

PEPPER IV REPORT

BENCHMARKING EMPLOYEE FINANCIAL PARTICIPATION IN MEMBER AND CANDIDATE COUNTRIES OF THE EU

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Aims of the Project

- To identify different financial participation (FP) schemes practiced by companies in different countries
- To find out the extent of the availability of FP schemes across the European Union and the extent to which they are taken up in different countries
- To analyse comparable indicators of FP across EU members and candidate countries

Benchmarking

- Any benchmarking exercise requires information which is consistent and comparable across countries
- Data must be collected by similar methodologies and questions to be comparable
- Questions must have the same meaning for respondents in different countries

Sources of Data

- There is no single database showing the extent of FP in EU countries
- There are 3 major sources of information
- These sources are very different from each other and convey different information
 - CRANET
 - EWCS
 - EFES Survey

CRANET Survey

- Postal survey of HR Managers (main aim is HR practices and not FP schemes); 7914 companies in 32 countries (response rate 16%)
- FP is only one part of a six part questionnaire; and is concerned with FP schemes offered by companies
- Missing 9 countries of our interest
- Consists of companies with 200+ employees (but 1999/2000 survey covered companies with 100+)
- Covers all schemes (broad based or limited)

EWCS

- Survey of 30,000 individuals across 31 European countries; face to face interviews; response rate 48%
- FP (in the form of 'sources of income' constitutes a small part of the questionnaire; not the focus
- Individuals are asked if they actually receive any profit sharing or any income from shares of the company for which they work
- Respondents are not necessarily employed
- FP schemes may or may not be broad

EFES Survey

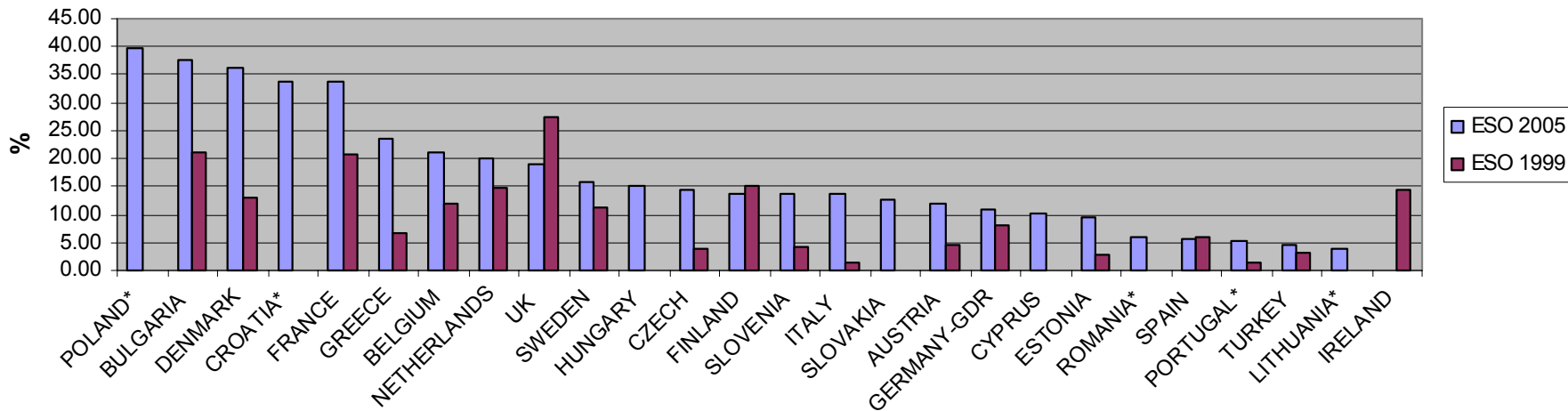
- All large companies quoted on stock markets with market value of € 200 mil + are included (2270)
- A number of companies with 100+ employees and the majority of shares owned by employees (207)
- Focuses on the proportion of company shares owned by employees (thus only on one kind of FP)

So:

- No single consistent source of information across all EU countries
- Different sources focus on different types of financial participation (potential vs actual)
- Thus the need for a survey specifically focusing on FP schemes in all 29 or 30 countries, using same questions and same methodology

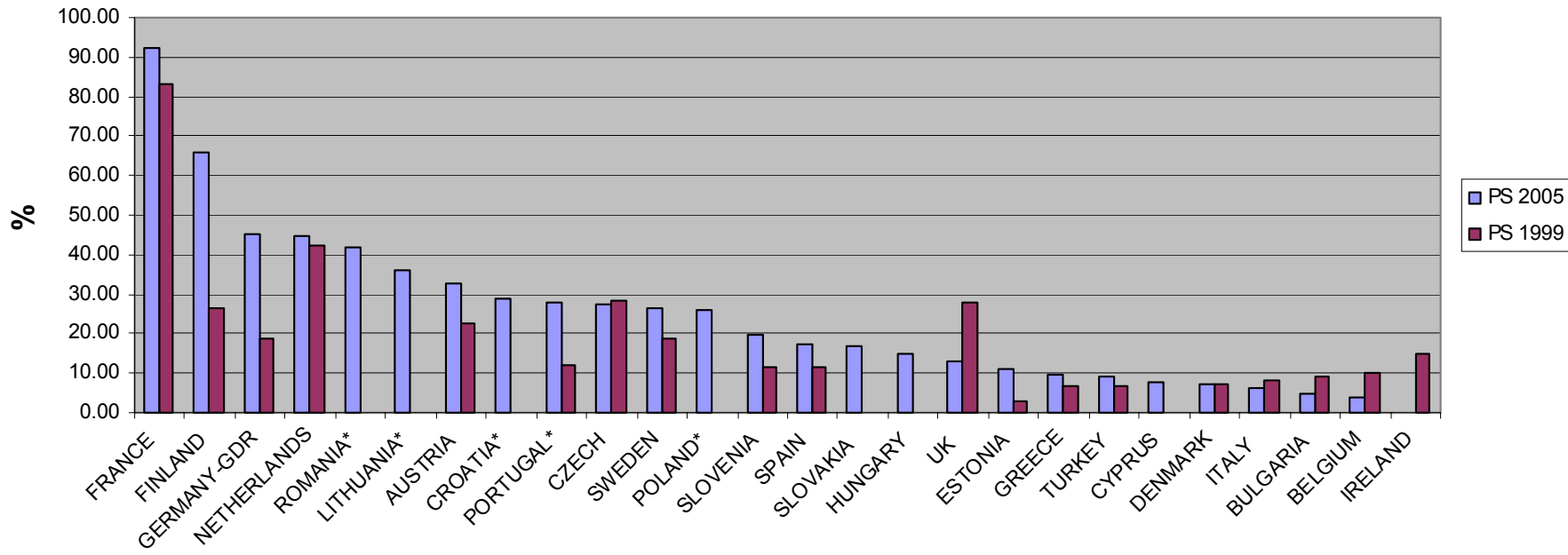
Percentage of companies offering broad based employee participation schemes

