3 % ≤ IESO < 10 %	-0.1532***	0.3378***	-0.1282**
10 % ≤ IESO < 33 %	-0.2518***	0.1573*	-0.0296
IESO ≥ 33 %	0.0341	0.0211	-0.0381
SESO	0.0006	-0.5467***	0.6301***
IESO × SESO			
3 % ≤ IESO < 10 % × SESO	-0.1598***	0.3607***	-0.1101*
10 % ≤ IESO < 33 % × SESO	-0.3516***	0.1669*	-0.0089
IESO ≥ 33 % × SESO	0.0351	0.0372	-0.0168
Company cluster	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

- 63 The results about compensation practices amplify those drawn from type 1 models (Table 9): IESO levels above 3 % are negatively associated with general increases for executives and with individual bonuses (for executives and non-executives) compared to observations in which IESO is below 3 %. This indicates, again, a trend of substituting wage increases and individualising compensation with ESO.

Table 9. Results of Model 2 Estimates (Probit with Interaction Variables): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Compensation Practices

	Compensation					
	General increases for non-executives	General increases for executives	Individual bonuses for non-executives	Individual bonuses for executives	Collective bonuses for non-executives	Collective bonuses for executives
n	353	353	353	353	348	351
Prob > chi2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.3751	0.4520	0.2856	0.4156	0.2738	0.2730
IESO						
IESO < 3 %	Ref.	Ref.	Ref.	Ref.	Ref.	Ref.
3 % ≤ IESO < 10 %	-0.0922	-0.2392***	-0.1862***	-0.0448**	-0.0164	-0.0393
10 % ≤ IESO < 33 %	-0.0791	-0.3475***	-0.2581***	-0.1894***	0.0146	0.0139
IESO ≥ 33 %	-0.2001*	0.0071	-0.2716*	-0.161**	0.0771**	0.0252
SESO	0.3850***	0.6510***	0.9004***	0.1695**	0.0877	0.0668
IESO × SESO						
3 % ≤ IESO < 10 % × SESO	-0.0814	-0.2674***	-0.1989***	-0.0557***	-0.0169	-0.0185
10 % ≤ IESO < 33 % × SESO	-0.0962	-0.4527***	-0.2539	-0.2102***	0.0608*	0.0140
IESO ≥ 33 % × SESO	-0.2068	0.0027	-0.3012*	-0.1444*	0.0820***	0.0733*
Company cluster	yes	yes	yes	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

64 Significant divergences are also apparent in employment relations (Table 10). Above 3 % of capital held by employees, employee representatives are perceived to better account for the company's economic opportunities in their demands. Strikes also occur less often (regardless of measurement) when IESO is above 10 % compared to situations where IESO is below 3 % of capital. From this standpoint, the 3 % threshold marks a significant turnaround in employment relations and the quality of employee relations. This could reflect a more direct role of employee shareholders in the company's governance, as provided for by law.

Table 10. Results of Model 2 Estimates (Probit with Interaction Variables): Marginal Effects of the Intensity and Extent of Employee Share Ownership on Employment Relations

	View of SR and MR			Strikes	
	ER take account of economic opportunities	Trade unions play an irreplaceable role	Trade unions are of service	Strikes lasting less than 2d	Strikes regardless of their duration
n	353	351	353	353	353
Prob > chi2	0.0000	0.0000	0.0000	0.0000	0.0000
Pseudo R2	0.1685	0.1177	0.2206	0.3909	0.3399
IESO					
IESO < 3 %	Ref.	Ref.	Ref.	Ref.	Ref.
3 % ≤ IESO < 10 %	0.1197**	-0.1222**	-0.0083	-0.0368	-0.0346
10 % ≤ IESO < 33 %	0.1993**	-0.1349	-0.1025**	-0.1972***	-0.2088***
IESO ≥ 33 %	0.3073***	0.0333	0.1454***	-0.3954***	-0.3886***
SESO	-0.0150	0.1488	0.3491***	-0.2301	-0.2793*
IESO × SESO					
3 % ≤ IESO < 10 % × SESO	0.1200**	-0.1244**	0.0055	-0.0344	-0.0333
10 % ≤ IESO < 33 % × SESO	0.1994**	-0.1337	-0.0695	-0.2452***	-0.2505***
IESO ≥ 33 % × SESO	0.3391***	0.0358	0.1692***	-0.3921***	-0.3819***
Company cluster	yes	yes	yes	yes	yes

