THE IMPACT OF FOUNDING-FAMILY OWNERSHIP ON LABOR RELATIONS: EVIDENCE FROM FRENCH WORKPLACE-LEVEL DATA

Timothée WAXIN♦
Université Paris-Dauphine, DRM

This version: April 20, 2010

Abstract

We investigate the influence of founding-family ownership on labor relations using workplace-level data from France. Based on data from labor conflicts during 2004 in workplaces of listed companies, we find that family ownership significantly reduces the duration and the percentage of employees involved in major conflicts as well as the likelihood that a workplace experiences a strike. These results are robust to different definitions of founding-family ownership and control for endogeneity. We also show that there is a significant reduction in the number of protected employee layoffs, sanctioned employees, individual law disputes handled by an employment tribunal, and the annual number of works council or union delegate meetings when a family member serves as the CEO of the firm. We document the impact of employee ownership and representation on corporate boards of directors on labor relations and find a significant and negative relationship for dependent variables. Overall, these findings suggest that ownership structure is an important determinant of labor relations within firms.

JEL classification: G32, J52, J53, J54, J83.
Key words: Family ownership, Labor relations, Employee ownership, Employee representation.

♦ Ph.D. Candidate, please address correspondence to: Université Paris-Dauphine, DRM Finance, Place du Maréchal de Lattre de Tassigny, 75775 Paris Cedex 16. Tel: + 33 1 44 05 42 27 - Fax: + 33 1 44 05 40 23 - E-mail: Timothee.Waxin@dauphine.fr. This paper is part of a doctoral research conducted under the supervision of Professor Edith Ginglinger.

1. Introduction

Family-run businesses are a very common ownership structure in Western European countries (La Porta et al. (1999), Faccio and Lang (2002)). Research on the role of family ownership in the modern corporation has often focused on firm value and performance (see for instance Anderson and Reeb (2003), Barontini (2006), Maury (2006), Villalonga and Amit (2006), Miller et al. (2007)). It is argued that family ownership usually offers superior performance compared to other corporations. However, little is known about the relationship between this type of ownership and the quality of labor relations and, to our knowledge, such an empirical study on a firm-level basis has not been undertaken before and should therefore provide useful information about the behavior of family firms.

Using a dataset covering the period 1973 to 1977, Tracy (1986) was one of the first to argue that besides industry characteristics and union density, firm-specific factors are key determinants of strike activity. The influence of other firm-level characteristics has also been previously studied. For instance, Cramton et al. (2005) observe from a sample of U.S. bargaining data for the period 1970-1995 that Employee Stock Ownership Plans (ESOPs) increase the efficiency of labor negotiation by reducing dispute rates.

Good social relationships with employees are a form of non-pecuniary private benefits for corporate managers and owners (Jensen and Meckling, 1976), and labor conflicts may harm firm profitability. Several arguments lead to the conclusion that family ownership should improve the quality of labor relations within the firm such as paternalism (Mueller and Philippon, 2007), a more long-term oriented strategy (Sraer and Thesmar (2007), for instance), an emotionally attachment of family owners to their firm and employees and their will to transfer control of the firm to the next generations (Bertrand and Schoar, 2006). Poor labor relations would contradict these objectives. We investigate this link using workplace-level data of listed companies from the 2004 *Réponse* (*RElations PrOfessionnelles et NégociationS d'Entreprise*) survey conducted by the *Dares* (*Direction de l'Animation de la Recherche, des Etudes et des Statistiques*) which depends on the French Ministry of Labor and Social Affairs. This survey, which is derived from the data collected in the interviews with the most senior manager at the workplace, covers a wide range of issues dealing with employment relationships and practices, trade union representation, dispute and grievance procedures and wages. It is very similar to the *Wers* (*Workplace Employment Relations Survey*) survey conducted in the United Kingdom. From a dataset consisting of 1,002 workplaces employing more than 20 employees, our results provide a contribution to the

existing literature by showing that founding-family ownership significantly reduces the percentage of employees involved in the major labor conflict, its duration and the likelihood that a workplace experiences a strike. We also observe that when a founding-family member serves as CEO of the firm, there is a significant reduction in the number of protected employee layoffs asked by the management, sanctioned employees and individual law disputes between employers and employees handled by employment tribunals, the annual number of works council and union delegate meetings in the workplace. Our results are robust to different definitions of founding-family ownership, several subsample analyses and the inclusion of several control variables such as unionization rates, whether the days of strikes are compensated, the type of employment contract and the presence of aggressive unions in the workplace. When we control for endogeneity as families may set up businesses with more favorable relations, we obtain highly similar results to the OLS regressions which indicate that our findings are robust to endogeneity concerns.

We also document the impact of employee ownership and representation on corporate boards on labor relations as French law mandates that employees of large publicly listed companies be allowed to sit on the board (Ginglinger et al., 2009). In line with Cramton et al. (2005), our results show that for some dependent variables employee ownership and representation improve the quality of labor relationships. Overall, our findings suggest that ownership structure is an important determinant of labor relations within firms.

The remainder of the paper is organized as follows. The next section surveys the literature on family ownership and labor relations and lays out our main testable hypothesis. Section 3 provides some institutional background. In section 4, we describe the sample selection, the variables we use in our tests and their sources. Section 5 reports summary statistics. Section 6 presents the regression results and section 7 describes robustness checks. Section 8 concludes.

2. Theory and testable hypothesis

Family ownership is predominant in Western European countries and has received strong interest in the last decade in both finance and management literatures. La Porta et al. (1999) analyze the ownership structure of listed firms in 27 wealthy countries and find that the family-owned firm is common. Faccio and Lang (2002) document from a sample of 5,232 corporations in 13 Western European countries that 44.29% of the firms are family controlled. Research on the role of family ownership in the modern corporation has focused on firm

value and performance with conflicting evidence. In Anderson and Reeb (2003), Barontini (2006), Maury (2006), Villalonga and Amit (2006), Miller et al. (2007), valuation and operating performance are found to be significantly higher in founder-controlled or managed corporations while Holderness and Sheehan (1988), Bertrand and Schoar (2006) or Bennedsen et al. (2007) contradict these results. However, to our knowledge, the link between family ownership and labor relations on a firm-level basis has not been undertaken before and thus appears as an open empirical issue.