broad based ESO



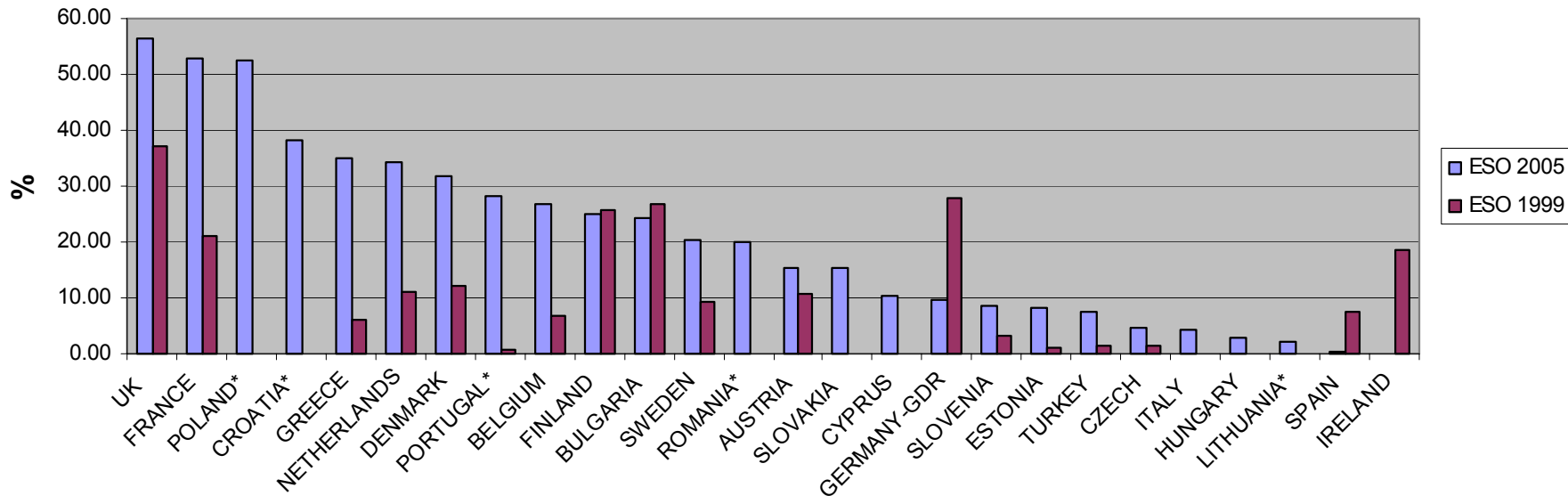
Percentage of companies offering broad based employee participation schemes

broad based PS



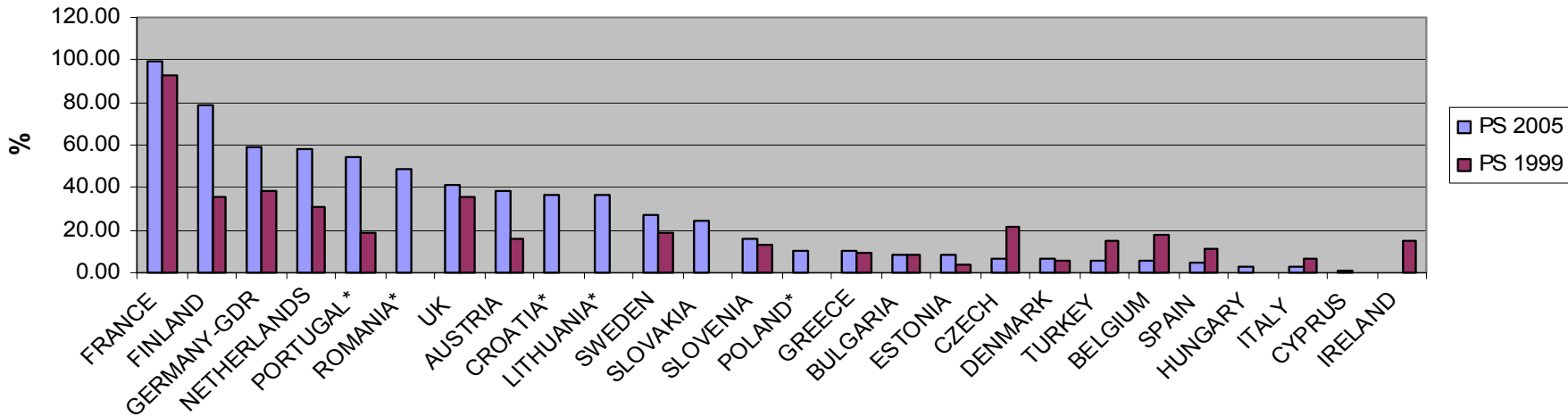
Percentage of employees in sample companies covered by broad based financial participation schemes