*** p < 0.01; ** p < 0.05; * p < 0.1

65 The SESO's effects are consistent with the results obtained in type 1 models : they relate to different and even opposing challenges in employment, compensation, investment in training, and employment relations, compared to those identified when only considering IESO. This attests to the robustness of our models.

4.2.2. The intensity × scope interaction : concentrated effects on some dimensions and some levels of intensity revealing the complexity of the organisational challenges raised by employee share ownership

- 66 The results of type 1 and 2 regression models confirm that the intensity and scope of ESO, all things being equal, are linked with the various dimensions of HRM and employment relations under study. They also reveal diverging and often opposing effects. Therefore, we sought to identify any potential moderation effects. Overall results do not allow for any uniform or universal interpretations, which underlies the benefit of turning to different ways of approaching ESO on the one hand and the complexity of the organisational challenges raised by ESO on the other. Thus, we find that (1) not all models report significant interaction terms : the moderation effect only concerns some of the dimensions under study ; (2) when statistically significant interaction coefficients do exist, they do not concern all *IESO* levels, but only some ; (3) observed statistically significant interactions do not have a uniform direction (some are positive while others are negative).
- 67 Significant workforce evolution estimates are only found at some *IESO* levels. *SESO* strengthens the negative relationship between *IESO* and workforce increases for observations where *IESO* is between 3 % and 10 % of the capital : a growing workforce becomes less likely as *SESO* increases compared to the reference situation (where *IESO* is below 3 %). The *SESO* also reinforces the positive relationship between *IESO* and a reduction in the workforce for observations where *IESO* is between 3 % and 10 % and where *IESO* is 33 % or more, compared to the reference situation. While an *IESO* of 10 % or more goes hand in hand with lesser temporary employment, a broader ESO promotes its use, signalling that *SESO* impacts the *IESO*–temporary employment relationship : the scope of ESO moderates the impact of intense ESO (between 10 % and 33 %) on temporary employment. In other words, where ESO is intense but concentrated by a small proportion of employees, temporary work is less likely to be used (notably to compensate for absenteeism), or employees are more likely to absorb variations in activity. These results are consistent with one another and with an alignment of interests’ rationale depending on *IESO*, which is not observed where ESO is more democratised.
- 68 Besides, broader ESO schemes are associated with higher training expenditures (above 4 % of the wage bill), in contrast with intense ESO schemes, associated with intermediate training expenditures (between 2 % and 4 % of the wage bill). We observe a significant interaction effect indicative of a tighter link between an *IESO* between 3 % and 10 % and training expenditures between 2 % and 4 %, even if spending is still average. Support for substituting an intense ESO scheme for high training expenditure seems to outweigh the supplemental compensation rationale observed regarding broad ESO schemes.
- 69 Turning to the compensation policy, wage increases and individual bonuses are more likely where ESO is broader. However, a high *IESO* is accompanied by fewer increases and individual bonuses. We observe significant interaction effects : *SESO* moderates the negative relationship between a more intense ESO scheme (3 %) and general increases for executives and individual bonuses, particularly for executives. Conversely, it strengthens the positive relationship between high ESO (33 %) and more frequent payment of collective bonuses for non-executives. This appears to confirm the

polarisation of the effects of IESO and SESO : a more intense ESO scheme tends to replace other compensation items (fixed wage and individualisation), while an ESO scheme extended to more employees (broader) follows a supplemental wage rationale.