One of the main explanations for the presence of good social relationships in family firms is probably paternalism. Paternalism has traditionally governed family firms. Mueller and Philippon (2007) document that in the late 19th century founding families established generous corporate welfare programs in response to severe industrial violence. Paternalism is seen as an "implicit contract" between the firm and its workers (Mueller and Philippon, 2007) where "the care and well-being of the employees and other stakeholders are emphasized" (Huse, 2007). One of the most common examples of paternalism in French companies is probably Schneider under the management of Eugène Schneider which became for a long time after its creation in 1836 involved in all facets of community life: housing, schooling, training, health and religion[1]. Paternalism may have a positive impact on industrial relations in that it may lead to a stronger sense of loyalty and commitment from employees. Using country-level data from thirty countries, Mueller and Philippon (2007) show that family firms are particularly effective at coping with difficult labor relations and find that family ownership is relatively more prevalent in countries in which labor relations are difficult.

Several arguments which ensue from paternalism also lead to the conclusion that founding-family owners should care more than other owners about improving relations between employers and employees. Family firms pursue a more long-term oriented strategy than non-family firms do which is profitable to employees. These firms provide "patient capital" (see Block, 2008). Sraer and Thesmar (2007) show from firms listed on the French stock exchange between 1994 and 2000 that family companies pay wages that are lower by 10% than those paid by widely-held firms because these firms hire younger and less skilled employees. Under implicit labor contracts, family firms promise that most workers will keep their jobs even if total sales decrease. In exchange of lower wages or harder work for the same wage, family firms provide employment insurance to their employees. Using a sample of firms in the S&P 500 Index from 1994 to 2003, Block (2008) documents that family

---

[1] See http://www.schneider-electric.fr.

ownership decreases the likelihood of deep job cuts (i.e. in excess of 6%). This could be explained by the fact that family owners are emotionally attached to their firm and employees, have a good understanding of the firm and the business and often want to transfer control of the firm to the next generations (see also Burkart et al. (2003), Bertrand and Schoar (2006)). Additionally, as firm name is seen to be a "carrier of a reputation, in both economic and political markets" (Burkart et al., 2003), poor labor relations would contradict this objective.

Families and employees are more sensitive to firm specific risk (Sraer and Thesmar, 2007), founding families hold less diversified portfolios and are more concerned by firm survival (Anderson and Reeb, 2003). Families are therefore likely to minimize firm risk by for instance undertaking low risk investments, having lower firm leverage and costly work disruptions. Moreover, large firms offer inferior working conditions (see for example Brown and Medoff (1989)). As shown in all empirical studies, family companies are smaller than non-family businesses so that one could argue that labor relations are better in family firms.

Family members often serve as the firm's CEO (see Anderson and Reeb (2003), Barontini (2006), Maury (2006), Villalonga and Amit (2006), Miller et al. (2007))[2]. Anderson and Reeb (2003) argue that the presence of family managers may align the firm's interests with those of the family and that these managers may bring knowledge that outside ones do not have. They find that when family members serve as CEOs, performance is better than with outside CEOs. Villalonga and Amit (2006) and other numerous studies obtain similar findings only when the founder serves as the CEO. Besides the previous arguments suggesting that family ownership improves the quality of labor relations, we should observe the same outcome with family management. Labor relation studies have mainly focused on the link between managerial ownership, worker wages and restructuring measures. Jensen and Meckling (1976) argue that benefits from social relationships with employees are a form of non-pecuniary private benefits for corporate managers. Pagano and Volpin (2005) predict that managers expecting hostile takeover threats may intentionally provide workers substantial above-market wages and voting rights as part of a management-worker alliance. This is empirically verified by Bertrand and Mullainathan (1999, 2003) who show that managers insulated from takeovers through U.S. state adoption of antitakeover laws pay their workers more reflecting thus their aspirations to enjoy the "quiet life" and by Cronqvist et al. (2009) who obtain the same result when Swedish CEOs have more control. Such managers also reduce the destruction of old plants and the creation of new plants (Bertrand and

---

[2] For instance, Christian Courtin-Clarins at Clarins or Arnaud Lagardère at Lagardère.

Mullainathan, 2003) as well as the occurrence of large-scale worker layoffs (Atanassov and Kim, 2009). However, even though family ownership decreases the likelihood of deep job cuts, Block (2008) does not find a significant impact of family management. We can therefore summarize the above arguments as follows:

Hypothesis: A founding-family environment improves the quality of labor relations.

3. Institutional background

We briefly describe in this section the French institutional background of labor relations. Labor relations in France are governed by labor laws (*Code du travail*) and collective agreements (*Conventions collectives*) for each economic sector of activity.

3.1. Strikes

In France, the right to strike was recognized in the preamble to the Constitution of October 27, 1946. There is little state regulation of private sector strike activity in France. The right to strike is an individual right and not a union prerogative: strikes by a minority of employees (at least two) or without advance notice are lawful but must concern demands of professional order (employees who strike over pay or job cuts, for instance). The contract of employment of those who strike is considered suspended for the duration of the strike. Then, days of strike can be partially or fully paid: in practice, the payment of the days of strike often becomes a separate demand and a major element in the negotiations of end of strike.

3.2. Works councils

Works councils are compulsory in France since 1945 in companies with more than 50 employees. They are replaced in companies with several workplaces by plant-level works councils and a firm-level central committee. These employee representation institutions are collegiate bodies composed of elected employee members for a period of two years, trade union representatives and the senior manager of the company who chairs the council. The works council is financed by a subsidy from the company which amounts to at least 0.2 percent of the gross wage bill. The company must also provide the works council with a place in which to meet, equipped with the material necessary for its satisfactory functioning. The

works council meets at least once a month when the firm employs more than 150 employees (once every two months otherwise). The council has information and consultation rights on working hours and conditions (for instance, introduction of new technologies, compensation, training and employment), redundancies for economic reasons and protected employee layoffs. It has also to be kept informed about the economic and financial performance of the firm. Then, works councils are in charge of social and cultural activities (trips, Christmas parties…)[3] within the firm for the benefit of the employees, their families and the retirees of the company.

3.3. Conseils de Prud'hommes

Individual private sector law disputes between employers and employees such as unfair dismissals, redundancy payments, discriminations, claims relating to wages are handled in France by one of the 282 *Conseils de Prud'hommes* ("Conciliation boards"). Created in 1806, these employment tribunals are specialized jurisdictions composed of elected representatives from employer and trade union bodies in equal numbers. Appeal can be made to a *Cour d'appel*.

