

# **Beyond Dichotomy: The Curvilinear Impact of Employee Ownership on Firm Economic Performance**

**Xavier Hollandts (INSEEC)  
Zied Guedri (EM Lyon)  
Pierre-Yves Gomez (EM Lyon/IFGE)**

## **ABSTRACT**

Extant research examining the relationship between employee ownership and firm-level performance has produced mixed and sometimes contradictory findings. Results vary from strong support for such a relationship, to only a small or non-significant association, along with some studies suggesting that the strength of the relationship is sensitive to research methodology. This longitudinal study attempts to address the inconsistency of these findings by suggesting that the relationship between employee ownership and firm performance is not linear, but indeed, has a U-inverted shape. Moreover, we suggest that such a relationship is moderated by employee board representation. Results drawn from a sample of 189 French firms provide support for our two hypotheses.

### **Keywords:**

Employee ownership, Firm performance, Board of directors