- 70 Lastly, findings on employment relations also reveal significant interaction effects. The SESO strengthens the positive relationship between IESO and respondents' perception of employee representatives : they are considered to better account for economic opportunities when IESO is high (situations above 3 %) compared to when IESO is below 3 %. When ESO is broader, there is also a greater sense that trade unions are of service when IESO exceeds 33 %. Although a high SESO and IESO (above 10 % of capital) both have adverse effects on the propensity to strike and suggest more peaceful employee relations, the interaction model shows that SESO moderates the relationship between a high IESO (above 10 % of capital) and the occurrence of strikes, compared to an IESO below 3 %. Thus, a higher IESO (above 10 % of capital) falls within a disciplinary alignment of interests' rationale, impacting employees' behaviour and voice (fewer strikes).

5. Discussion and conclusion

- 71 While much research has focused on ESO's implications for companies' economic and financial performance and employee behaviour (turnover, productivity), few studies have examined the links between ESO, the employment relationship, and HRM practices. From an exploratory standpoint, our research studies the relations between ESO, variations in employment, flexibilisation of labour (through temporary employment), investments in training, compensation policy, and employment relations (perception of the role played by trade unions and strike occurrence). We adopt a configurational perspective of HRM (Delery, Doty, 1996) to investigate the relations between governance and HRM (Kaarsemaker, Poutsma, 2006), providing a better understanding of the motives and implications of ESO.
- 72 Our second contribution is constructing and using an *ad hoc* database obtained by pairing the EFES and REPONSE (2017) databases. This enabled us to consider the share of capital held by employees (the intensity of ESO – the percentage of ESO in the form of levels) and the share of employees concerned (the scheme's scope or democratisation). Our findings come from a sample of 524 establishments of 308 companies listed on the French stock exchange. They confirm the implications of ESO regarding HRM and employment relations. It appears that the intensity and scope of ESO are essential aspects to consider *and* differentiate since they follow different rationales, as Kaarsemaker *et al.* (2010) suggested.
- 73 Opening a large share of capital to ESO ("intense" ESO) better suits a disciplinary, shareholder governance rationale that aims to align employees' interests with those of shareholders. While the companies with ESO do not report any statistically different characteristics in workforce changes compared to companies without, we note that at IESO levels above 3 % of capital, there is a stronger propensity towards a reduction in the workforce, even when business activity grows (for an IESO above 33 %) and by comparison with situations where IESO is below 3 %. An intense ESO goes hand in hand with less favourable employment practices : cause or consequence ? Does this finding signal an influence of ESO on employee behaviour (increased productivity, better absorption of variations of activity by employees), or does it align with a counterpart

rationale in which ESO schemes are developed to compensate for a reduction in the workforce? This could parallel the lesser use of temporary employment, whose frequency decreases as ESO becomes more intense. Regardless of the explanation (less absenteeism or better absorption of business activity increases by employees), this produces direct and indirect savings in staffing-related costs (quality, productivity). Again, an alignment of interests rationale appears to be at play.