3.4. Union delegates

Union delegates appeared in French companies of more than eleven employees in 1936. They are elected for four years and represent their union and employees in dealings with the management of the firm. They have paid time off to perform their functions. Union delegates have several prerogatives. They have to present to the employer all individual and collective concerns and complaints about salaries, health, safety, respect of labor law. They also have to inform the *Inspecteur du travail* ("Work inspectorate") of all non-respect of complaints and observations relative to the application of laws and regulations within the company and assist employees when they are dismissed. The employer has to meet with them at least once a month.

3.5. Protected and sanctioned employees

---

[3] See for instance the Michelin's works council website on http://www.cemichelin.fr.

Worker representation is a structuring principle of French labor law. It ensures specific protection of labor representatives (union delegates, members of the works council) as well as pregnant women. Special formalities apply for protected employee dismissals. If the employer wishes to terminate their contracts, permission has to be obtained from the works council and employment authorities. Employers who sanction employees following a fault (absence without a proper justification, theft…) also have to follow a specific disciplinary procedure.

4. Sample selection, variables and sources

4.1. Sample selection

Precise data on strikes as well as on wages and employment structure are difficult to obtain. We deal with this problem by using the 2004 *Réponse* (*RElations PrOfessionnelles et NégociationS d'Entreprise*) survey conducted by the *Dares* (*Direction de l'Animation de la Recherche, des Etudes et des Statistiques*) which depends on the French Ministry of Labor and Social Affairs[4]. This survey provides reliable, nationally representative data on the state of labor relations in workplaces employing more than 20 employees and is very similar to the *Wers* (*Workplace Employment Relations Survey*) survey conducted in the United Kingdom. It is derived from the data collected in the interviews with the most senior manager at the workplace. Questions cover a wide range of issues dealing with employment relationships and practices such as for instance economic context, consultation, communication, work organization, trade union representation, dispute and grievance procedures. This survey contains a large number of variables on conflicts and includes a significant number of variables to characterize all aspects of each strike. The first two surveys were led in 1992 and 1998. We use the third one led in 2004 (economic and labor environments may be determinants of strikes but the fact that our study covers only a year is not likely to be a difficulty as 2004 was not characterized by unusual economic or social activity).

In this paper, we use both firm-level and plant-level data, but focus our comments on workplace-level outcomes. Plant-level data have been used in former researches, for instance in Bertrand and Mullainathan (2003). We start with the 2,930 workplaces available in the survey and select workplaces of subsidiaries which belong to listed parent companies with an ultimate ownership of more than 95%. A workplace is defined as a separate physical location.

---

[4] See http://www.travail-solidarite.gouv.fr.

We check the ultimate ownership information which is not displayed in the *Dares* survey (each workplace is assigned a unique and time-invariant registration number called *Siren*, *Système d'Identification du Répertoire des Entreprises*) from several sources including registration documents and annual reports, Diane and Dafsaliens databases which report historical ultimate ownerships and LexisNexis and Factiva databases. In total, this selection procedure yields 1,002 workplaces belonging to 402 unique firms.

4.2. Family ownership and management

One of the primary concerns was the determination of family firms. We follow Anderson and Reeb (2003) and Villalonga and Amit (2006) who define a family firm as a "firm whose founder or a member of the family by either blood or marriage is an officer, a director, or the owner of at least 5% of the firm's equity, individually or as a group", where a founder is "an individual responsible for the firm's early growth and development". We use four measures of a founding-family firm (we define all the variables used in our paper in the **Appendix**): **Family Ownership** is the fraction of shares of all classes held by the founding family with at least a 5% equity stake. **Family Firm** is a binary variable that equals one when the founding family holds at least a 5% equity stake, and 0 otherwise. **Largest Owner** is a binary variable that equals one when the founding family is the largest shareholder in the firm, and zero otherwise. Then, **Family Management** is a binary variable that equals one when any member of the founding family holds the title of Chief Executive Officer (CEO), and zero otherwise.

We manually extract data on family equity stake and management from registration documents (proxy statements in the case of American listed firms) available on the *Autorité des Marchés Financiers* (AMF, the French stock exchange regulator) website for French listed companies, on the *Securities and Exchange Commission* (SEC) website for companies listed in the United States, on the Thomson One Banker database or on the Internet websites of individual companies. For the identification of founders, we use several sources such as registration documents or annual reports, Factiva and LexisNexis databases, corporate information available on websites of companies and the "International Directory of Company Histories" issues[5].

---

[5] St. James Press.

4.3. Other ownership and board variables

We use two other ownership variables. **5% Ownership** is the fraction of shares of all classes held by all the non-family shareholders who hold at least a 5% equity stake. **Employee Ownership** is the fraction of shares of all classes held by the employees. We also use the fraction of directors on the board elected by the employees (**Employee Directors**). We use the same data sources as mentioned above.

In their model, Pagano and Volpin (2005) demonstrate that the average employee compensation (or the fraction of long-term contracts) is predicted to correlate negatively with the controlling shareholder's equity stake in companies that are not takeover targets, other factors being equal. In companies where the controlling party's equity stake is high, employees should earn relatively low wages and be strictly monitored. Mueller and Philippon (2006) argue that countries with hostile relations have significantly more concentrated ownership than countries with cooperative relations. Thus, the presence of large non-family blockholders should amplify labor conflicts within the firm. Cramton et al. (2008) demonstrate that Employee Stock Ownership Plans (ESOPs) create incentives for unions to become weaker bargainers and lead to a reduction in the fraction of labor disputes that involve a strike. Employee ownership should therefore improve labor relations. Ginglinger et al. (2009) distinguish two types of employee directors in France: employee directors elected by right and directors elected by employee-shareholders. In our sample, only a few firms have directors elected by employee-shareholders so we only take into account employee directors elected by right. As presented in Gorton and Schmid (2004), Fauver and Fuerst (2006) or Ginglinger et al. (2009), employee board representation should improve the quality of industrial relations.

4.4. Labor relation variables

We use in our paper several measures of the quality of labor relations. We first focus on strike activity. A strike has a number of dimensions such as the number of workers involved, the duration, the loss of sales. We decide to study the impact of founding-family ownership and management on two of them as all are not available in the database due to the difficulty of measure. We use the percentage of workplace employees involved during the climax of the main strike which occurred in 2004 (**Involvement**) and the logarithm of the duration in hours of the major conflict which occurred in the workplace (**Duration**). We also

use a binary variable that takes the value of one it the workplaces experienced a strike, and zero otherwise (**Strike**). For these variables, we control for the motive for the strike with dummy variables, whether the strike is due to redundancies, working hours, compensation, labor relations in the plant, union law, working conditions, qualifications or internal organization and whether the strikers received full or part compensation during their days of strike (**Compensated**). Compensated days of strike should be logically positively correlated to our labor conflict measures.