ESO-employee coverage



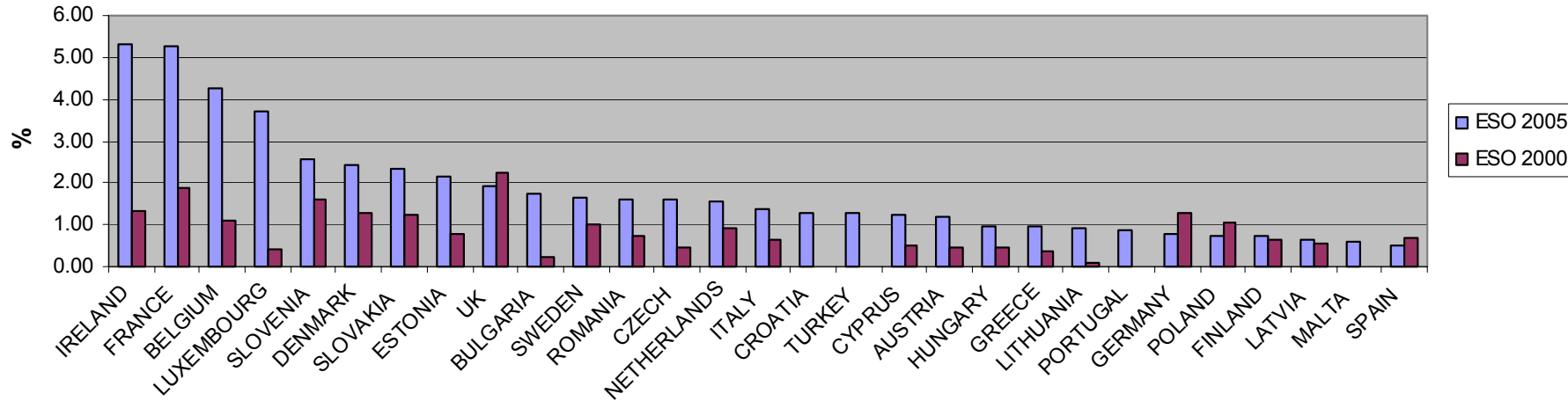
Percentage of employees in sample companies covered by broad based financial participation schemes

PS-employee coverage

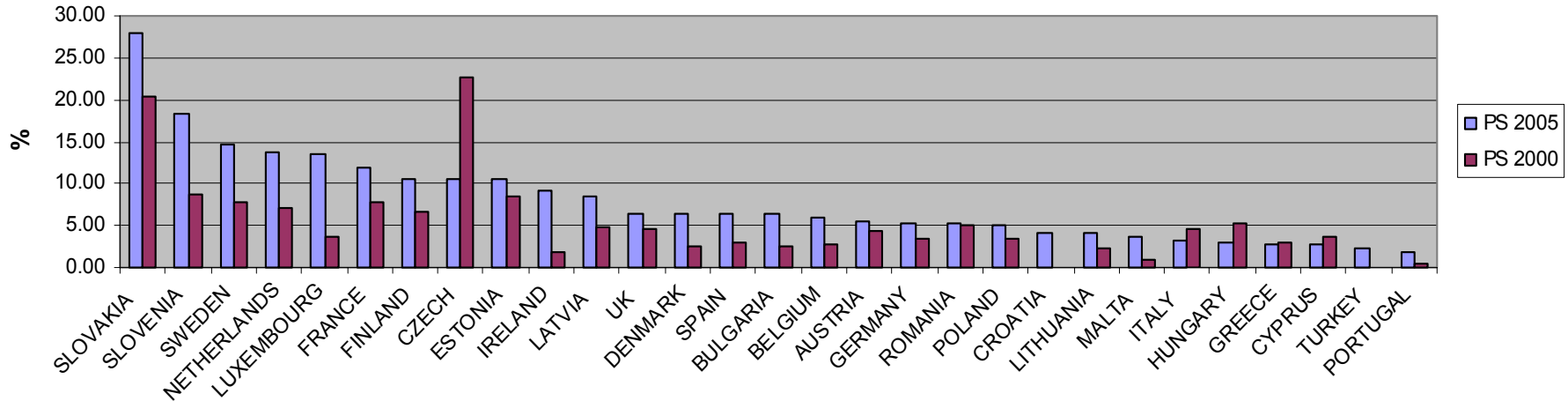


The Actual Take-up of Financial Participation Schemes (EWCS)