- 74 Unlike previous studies (Robinson, Zhang, 2005 ; Guery, Pendleton, 2016), we do not find that the training expenditures of companies using ESO are particularly high ; while not the lowest (under 2 % of the wage bill), they are mainly within the average of French companies (between 2 % and 4 % of the wage bill), all other things equal. This could reflect a substitution between profit-sharing (as employee ownership is capital participation) and investment in training.
- 75 This substitution rationale is also apparent in other dimensions of compensation : wage increases and individual bonuses are less common in companies with intense ESO.
- 76 Trade unions are found to be more concerned with the company's economic opportunities, and strikes are less prevalent when IESO is high, especially when comparing IESO levels above and below 3 % (the threshold triggering representation of employee shareholders at the board level). Regarding employment relations and the "social climate", we again observe the disciplinary logic of aligning interests.
- 77 The scope of ESO reflects different challenges. This approach aligns with a long-term employment relationship, characterised by a balanced distribution of powers and a partnership governance philosophy, with less emphasis on the company's economic and financial profitability. Unlike intense ESO schemes, broad ESO schemes come with greater workforce stability but more frequent use of temporary employment. Training expenditures are highest (above 4 % of the wage bill) as ESO targets more and more employees.
- 78 More than its intensity, the scope of ESO seems to indicate that the company has considered human capital issues and the need to retain specific and costly skills (Blair, 1995 ; Rajan, Zingales, 1998). A widely distributed ESO could also reflect a desire to limit the risks of mutual hold-ups (Ben-Ner *et al.*, 2000) : on the one hand, it ensures that the employer retains the human capital it helped to develop and has invested in, and on the other, it compensates employees for the development of skills that are company-specific and less easily redeployed.
- 79 Furthermore, a broad ESO scheme is linked to more wage increases and bonuses for executives and non-executives. An extended ESO, therefore, complements and supplements the other components of compensation (wages and variable pay linked to individual performance).
- 80 Management representatives also perceive trade unions' role differently with an extended ESO : they see them as serving employees better. Our interaction models thus highlight the moderating effects of the scope of ESO on its intensity.
- 81 These results concerning the compared challenges between the intensity and scope of ESO are of particular importance in light of the erosion of the diffusion of ESO reported by the EFES (Mathieu, 2023), with a twofold movement towards a strengthening of the shareholder logic of ESO on the one hand, and a decline in ESO's democratisation and partnership-based logic on the other. In a time of sensitive debates regarding how to share the value created by companies and increase employee participation in

governance (Aubert, Hollandts, 2022), our results also shed new light on the roles of ESO concerning the employment relationship and as a response to tensions between employees and employers or shareholders.

Figure 1. Intensity and scope of employee share ownership : different implications in terms of HRM and governance

<p>Intensity of ESO (% of capital held by employees)</p>	<p>Less temporary employment Less stable workforce for very high levels of ESO (model 1); association with a decline in workforce depending on the intensity of ESO (model 2) Training expenditures within the average (between 2% and 4% of the wage bill) Fewer general increases and individual bonuses Trade unions perceived as less useful Employee representatives take better account of the economic possibilities Fewer strikes (at intense levels of ESO) Alignment of interests' rationale Reduction of HR costs Shareholder governance</p>	<p>More temporary employment More stable workforce Higher training expenditure 4% of the wage bill More general increases, individual bonuses, and collective bonuses for non-executives Trade unions perceived to be useful Fewer strikes (model M2) Balanced employment relationship Overall investment in human capital Stakeholder governance</p>	<p>Scope of ESO (% of employees concerned)</p>
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- 82 This study has limitations and requires further research to verify analyses drawn from quantitative results, such as those regarding the relation between ESO and human capital or ESO and employment relations and social dialogue. The meaning actors give to the relations we have observed from regressions deserves to be studied in depth. Qualitative case studies could provide a more detailed understanding of the rationales at play. In particular, a more precise analysis of ESO's implications for social dialogue and employment relations is essential. Our study indirectly addresses employee representation in governance bodies by comparing situations below and above the threshold of 3 % of employee-held capital, which triggers compulsory representation of employee shareholders on France's directors and supervisory boards. Subsequent research could focus more specifically on the implications of the presence of DRE or DRES in governance entities for employment policies, HRM, or social dialogue. International comparisons would also provide valuable insights into the differences in logic between intensive and extensive ESO. They would enable verification of whether these differences can be found in other regulatory frameworks.