We also use five additional labor relation variables. First, we use the ratios of the number of plant protected employee layoffs asked by the management (**Protected Employee Layoffs**), sanctioned employees (**Sanctioned Employees**) and individual labor law disputes handled by an employment tribunal (**Individual Law Disputes**) during the year to the average number of employees in the workplace. Second, we use the annual number of works council (**Works Council Meetings**) and union delegate (**Union Delegate Meetings**) meetings in the workplace.

4.5. Control variables

Firm-level data come from Worldscope. As our sample comprises both French and foreign firms, we recalculate all amounts in euros using end-of year exchange rates from Datastream. Financial data come from the fiscal year-end closest to end of 2004. We use the logarithm of the book value of total assets to measure **Firm Size**. Smaller firms are more likely to have more consensual labor relations (Brown and Medoff, 1989). **Firm Leverage** is computed as the ratio of total debt to total assets. Bronars and Deere (1991) argue that firms use debt to protect the wealth of shareholders from the threat of unionization due to the increased risk of bankruptcy. Based on all Compustat firms between 1953 and 1992 with at least 100 employees, Hanka (1998) finds that firms with higher debt reduce their employment more often, use more part time and seasonal employees and pay lower wages. Higher leverage should therefore be associated with a decline in the importance of labor conflicts. Firm investment policy, profitability, past growth, growth opportunities and valuation are respectively measured by the ratio of capital expenditures to total assets (**Capital Expenditures**), **Return on Assets** defined as operating income over total assets, **Sales Growth** computed as percentage change in net sales between 2003 and 2004, and **Market-to-Book** defined as the ratio of the market value of equity at the end of the fiscal year plus the book value of total liabilities, all divided by the book value of total assets. Employees should

be more conflict-inclined when investment levels, profitability, valuation and growth opportunities are high. DeAngelo and DeAngelo (1991) show that when profitability increases, the firm's bargaining position relative to a union may be weakened. We also use the monthly stock return volatility over the last twelve months (**Volatility**) and control for the legal origin of the firm: **Common Law Origin** is a binary variable that equals one when the origin of the commercial law of a country where the firm is located is English Common Law, and zero otherwise. This data is extracted from A. Shleifer's website. As developed in Allen and Gale (2002), firms of Anglo-Saxon countries pursue the interests of shareholders while firms of other countries such as for instance Japan, Germany and France are more stakeholder-oriented toward their employees, customers and shareholders. We may assume that Common Law countries are less conflict-inclined as firms may be less sensitive to labor's voice.

As workplace-level control variables, we use the average number of employees in the plant (**Plant Employees**), the fraction of fixed-term workers and a binary variable that equals one when temporary workers are employed in the workplace (**Temporary Workers**). The number of workplace employees should increase the intensity and the duration of strikes while fixed-term and temporary workers should be negatively correlated with our labor conflict variables due to their status. We also use binary variables to control for the presence in the workplace of executives, commercials, technicians, employees and workers and continuous variables to control for the workforce age structure. We expect younger workers to be less associated with labor conflicts. As for instance in Bertrand and Mullainathan (2003), we use the net average hourly full-time-equivalent compensation (**Wage**). As argued in Cronqvist et al. (2009), higher wages can make labor relationships more pleasant and may result in more loyalty. Wage is therefore expected to be negatively associated with our labor conflict variables. In addition to this, we control for the age of the workplace (**Age** – we hypothesize that younger workplaces are more likely to be less conflict-inclined due to the fact that they may have weaker performance which is supposed to affect their survival), the **Unemployment Rate** in the area where the workplace is located (unemployment rate in the area should negatively impact strike involvement and duration as workers may fear redundancies in high unemployment areas – this data is collected from the INSEE website, *Institut National de la Statistique et des Etudes Economiques* or *National Institute of Statistics and Economic Studies*) and industry variables. We also include in our regressions **Union Membership**. Unions make wages sticky and layoffs costly which decreases operating

flexibility and thus increases cost of equity (Chen et al., 2009). As a result, we expect unions to have a positive impact on the magnitude and the duration of conflicts.

5. Summary statistics

Panel A of **Table 1** shows the distribution of workplaces across the most common industries. Extractive and manufacturing industries account for the largest fraction (42.81%) of all observations while health services account for the smallest (0.90%). Real estate, rent and business services represent 18.66% of all observations, wholesale trade, general merchandise and food stores represent 16.97% of the sample. Then, financial activities, construction, transportation and communications, social and personal services and hotels and restaurants account for 5.79%, 5.39%, 4.19%, 2.30%, 1.60% and 1.40% of all observations respectively. **Panel B** of **Table 1** reports the distribution of workplaces across the country of incorporation of the parent company. Controlling firms of the workplaces of our sample are incorporated in 21 different countries. More than 60% of our observations are workplaces of French listed companies. 13.17%, 4.99%, 4.29% and 2.99% of the observations are workplaces of firms incorporated in the United States, the United Kingdom, Germany and the Netherlands respectively.

Insert Table 1 about here

Table 2 provides descriptive statistics (number of observations, mean, median, minimum, maximum and standard deviation) on ownership, board, firm, workplace-level and labor relation variables for our sample. As mentioned above, our sample consists of 1,002 workplaces of 402 unique firms. 30% of the observations are workplaces of founding-family firms, while 34.33% of unique firms are founding-family companies. These percentages are in accordance with other previous studies: for instance, Anderson and Reeb (2003) find that 35% of the S&P 500 firms are family-controlled and Villalonga and Amit (2006) document that family firms represent 37% of their sample. However, due to the fact that 38.81% of our unique firms are French, these percentages are probably lower than the number of founder-controlled firms on the French stock market. The founding family is the largest owner of the firm and the CEO belongs to the founding family in 27% and 13% of the workplaces, respectively. The mean founding-family equity stake in workplaces is 10.67%. On average, workplaces in our sample account for 3.85% of firm total employees. The average workplace in the sample employs 759 employees with a fraction of fixed-term employees of 3.85%. 62% of the workplaces in our sample employ temporary workers. The average hourly rate for

workers is €14.32. 20% of the workplaces belong to a firm with a Common Law origin while the mean age of the workplaces in our sample is more than ten years. The unemployment rate in the area where the workplace is located is 8.96%. Around 10% of the employees are affiliated to a union and 35.2% of the employees are under 35. The average firm in the sample has a book value of total assets of €54.1 billion. The mean fraction of shares held by all the non-family shareholders with at least a 5% ownership is 20.14%, the mean employee ownership is 2.24% and 4.74% of the directors on the corporate boards are elected by the employees. On average, 57% of the workplaces experienced a strike in 2004 with a mean involvement of employees of 16.83% during the climax of the main strike. The mean strike duration of the main conflict is 48.39 hours. On average, in the sample of workplaces, one protected employee was laid off in 2004, 9 were sanctioned and there were 5 individual law disputes handled by an employment tribunal. Union delegates met 10 times and there were 13 works council meetings.