ESO

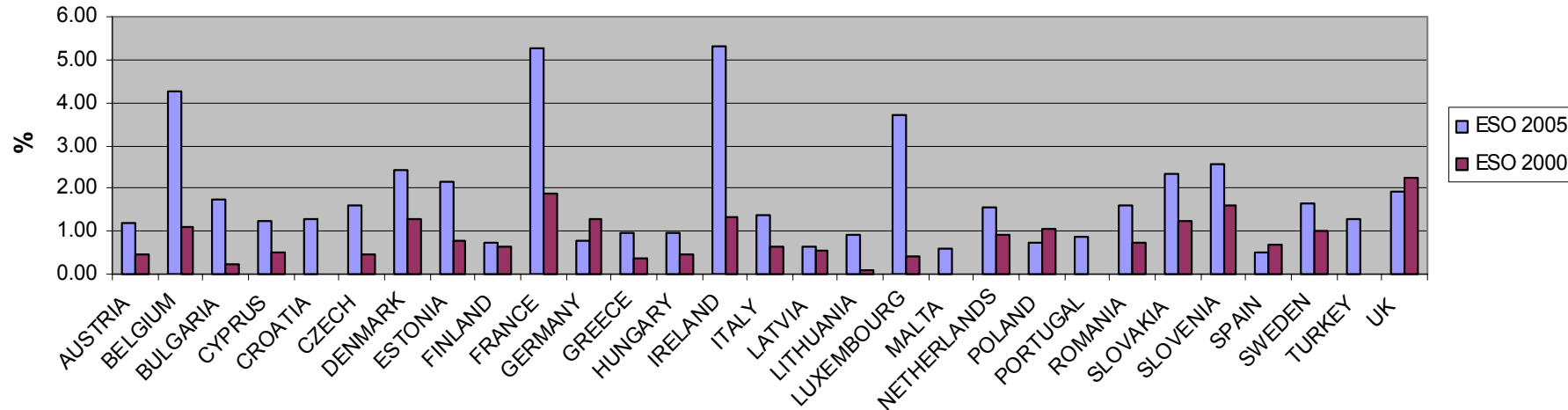


PS

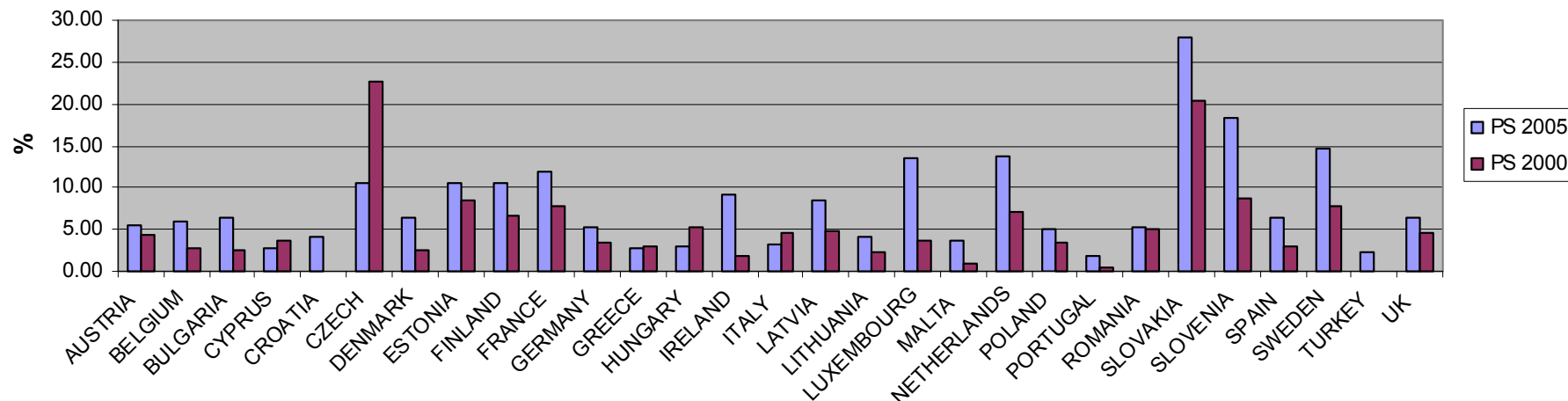


The Actual Take-up of Financial Participation Schemes (EWCS)