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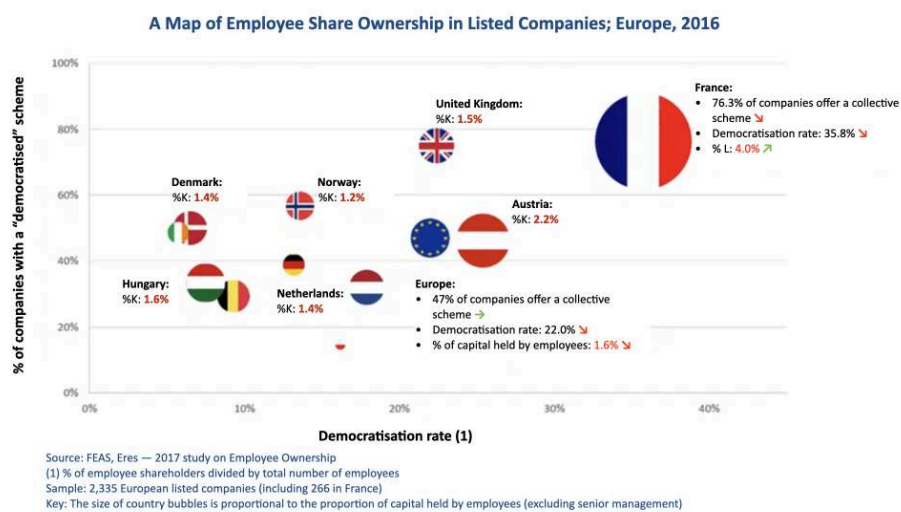
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APPENDIXES

Appendix 1 : A map of listed employee share ownership in Europe in 2016



Appendix 2. The REPOSE survey

The Employment Relations and Workplace Collective Bargaining survey (Relations professionnelles et négociations d'entreprise, REPOSE) has been conducted by the Department for Coordination of Research, Studies, and Statistics (Direction de l'animation de la recherche, des études et des statistiques, Dares) since its inception in 1993 (<https://dares.travail-emploi.gouv.fr/enquete-source/reactions-professionnelles-et-negociations-dentreprise-2023>). Five waves of data have been produced to date (1993, 1999, 2005, 2011, 2017) and a sixth is currently being collected. REPOSE's main characteristics are:

Its statistical representativeness regarding establishments with 11 employees or more in the private, non-agricultural sector in Metropolitan France (over 4,000 observations in the last waves).

There are different "sections": declarative responses are collected from management representatives, employee representatives, and employees. (Our study only uses the first two sections.)

The number of topics the questionnaire comprises, which relate to the establishment (structure, size, age, sector, strategy, etc.), the HR function and HRM practices

(employment, compensation, organisation of labour, etc.), employee representative institutions, economic performance indicators, and employment relations processes (collective bargaining, topics, issues, etc.) and outcomes (employee relations, individual claims and disputes, collective conflicts).

The survey contains a vast majority of closed questions, for which responses are nominal (e.g., industry, type of majority shareholder), ordinal (e.g., proportion of unionised employees) and binary (e.g., Yes/No). Responses are collected by the interviewer based on pre-existing response points approved by the scientific committee in charge of the survey. Thus, when the database is used to build variables, the data structure (categories, levels, and other groupings) is often imposed on the researcher.

Appendix 3. Variables definitions

Variable	Definition and coding
Independent variables	
Intensity of Employee Share Ownership (IESO)	
IESO	Categorical variable coded as follows: 1 if ESO= 0 2 if ESO is strictly above 0% and below 3% 3 if ESO is between 3% and 10% (excluded) 4 if ESO is between 10% and 33% (excluded) 5 if ESO is 33% or more
Scope of Employee Share Ownership (SESO)	
SESO	Percentage of employee shareholders (ratio between the number of employees and the total number of employees)
Dependent variables	
Workforce changes	
Increase in workforce	Coded 1 if the establishment has recorded an increase in workforce over the last three years (2014–2016)
Decline in workforce	Coded 1 if the establishment has recorded a decline in workforce over the last three years (2014–2016)
Stable workforce	Coded 1 if the establishment has recorded a stable workforce of the last three years (2014–2016)
Employment	
Workforce declining while activity is growing	