We also present in **Table 2** tests of differences in means (Student test) and medians (Wilcoxon test) between workplaces of family and non-family firms. Workplaces of founding-family firms tend to have significantly less employee ownership (average 1.53% compared to 2.54%) and representation on corporate boards (average 2.92% versus 5.51%) than non-family firms. These two results are in compliance with Trébucq (2004) and Ginglinger et al. (2009) findings. The fraction of shares held by all the non-family shareholders with at least a 5% equity stake is non-surprisingly weaker in founding-family firms. On average, founding-family firms are significantly smaller (average €13.1 billion compared to €71.6 billion, median €3.1 billion compared to €16.5 billion), exhibit higher growth rate, growth opportunities and profitability but lower leverage (even though these differences are not significant) and spend significantly more on capital investment. These firms exhibit significant higher levels of volatility (mean 0.07, median 0.053, versus 0.06 and 0.052). Founding-family firms are also less frequently located in Common Law countries.

When looking at workplace-level characteristics, we note that plant size measured by the number of employees is smaller for family firms (average 497 compared to 871 employees, median 275 compared to 320 employees). Sraer and Thesmar (2006) suggest that French family firms pay lower wages mostly because they have younger and less skilled workers. Carrasco-Hernandez and Sánchez-Marín (2007) obtain the same result from a sample of 554 Spanish firms. Our results are consistent with their findings as we observe that the proportion of workers under 35 is significantly higher in workplaces of founding-family firms while wages are weaker (the difference is significant with the Wilcoxon test with a

median hourly wage of 10.78 versus 13.15) and these firms employ significantly fewer executives and technicians. Moreover, founding-family firms employ significantly more fixed-term workers (5.28% versus 3.23%) but less temporary workers (60% of family firms versus 68% of non-family firms), and are significantly less unionized (we have the same result as Mueller and Philippon (2007) who show that family firms have a lower percentage of unionized workers than widely held firms).

Three of our labor disputes variables are significantly weaker in plants of founding-family firms: the percentage of workers involved during the climax of the major conflict with an average (median) involvement of 12.09% (0.00%) versus 18.88% (5.00%), the logarithm of the duration of the major conflict which occurred in 2004 (average value of 1.52 versus 1.88) and the binary variable that takes the value of one if the workplace experiences a strike, and zero otherwise (average of 0.49 versus 0.60). Average and median of the ratio of the number of sanctioned employees to the average number of employees are statistically higher in workplaces of founding-family firms. We do not have significant differences for our four other labor relation variables: the ratios of the number of workplace protected employee layoffs and individual law disputes handled by an employment tribunal (the Wilcoxon test is statistically significant) to the average number of employees, the annual number of works council and union delegate meetings in the workplace.

Insert Table 2 about here

6. Family ownership and labor relations: methodology and regression results

6.1. Family ownership and strike involvement and duration

We now focus on the relation between founding-family ownership and management and labor relations. Our multivariate analysis consists of a series of regressions. We estimate the following model:

$Labor\ Relation\ Variable = \alpha + \beta_1(Founding\text{-}Family\ Ownership) + \beta_2(5\%\ Ownership) + \beta_3(Employee\ Ownership) + \beta_4(Employee\ Directors) + \beta_{1\text{-}31}(Workplace\text{-}Level\ Characteristics) + \beta_{1\text{-}7}(Firm\ Level\ Characteristics) + \beta_{1\text{-}9}(Conflict\ Characteristics) + \varepsilon$

Our estimate of the effect of founding-family ownership is β_1. We employ four types of cross-sectional regressions: ordinary least squares, Tobit (when the dependent variable is

censored), Probit (when the dependent variable is a dummy variable) and Poisson (when the dependent variable is discrete) regressions. For each of our regressions, we report the number of observations, the R-squared and the adjusted R-squared or the Pseudo R-squared in case of Probit regressions. Our tables present the coefficients and t-statistics and indicate coefficient significance at the 1%, 5% and 10% levels. All results are corrected for heteroscedasticity using the White (1980) test.

Table 3 presents the results of estimating the impact of founding-family ownership and management on the percentage of employees involved during the climax of the major conflict which occurred in the workplace in 2004. We report several regressions to show that the impact of founding-family ownership and management on our dependent variable is robust to the inclusion of firm-level and workplace-specific controls but we focus our comments on the last four columns. Consistent with our expectations and hypothesis, our three measures of family ownership (Miller et al. (2007) show that findings are sensitive to the way in which family business is measured and defined) and our measure of family management are significantly negatively related to strike involvement (at the 10% level for the Family Management variable, at the 5% level for the Family Ownership and Largest Owner variables, and at the 1% level for the Family Firm variable), suggesting that a family ownership environment improves the quality of labor relations within workplaces. In line with the theoretical predictions of Pagano and Volpin (2005) and the empirical results of Mueller and Philippon (2006), the coefficient on the fraction of shares held by all the non-family shareholders with at least a 5% ownership (5% Ownership) is positive and statistically significant. This result means that when the non-family controlling party's equity stake is high, employees may be more strictly monitored which increases the intensity of labor conflicts. Consistent with our expectations, our strike incidence variable is significantly and negatively correlated to the fraction of employee directors elected by right (Employee Directors), net average hourly compensation (Wage), and Common Law Origin (except for the Family Ownership variable). On the other hand, strike involvement is significantly positively related to the Compensated binary variable that takes the value of one when the strikers received full or part compensation during their days of strike and zero otherwise, the number of plant employees and Union Membership. We now consider the impact of the firm-specific variables. In accordance with DeAngelo and DeAngelo (1991) results, strike involvement improves with profitability (Return on Assets) and growth (Sales Growth) measures suggesting that employees are more likely to get involved in labor strikes when firm performance is high (however, we do not have a significant relationship with the Market-to-

Book). Surprisingly, in contrast with Bronars and Deere (1991) who predict that leverage reduces the impact of collective bargaining, firm leverage is not significantly related to strike involvement. This is also the case with employee ownership: previous studies show that moderate levels of employee ownership improve firm productivity and performance (Faleye et al. (2006), Kim and Ouimet (2007), Ginglinger et al. (2009)) but this ownership doesn't seem to impact significantly the intensity of labor conflicts contrary to Cramton et al. (2005) predictions. Then, the last four columns of **Table 3** show that the adjusted R-squared is 0.17 which means that our model explains a substantial fraction of the cross-sectional variation in our labor relation measure.