ESO



PS



Profit sharing based on predefined formula and paid on a regular basis

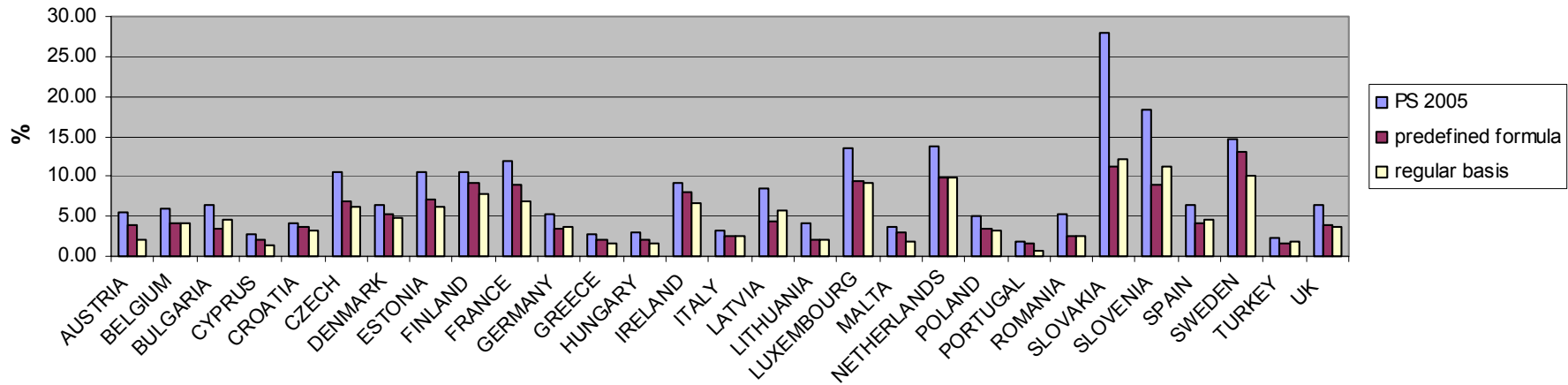
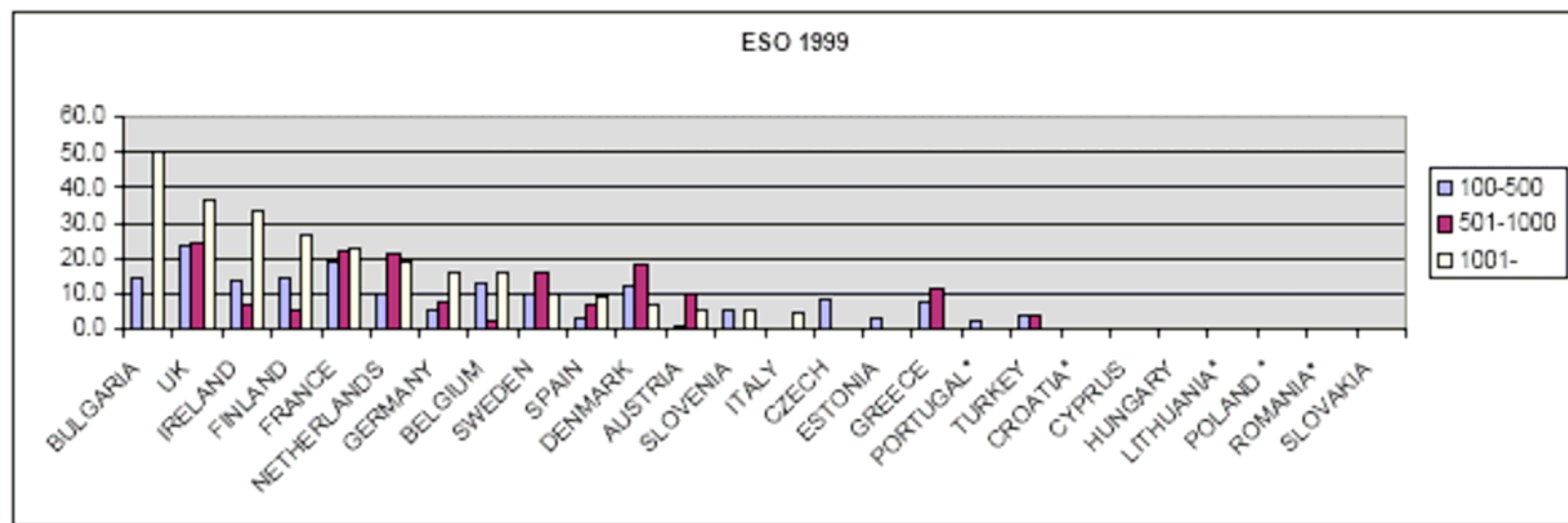
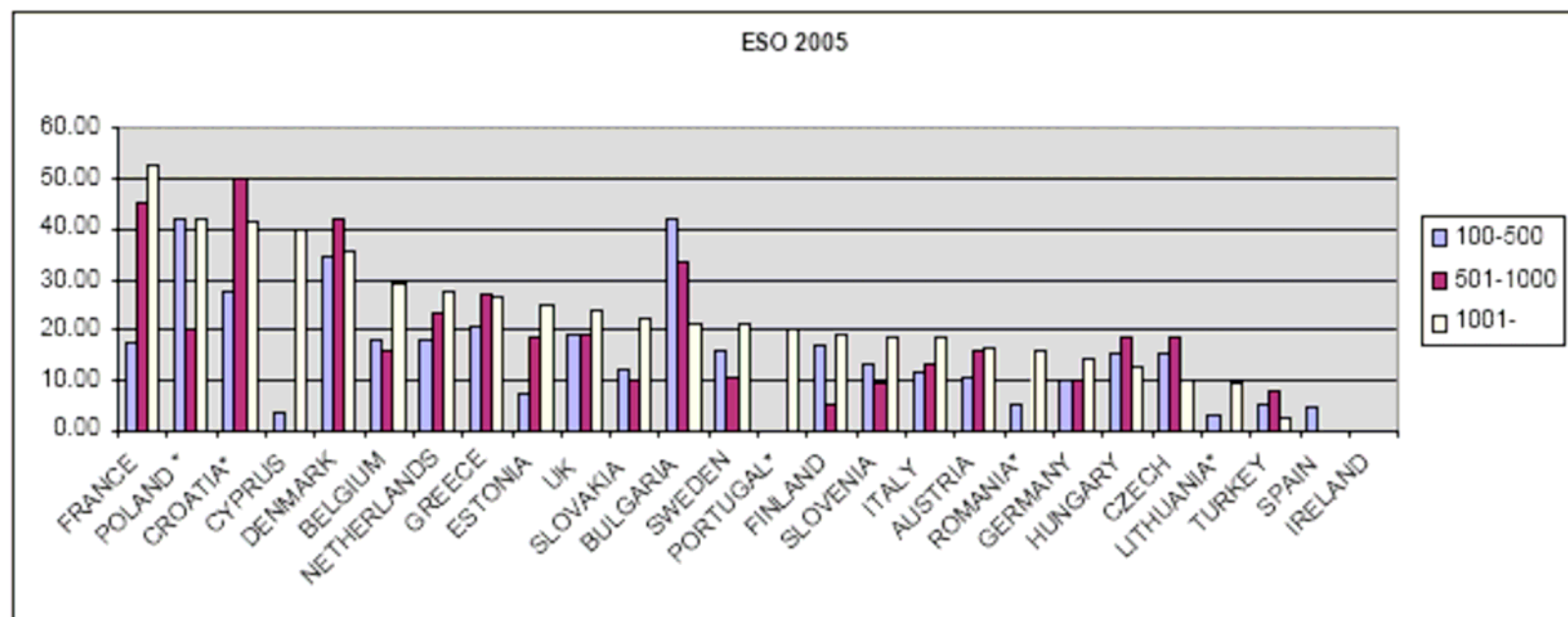
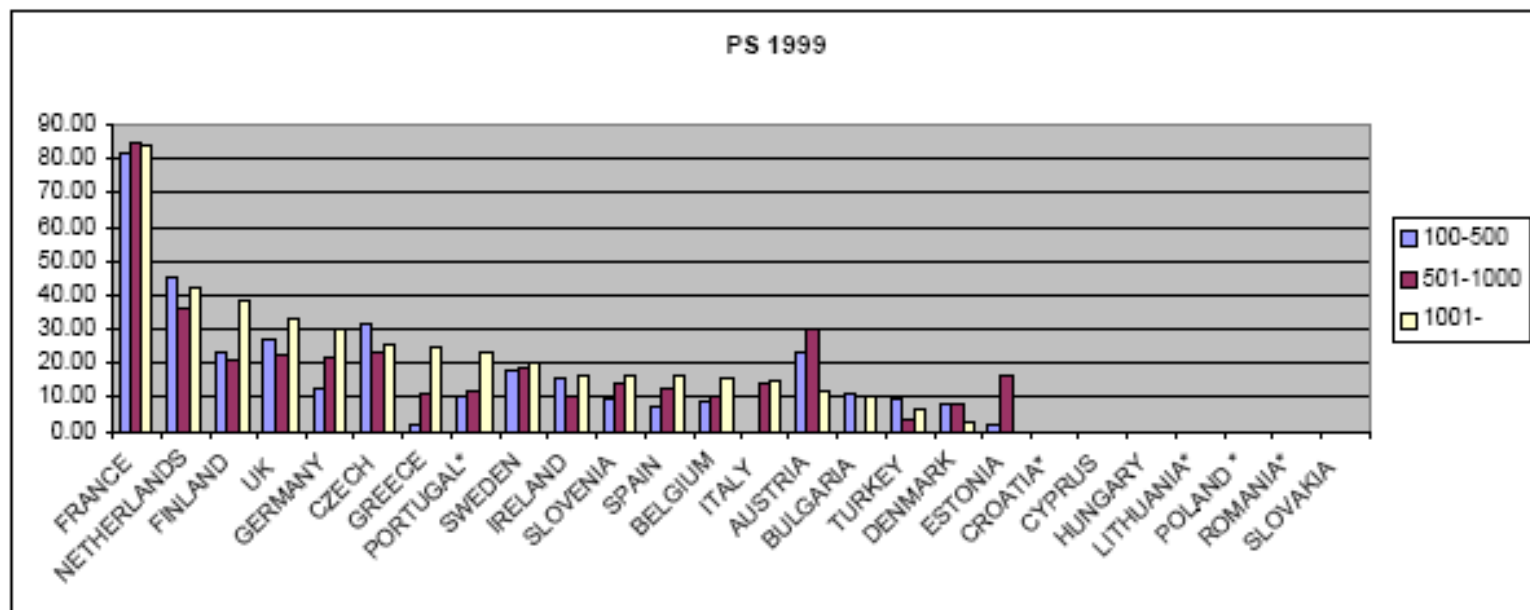
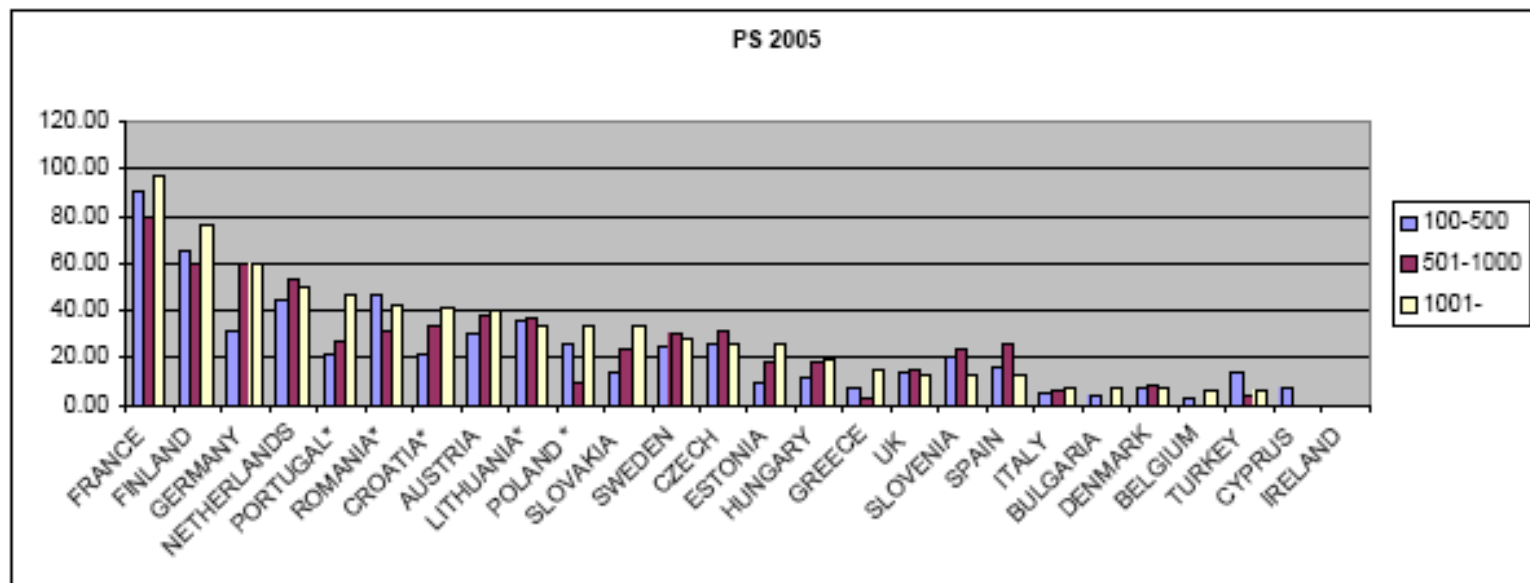


