

Renate Ortlieb, Wenzel Matiaske, Simon Fietze*

Employee share ownership in Germany: A cluster analysis of firms' aims**

Politicians and scholars alike praise the significant benefits associated with employee share ownership (ESO). However, little is known about the concrete motives of firms to provide ESO to their employees. In particular, it is unknown how these motives correlate with firms' contexts. Drawing on an institutional theoretical framework, this article examines what aims firms pursue through the provision of ESO. The data originate from a survey of firms in Germany. The cluster analytic findings indicate distinctive patterns of relationships between aims and firm characteristics. Aims related to employee performance are most important to foreign-owned firms, financial aims are most important to non-public small and medium-sized firms and aims related to corporate image are most important to big firms and to firms that do not provide profit sharing. Aims related to employee attraction and retention are almost equally important to all kinds of firms.

Key words: **financial participation, employee share ownership, firms' aims, cluster analysis, human resource management**
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* Renate Ortlieb (corresponding author): Univ.-Prof. Dr., University of Graz, Department of Human Resource Management, Elisabethstr. 50, 8010 Graz, Austria.
E-mail: renate.ortlieb@uni-graz.at.

Wenzel Matiaske: Univ.-Prof. Dr., Helmut-Schmidt-University/University of the Federal Armed Forces Hamburg, Institute for Employment and Labour Relations, Holstenhofweg 85, 22043 Hamburg, Germany. E-mail: matiaske@hsu-hh.de

Simon Fietze: Asst. Prof., University of Southern Denmark, Department of Entrepreneurship and Relationship Management, Alsion 2, 6400 Sønderborg, Denmark.
E-mail: simonf@sam.sdu.dk.

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