<div align="center">***Insert Table 3 about here***</div>

In **Table 4**, we report the outcome of an alternative regression in which the dependent variable is the logarithm of the duration in hours of the major conflict which occurred in the workplace (Duration). We focus our comments on the last four columns of the table. We obtain similar results to those presented in **Table 3**. Results confirm that when controlling for workplace-level and firm-level as well as conflict characteristics, the coefficients on our family ownership and management variables are negative and statistically significant. These results suggest that family corporations tend to have better practices toward their employees that result in a reduction in strike duration. Other ownership and board variables such as employee ownership and representation on corporate boards of directors (except for the Family Ownership variable) as well as the fraction of shares held by all the non-family stockholders with at least a 5% ownership (except for the Family Ownership and Family Management variables) do not exert a significant impact on strike duration. Results of our multivariate analysis confirm that strike duration increases with the number of plant employees, when the days of strike are compensated, union membership, firm profitability (Return on Assets, except for the Family Firm and Largest Owner variables) and growth. Common Law origin significantly negatively impacts strike duration. Surprisingly, Wage which had in **Table 3** a negative and significant impact on strike involvement does not impact strike duration. Adjusted R-squared are a little bit stronger than those of **Table 3**, at least 0.21 in the last four columns of **Table 4**.

<div align="center">***Insert Table 4 about here***</div>

Then, **Table 5** shows that a family ownership environment decreases the likelihood that a workplace experiences a strike. Some of the control variables are also significantly associated with the likelihood of a strike (the fraction of shares held by all the non-family shareholders with at least a 5% ownership, the number of employees in the workplace and

union membership) while the likelihood decreases with the fraction of employee directors on corporate boards, wage and Common Law origin (except in the case of the Family Management variable).

Insert Table 5 about here

Overall, our results suggest that founding-family ownership improves the quality of labor relations within workplaces by reducing strike involvement and duration as well as the likelihood that a workplace experiences a strike.

6.2. Family ownership and alternative labor relation measures

In **Table 6**, we report evidence on the effects of founding-family ownership and management on additional labor relation measures. Columns 2 and 3 present the results of estimating the impact of founding-family ownership and management on the ratio of the number of employee layoffs asked by the management to the average number of employees in the workplace (Protected Employees). We find that both founding-family ownership and management significantly reduce the number of protected employee layoffs. This result may be due to the fact that family firms have better relations with their employees, conflicts may be resolved before using the threat of dismissal. We observe a significant and negative impact of the fraction of shares held by all the non-family shareholders with at least a 5% equity stake and employee ownership. We may hypothesize that large shareholders and family owners try to avoid long and costly layoffs while employee ownership is associated with better practices from the employees. Other variables suggest that high-growth firms tend to have more protected employee layoffs which may be explained by the fact that employees seek to reject by all means new practices associated with growth, while firm profitability and leverage as well as the number of the workplace employees significantly decrease the ratio.

Columns 4 and 5 present, furthermore, the significant and negative influence of founding-family management on the ratio of the number of sanctioned employees to the average number of workplace employees (Sanctioned Employees) while columns 6 and 7 report the results on the number of individual law disputes handled by an employment tribunal (Individual Law Disputes). Several findings are noteworthy. Large workplaces in term of employees have significantly less conflicts probably because such conflicts are costly. There are less sanctioned employees in strongly unionized and high growth workplaces maybe because management wants to reduce conflicts in periods of development. Then,

employee ownership significantly reduces the number of disputes handled by an employment tribunal.

Columns 8 and 9 present the results of regressing the annual number of union delegate meetings in the workplace (Employee Representatives Meetings) and columns 10 and 11 the results of estimating the number of works council meetings (Works Council). Freeman and Lazear (1995) argue that works council meetings may improve communication between workers and management where workers provide more accurate information to employers about their preferences, and thus create more cooperative labor relations. However, Ginglinger et al. (2009) suggest, focusing on the impact of employee directors on board meeting frequency, that meetings may be costly in terms of time and organization. We find that family managed firms have a significant and negative impact on these two measures suggesting that labor relationships in family firms are more consensual and partners therefore reach an agreement more quickly. Similar to the empirical findings of Cramton et al. (2005) who demonstrate that ESOPs create incentives for unions to become weaker bargainers, we observe that employee ownership is significantly negatively associated with employee representatives and works council meetings. Many of the other findings are intuitive. For instance, larger workplaces in term of employees imply more frequent meetings as well as poor profitable or highly leveraged firms in the case of employee representative meetings as employees have an information right on the economic and financial performances. Union delegates of higher growth firms need to meet more frequently maybe because growth stands for employees organizational changes which have to be explained with managers. Non-surprisingly higher unionization rate in workplace implies more works council meetings. Other variables do not exert a significant impact on meeting frequency.

Insert Table 6 about here

Taken together, our results indicate that industrial relations in family businesses are more consensual than in their counterparts.

7. Robustness tests

7.1. Endogeneity

Models explaining strike involvement and duration in **Tables 3 and 4** are estimated on the implicit assumption that family ownership is exogenous. However, family ownership may be affected by the quality of labor relations as families may set up only firms in businesses

- 18 -

with good labor relations. As previously mentioned, family firms differ from other companies as they experience higher market value, profitability and growth, invest more, are less often located in a Common Law country and are younger. Endogeneity issues may affect the sign and/or the statistical significance of our results: we thus must check our results for endogeneity by employing two-stage least-squares regressions. The first stage computes a predicted level of family ownership based on firm characteristics. We model family ownership using the logarithm of Firm Size, Return on Assets, Sales Growth and Market-to-Book as measures of firm profitability, past growth and growth opportunities measures. We also use Firm Leverage, the ratio of capital expenditures to total assets (Capital Expenditures), the Common Law Origin binary variable and industry dummies. In order to meet the order condition of identifiability, we include one variable in our first stage regression namely the monthly stock return volatility over the last twelve months (Volatility). This selection of variables follows Demsetz and Lehn (1985), Anderson and Reeb (2003), Maury (2006) and Villalonga and Amit (2006) who model ownership structures as a function of firm size and risk. The second stage then uses the predicted value from the first stage to instrument the endogenous choice variable in tests of labor relations.