Figure 3. Employee share ownership by firm size, 1999 and 2005 (%)



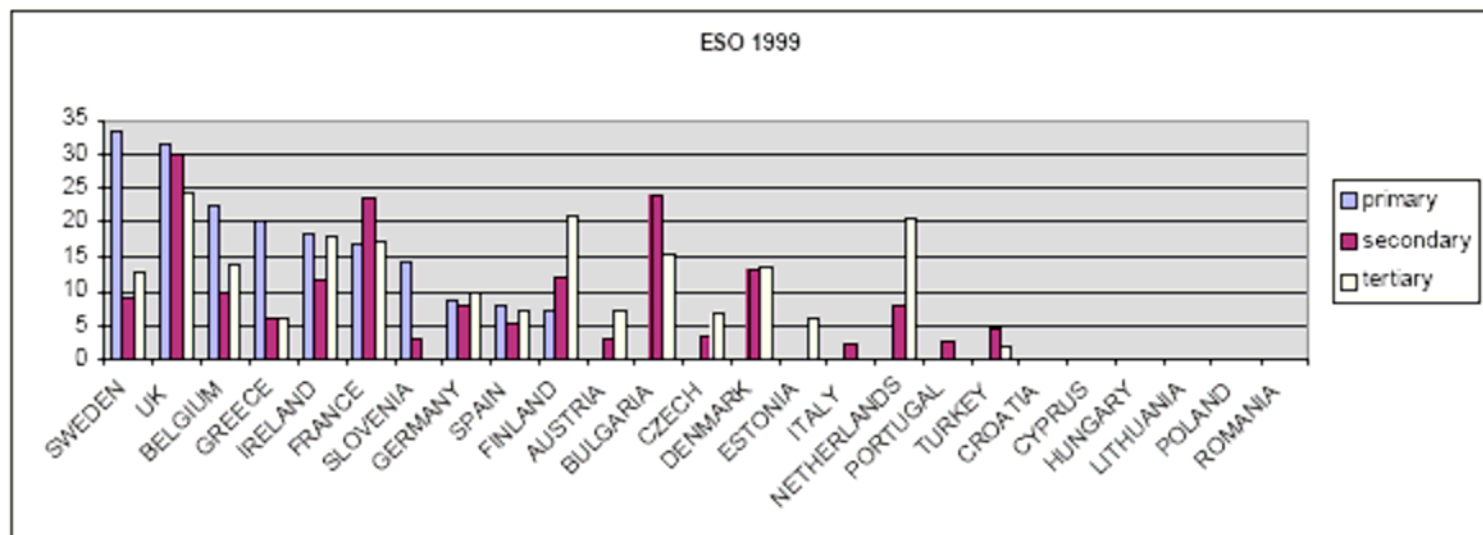
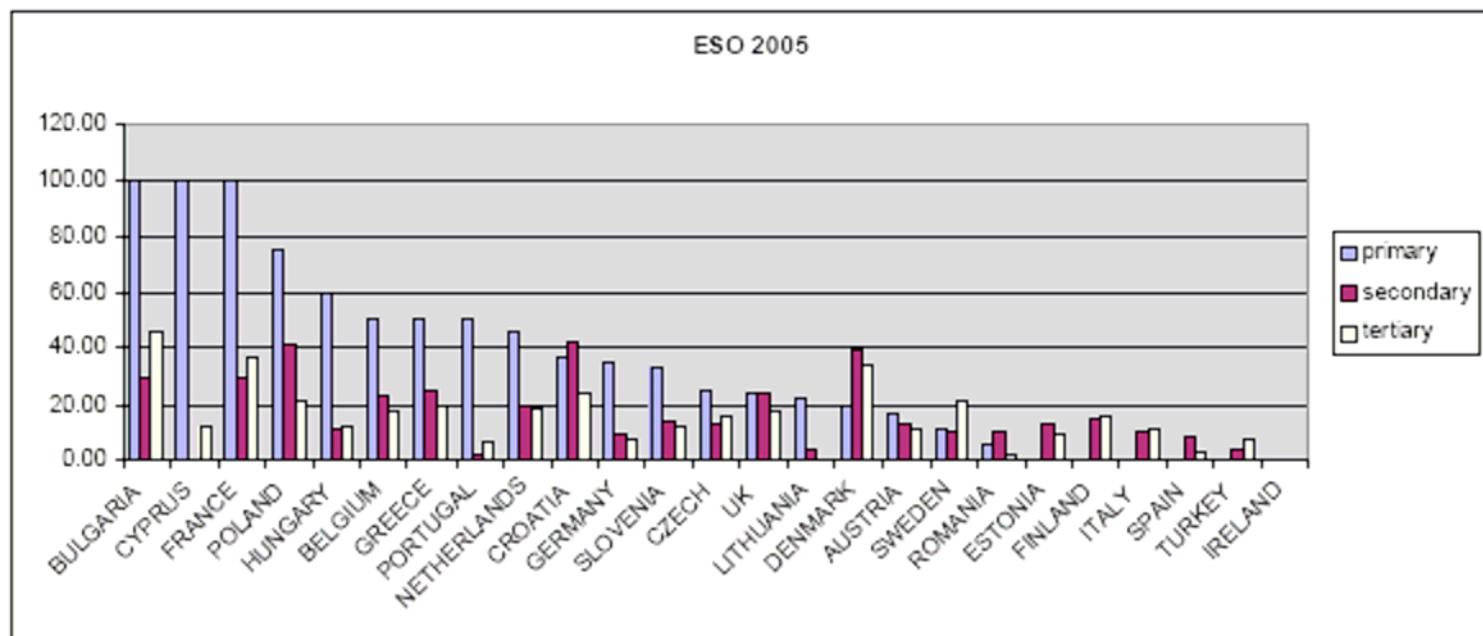
Source: CRANET data and own survey (Croatia, Lithuania, Poland, Portugal, Romania - for 2005).