	Coded 1 if the establishment has recorded an increase in workforce over the last three years (2014–2016) while its volume of activity has experienced sharp growth or growth.
Recourse to temporary employment	Coded 1 if the establishment employs temporary workers as at 31/12/2016
Training	
Training expenditure is under 2% of the wage bill	Coded 1 if the percentage of overall training expenditure compared to the wage bill (at establishment level) is strictly below 2%.
Training expenditure is between 2% and 4% of the wage bill.	Coded 1 if the percentage of overall training expenditure compared to the wage bill (at establishment level) is between 2% and 4%.
Training expenditure is above 4% of the wage bill	Coded 1 if the percentage of overall training expenditure compared to the wage bill (at establishment level) is above 4%.
Compensation	
General increases for non-executives	Coded 1 if the establishment's non-executive staff benefitted from general wage increases in 2016
General increases for executives	Coded 1 if the establishment's executive staff benefitted from general wage increases in 2016
Individual bonuses for non-executives	Coded 1 if the establishment's non-executive staff benefitted from individual bonuses in 2016
Individual bonuses for executives	Coded 1 if the establishment's executive staff benefitted from individual bonuses in 2016
Collective bonuses for non-executives	Coded 1 if the establishment's non-executive staff benefitted from collective bonuses in 2016
Collective bonuses for executives	Coded 1 if the establishment's executive staff benefitted from collective bonuses in 2016
Perception of employee representatives	
Employee representatives take account of economic opportunities	Coded 1 if staff representatives take account of the company's economic opportunities in negotiations
Trade unions play an irreplaceable role	Coded 1 if trade unions play an irreplaceable role in staff representation within the establishment
Trade unions are of service	Coded 1 if trade unions are of service to employees within the establishment
Strikes	

Strikes lasting less than 2d	Coded 1 if among the forms of collective conflict, the establishment has experienced a strike lasting less than two days in the last three years (2014–2016)
Strikes regardless of their duration	Coded 1 if among the forms of collective conflict, the establishment has experienced a strike lasting less than two days and a strike lasting two days or more in the last three years (2014–2016)
Control variables	
Two-tier structure	Coded 1 if the company's governance is two-tiered (executive board and supervisory board)
Ownership structure	
Employee reference shareholders	Coded 1 if the group of employee shareholders is the reference shareholder
Family reference shareholders	Coded 1 if family is the reference shareholder
Government reference shareholders	Coded 1 if the government is the reference shareholder
Other type of reference shareholder	Coded 1 if the reference shareholder is neither the employees, family nor the government
No reference shareholder	Coded 1 if no reference shareholder
Single establishment	Coded 1 if the company is a single establishment
Age of establishment	
Under 5 years	Coded 1 if the establishment has existed for less than 5 years
5 to 9 years	Coded 1 if the establishment has existed between 5 and 9 years
10 to 19 years	Coded 1 if the establishment has existed between 10 and 19 years
20 to 49 years	Coded 1 if the establishment has existed between 20 and 49 years
50 years or more	Coded 1 if the establishment has existed for 50 years or more
Number of employees	
Less than 50 employees	Coded 1 if the establishment's workforce is comprised of less than 50 employees
50 to 199 employees	Coded 1 if the establishment's workforce is comprised of between 50 and 199 employees
200 to 999 employees	Coded 1 if the establishment's workforce is comprised of between 200 and 999 employees

1,000 and more	Coded 1 if the establishment's workforce is comprised of 1,000 employees or more
Main category of staff	
Workers	Coded 1 if workers are the largest category of staff
Employees	Coded 1 if employees are the largest category of staff
Technicians	Coded 1 if technicians are the largest category of staff
Sales representatives	Coded 1 if sales representatives are the largest category of staff
Engineers and executives	Coded 1 if engineers and executives are the largest category of staff
Industry	
Industrial	Coded 1 if the establishment operates in the industrial sector
Construction	Coded 1 if the establishment operates in the construction sector
Services	Coded 1 if the establishment operates in the services sector
Commerce	Coded 1 if the establishment operates in the commercial sector
Other	Coded 1 if the establishment operates in another business sector
Volume of business activity	
Growth	Coded 1 if the volume of activity over the last three years (2014–2016) is in growth
Stable	Coded 1 if the volume of activity over the last three years (2014–2016) is stable
Declining	Coded 1 if the volume of activity over the last three years (2014–2016) is declining
Strategy	
Price	Coded 1 if price is the main element on which the strategy is based
Innovation	Coded 1 if innovation is the main element on which the strategy is based
Quality	Coded 1 if quality is the main element on which the strategy is based
Product/service diversification	Coded 1 if product/service diversification is the main element on which the strategy is based