Table 7 presents the results of estimating the fraction of family ownership via a Tobit regression as the dependent variable is truncated at zero. Family ownership is likely to be smaller when firm size is important. High rates of sales growth, low volatility and the company being in a non-Common Law country are the other determinants of family ownership. Return on Assets and Market-to-Book ratios do not impact in our regression the fraction of family ownership.

<p align="center">***Insert Table 7 about here***</p>

Columns 2 and 3 of **Table 8** present the results of estimating the impact of family ownership on strike involvement and duration controlling for endogeneity. The results support the robustness of our previous findings as they are generally similar to our original unadjusted findings. Controlling for endogeneity, we find that family ownership improves the quality of labor relations by reducing both strike involvement and duration. Concerning the control variables, all of them keep approximately the same significance with the two-stage least-squares regressions. We keep similar adjusted R-squared to those of our previous regressions.

<p align="center">***Insert Table 8 about here***</p>

7.2. Country and industry issues

As mentioned before, our sample of observations contains workplaces of French and foreign companies. In **Panel A** of **Table 9**, we report results of the same regressions of those of **Tables 3 and 4** after excluding first non French firms and second all French firms. We note that the effect of family ownership on strike involvement and duration remains significantly negative when we exclude all non French firms but disappears when we only focus on the foreign firms. Our sample also includes workplaces of financial firms even though valuation and profitability data of these firms may not be comparable to those of non-financial firms. **Panel A** of **Table 9** shows that when we drop these workplaces, our results are virtually unchanged. Furthermore, if we cap the dependent variables at the 99th percentile to reduce the weight of extreme values or if we exclude all workplaces without a strike during the year, we obtain similar results (see **Panel A** of **Table 9**).

7.3. Controlling for restructuring measures and alternative control variables

We consider two restructuring measures: large scale employee layoffs and major asset sales. Employees may seek to block them which could influence our results with extreme labor conflicts. By excluding firms with restructuring measures, we thus focus on firms with normal operational activity. We follow Atanassov and Kim (2008) methodology and exclude firms with decreases in the number of employees greater than 20% between 2003 and 2004 and firms with a drop in net property, plant and equipment greater than 15% over the same period. Our results are robust to these restrictions, even when we exclude firms with negative Return on Assets as one could argue that employees in firms with negative profitability are less conflict-inclined (see **Panel A** of **Table 9**).

Panel A of **Table 9** then reports results of regressions when we use more restrictive definitions of family ownership such as family ownership defined as the fraction of shares of all classes held by the founding family with at least a 10% (or 20%) equity stake, family ownership when the founding family is the largest shareholder of the firm and has at least 10% (or 20%) of the shares, and the fraction of votes held by the founding family. For all these definitions, we obtain similar results.

Anderson and Reeb (2003) as well as Miller et al. (2007) show that the relationship between firm performance and founding-family ownership is non-linear. McConnel and Servaes (1990) or Himmelberg et al. (1999) also document non-linearity of managerial holdings. We thus modify our regressions by including family ownership and the square of

family ownership as continuous variables. Unfortunately, we do not obtain a significant non-linear relationship.

Founders and descendants have different impacts on firm value and performance (Anderson and Reeb (2003) or Villalonga and Amit (2006), for example). **Panel B** of **Table 9** reports results of regressions with the effects of family firm generations on the quality of labor relations. We show that the negative effect of a family ownership environment on strike involvement and duration is entirely attributable to second or later-generation family firms.

<div align="center">*****Insert Table 9 about here*****</div>

We check the sensitivity of our results using alternative control variables. For instance, when firm size is alternatively defined as the logarithm of net sales or market capitalization or total employees rather than the logarithm of total assets, the statistical significance of our dependent variables remains unchanged. Our results are qualitatively similar when we use different specifications of firm profitability (using Return on Equity measured as net income divided by common equity), leverage (using ratios based on the book or market values of equity), growth (using the change in total employees between 2003 and 2004) and valuation (using Tobin's Q defined as the market value of equity at the end of the fiscal year plus the book value of assets minus the book value of equity, all divided by the book value of assets). Then, when we repeat our tests using a binary variable that equals one when the firm is registered in France or country dummies instead of the Common Law Origin binary variable, results remain unchanged (tables available upon request).

7.4. Labor-friendly corporate practices

We study the impact of labor-friendly corporate practices on our dependent variables using in our regressions a binary variable Best Company equals to one when the firm is in the list of one of the 2004 "Best companies to work for" classifications conducted either by the *Financial Times* ("The World's Most Respected Companies"), *Great Place to Work For Institute*, *Journal du Net* or *TNS Sofres*, and zero otherwise. Faleye and Trahan (2006) focus on firms selected by *Fortune* magazine as the 100 Best companies to work for in America between 1998 and 2004 and find that investors react positively to the list's announcement. Our variable is significantly negative in the regressions of the number of plant protected employee layoffs asked by the management, sanctioned employees and individual law disputes handled by an employment tribunal (tables available upon request).

We also include in the regressions the number of inhabitants in the city where the workplace is located (Population). We argue that employers in small towns may try to avoid strikes which could affect their reputations and employees may be less likely to strike in small towns due to a reputational effect. This variable is insignificant in the regressions (tables available upon request).

7.5. Union aggressiveness

As in Cronqvist et al. (2008) or Ginglinger et al. (2009), we introduce in all our regressions a binary variable (Aggressive Union) that equals one when the most representative confederation at the latest employee representatives election was affiliated to one of the communist or socialist-syndicalist confederations for which the 1906 Charter of Amiens is still the founding document even though some confederations reject the revolutionary aspect, and zero otherwise. More accurately, we include the following confederations: CGT (*Confédération Générale du Travail – General Confederation of Labour)*, FO (*Force Ouvrière – Worker Force*), UNSA (*Union Nationale des Syndicats Autonomes – National Union of Autonomous Trade Unions*) and Union Syndicale Solidaires (*Syndicalist Union in Solidarity*) which regroups different SUD unions (*Solidaires Unitaires Démocratiques – Solidarian, United, Democratic*). We observe a significant and positive impact of aggressive unions only in the case of plant employees involved during the climax of the major conflict (Involvement – tables available upon request).