Figure 4. Profit-sharing by firm size, 1999 and 2005 (%)



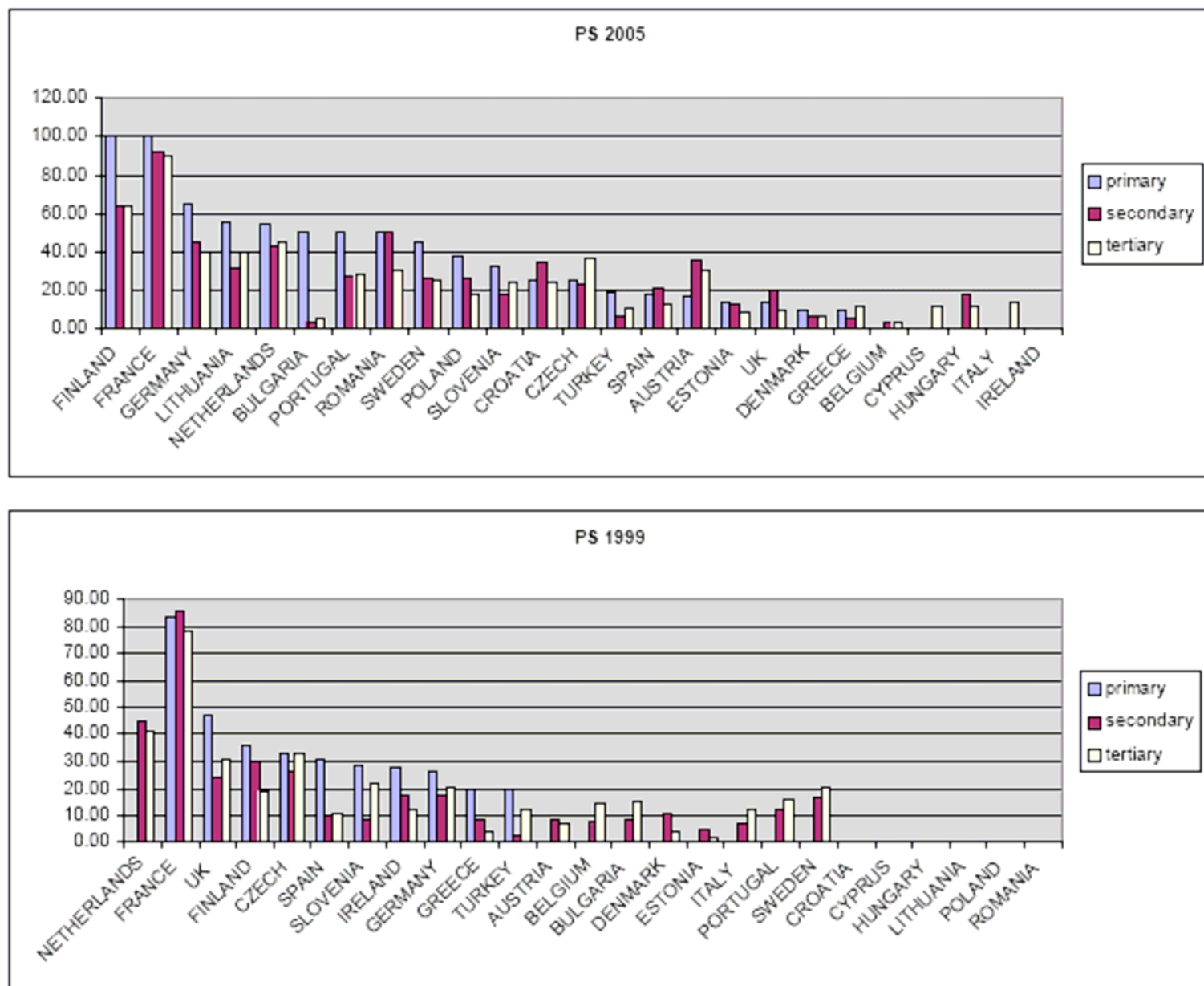
Source: CRANET data and own survey (Croatia, Lithuania, Poland, Portugal, Romania - for 2005).