Other	Coded 1 if another criterion is the main element on which the strategy is based
Financial and accounting variables	
Total assets (Log)	Logarithm of total assets
Debt (Log)	Logarithm of the relation between operating result and total assets
EBITDA (Log)	Logarithm of debts
Scope of operation	
Local	Coded 1 if the main activity is developed on the local market
National	Coded 1 if the main activity is developed on the national market
International	Coded 1 if the main activity is developed on the European and international market
Union presence in establishment	Coded 1 if at least one Union Representative is present in the establishment

NOTES

1. According to Mathieu (2023, p.32), “the share held by employee shareholders in large French companies has increased “all in all” from 4.74% in 2006 to a maximum of 6.03% in 2016, before returning to 5.22% today. Ordinary employees report similar findings, climbing from 3.47% in 2006 to 4.22% in 2016 before returning to 3.43% today. In France’s “legal” definition of employee share ownership in public limited companies, the level observed is also slightly lower today, at 2.86%, compared to 2.94% in 2006. However, the share held by executive managers is now on the rise, at 1.78% against 1.27% in 2006”.
2. The last REPONSE survey was conducted in 2017 (with the previous ones in 1993, 1999, 2005 and 2011, respectively). These surveys are carried out by the Ministry of Labour’s Department for Coordination of Research, Studies, and Statistics (*Direction de l’animation de la recherche, des études et des statistiques, Dares*). It was obtained as part of a project approved by the Centre for Secure Data Access (*Centre d’accès sécurisé aux données, CASD*).
3. This is a French particularity: while employee representation on executive and supervisory boards is common practice, especially in Europe, no other countries require employee shareholder representation as France does over 3% of capital held.
4. <https://www.casd.eu/source/statistique-structurelle-annuelle-dentreprises-issue-du-dispositif-esane/>
5. We rejected the logit model due to the hypothesis of a normal distribution of residuals, given that the dependent variables are from a database representative of French establishments in the private, non-agricultural sector.
6. A DARES study (2022) indicates that the average training expenditure of French companies amounts to 3% of their wage bill. For companies with over 2,000 employees, the average investment represents 4% of their wage bill.
7. However, despite training expenditures rarely exceeding 4% of the wage bill in companies with ESO, we still observe a positive association between *IESO* and training expenditures between 2

and 4%. These amounts are within the French average but are above what is legally required (1% of the wage bill), except for companies in which IESO is 33% of the capital or more, which do not set themselves apart from companies with no ESO scheme.

ABSTRACTS

Using a novel dataset built from the REPONSE 2017 and the FEAS databases, this article highlights the links between employee ownership, HRM practices and industrial relations in French listed companies. We explore the effects of employee ownership intensity (proportion of capital held) and extent (proportion of employee shareholders), as well as the effects of their interaction. Our results suggest contrasting governance logics depending on whether we consider the intensity or the extent of employee ownership, between a shareholder approach on the one hand and a partnership approach on the other.

À l'aide d'un jeu de données inédit construit à partir de l'enquête REPONSE 2017 et de la base de la FEAS, cet article met en évidence les liens entre actionnariat salarié, pratiques de GRH et relations professionnelles dans les entreprises cotées françaises. Nous explorons les effets de l'intensité de l'actionnariat salarié (proportion du capital détenue au titre de l'actionnariat) et de son étendue (proportion de salariés actionnaires ou taux de démocratisation), ainsi que l'interaction entre ces deux dimensions. Nos résultats mettent notamment en évidence des logiques de gouvernance contrastées selon que l'on considère l'intensité (proportion du capital détenu) ou l'étendue (proportion de salariés actionnaires) de l'AS, entre approches actionnariale d'une part et partenariale de l'autre.

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Mots-clés: Gouvernance d'entreprise, gestion des ressources humaines, relation d'emploi, actionnariat salarié, sociétés cotées

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