Figure 5. Employee share ownership by sector, 1999 and 2005



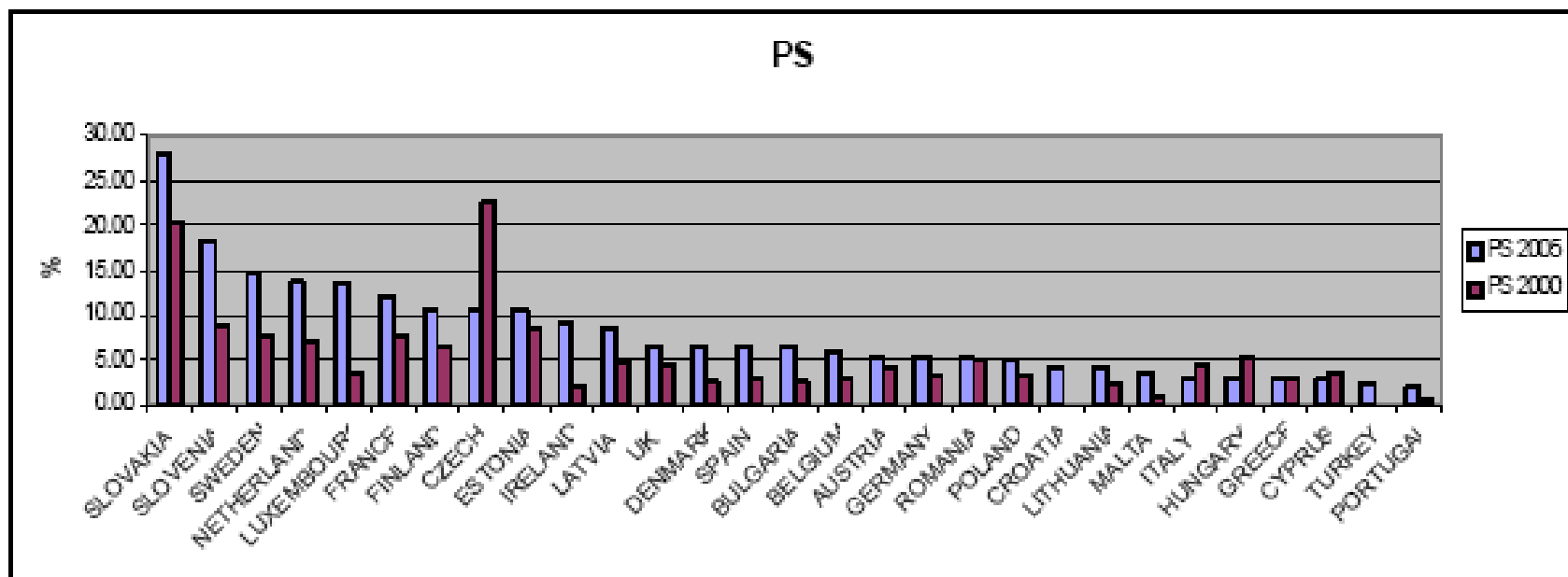
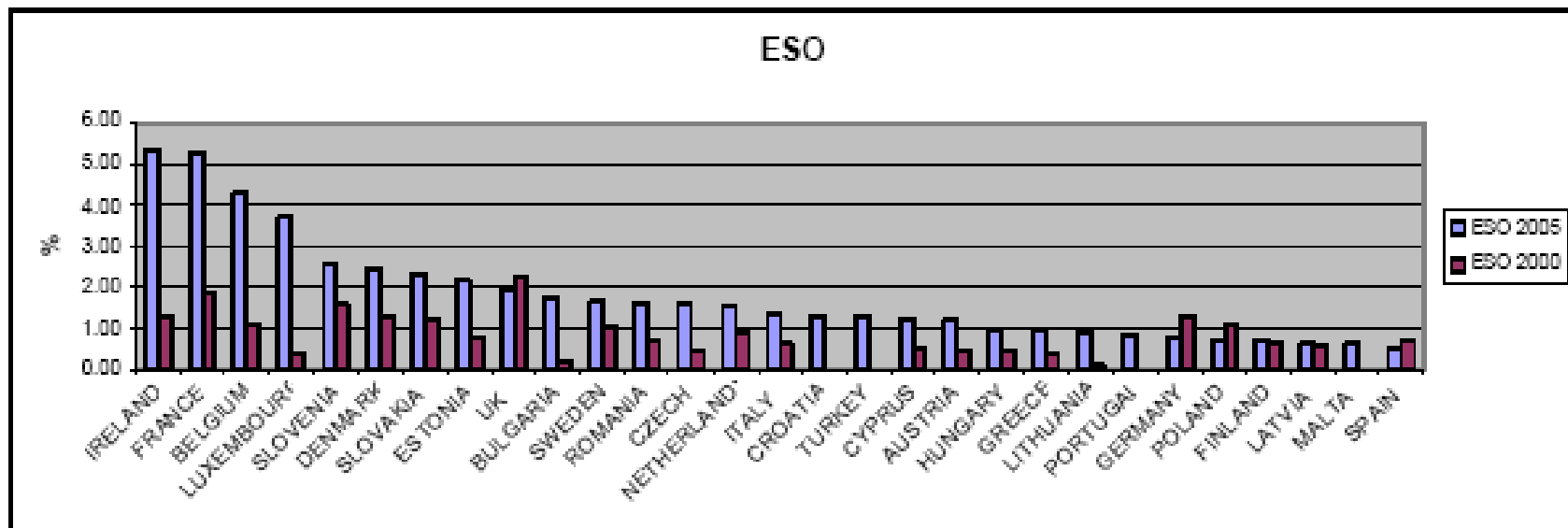
Source: CRANET data and own survey (Croatia, Lithuania, Poland, Portugal, Romania – for 2005).

Figure 6. Profit-sharing by sector, 1999 and 2005



Source: CRANET data and own survey (Croatia, Lithuania, Poland, Portugal, Romania – for 2005).

Figure 8. Profit-sharing and employee share ownership 2000-2005



Source: EWCS.