8. Summary and conclusion

This study investigates whether founding-family ownership is likely to affect the quality of labor relations. Using data from labor conflicts during 2004 in workplaces of listed companies, our results clearly demonstrate that a family ownership environment improves the quality of labor relations. More specifically, we find a significant reduction in strike involvement, strike duration and the likelihood that a workplace experiences a strike as well as the number of plant protected employee layoffs asked by the management, sanctioned employees and individual law disputes handled by an employment tribunal, the annual number of works council or union delegate meetings in the workplace. Our results are robust to different measures of family ownership, control for endogeneity and several subsample analyses. We also document the impact of employee ownership and representation on labor

relations and find for most dependent variables a significant and negative relationship. Overall, our results support the idea that ownership structure is an important determinant of labor relations within firms.

References

Allen, Franklin and Douglas Gale, 2002. A Comparative Theory of Corporate Governance. Working paper.

Anderson, Ronald C. and David M. Reeb, 2003. Founding-Family Ownership and Firm Performance: Evidence from the S&P 500. *Journal of Finance* 58(3), 1301-1327.

Atanassov, Julian and E. Han Kim, 2009. Labor and Corporate Governance: International Evidence from Restructuring Decisions. *Journal of Finance* 64(1), 341-374.

Barontini, Roberto and Lorenzo Caprio, 2006. The Effect of Family Control on Firm Value and Performance: Evidence from Continental Europe. *European Financial Management* 12(5), 689-723.

Bennedsen, Morten, Kasper Meisner Nielsen, Francisco Pérez-González and Daniel Wolfenzon, 2007. Inside the Family Firm: The Role of Families in Succession Decisions and Performance. *Quarterly Journal of Economics* 122(2), 647-691.

Bertrand, Marianne and Antoinette Schoar, 2006. The Role of Family in Family Firms. *Journal of Economic Perspectives* 20(2), 73-96.

Bertrand, Marianne and Sendhil Mullainathan, 1999. Is there Discretion in Wage Setting? A Test Using Takeover Legislation? *RAND Journal of Economics* 30(3), 535-554.

Bertrand, Marianne and Sendhil Mullainathan, 2003. Enjoying the Quiet Life? Corporate Governance and Managerial Preferences. *Journal of Political Economy* 111(5), 1043-1075.

Block, Jörn Hendrich, 2008. The Impact of Family Ownership and Family Management on Employment Downsizing: Evidence from S&P 500 Firms. Working paper.

Bronars, Stephen G. and Donald R. Deere, 1991. The Threat of Unionization, the Use of Debt, and the Preservation of Shareholder Wealth. *Quarterly Journal of Economics* 106(1), 231-254.

Brown, Charles and James Medoff, 1989. The Employer Size-Wage Effect. *Journal of Political Economy* 97(5), 1027-1059.

Burkart, Mike, Fausto Panunzi and Andrei Shleifer, 2003. Family Firms. *Journal of Finance* 58(5), 2167-2201.

Carrasco-Hernandez, Antonio and Gregorio Sánchez-Marín, 2007. The Determinants of Employee Compensation in Family Firms: Empirical Evidence. *Family Business Review* 20(3), 215-228.

Chen, Huafeng Jaso, Marcin Kacperczyk and Hernán Ortiz-Molina, 2009. Labor Unions, Operating Flexibility, and the Cost of Equity. Forthcoming in *Journal of Financial and Quantitative Analysis*.

Cramton, Peter, Hamid Mehran and Joseph Tracy, 2008. ESOP Fables: The Impact of Employee Stock Ownership Plans on Labor Disputes. Working paper.

Cronqvist, Henrik, Frederik Heyman, Mattias Nilsson, Helena Svaleryd, and Jonas Vlachos, 2009. Do Entrenched Managers Pay Their Workers More? *Journal of Finance* 64(1), 309-339.

DeAngelo, Harry and Linda DeAngelo, 1991. Union Negotiations and Corporate Policy: A Study of Labor Concessions in the Domestic Steel Industry During the 1980s. *Journal of Financial Economics* 30, 3-43.

Demsetz, Harold and Kenneth Lehn, 1985. The Structure of Corporate Ownership: Causes and Consequences. *Journal of Political Economy* 93(6), 1155-1177.

Faccio, Mara and Larry H. P. Lang, 2002. The Ultimate Ownership of Western European Corporations. *Journal of Financial Economics* 65, 365-395.

Faleye, Olubunmi, Vikas Mehrotra and Randall Morck, 2006. When Labor Has a Voice in Corporate Governance. *Journal of Financial and Quantitative Analysis* 41(3), 489-510.

Faleye, Olubunmi and Emery Trahan, 2006. Is What's Best for Employees Best for Shareholders? Working paper.

Fauver, Larry and Michael E. Fuerst, 2006. Does Good Corporate Governance Include Employee Representation? Evidence from German Corporate Boards. *Journal of Financial Economics* 82, 673-710.

Freeman, Richard B. and Edward P. Lazear, 1995. An Economic Analysis of Works Councils. In: Roger, J., Streeck, W. (Eds), *Works Councils: Consultation, Representation and Cooperation in Industrial Relations*. University of Chicago Press, Chicago, 27-52.

Ginglinger, Edith, William Megginson and Timothée Waxin, 2009. Employee Ownership, Board Representation, and Corporate Financial Policies. Working paper.

Gorton, Gary and Frank A. Schmid, 2004. Capital, Labor, and the Firm: A Study of German Codetermination. *Journal of the European Economic Association* 2(5), 863-905.

Hanka, Gordon, 1998. Debt and the Terms of Employment. *Journal of Financial Economics* 48, 245-282.

Himmelberg, Charles P., R. Glenn Hubbard and Darius Palia, 1999. Understanding the Determinants of Managerial Ownership and the Link between Ownership and Performance. *Journal of Financial Economics* 53, 353-384.

Holderness, Clifford G. and Dennis P. Sheehan, 1988. The Role of Majority Shareholders in Publicly Held Corporations: An Explanatory Analysis. *Journal of Financial Economics* 20, 317-346.

Huse, Morten, 2007. Boards, Governance and Value Creation: The Human Side of Corporate Governance. *Cambridge University Press*.

Jensen, Michael C. and William H. Meckling, 1976. Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. *Journal of Financial Economics* 3, 305-360.

Kim, E. Han and Paige Ouimet, 2007. Employee Capitalism or Corporate Socialism? Broad-Based Employee Stock Ownership. Working paper.

Klasa, Sandy, William F. Maxwell and Hernán Ortiz-Molina, 2009. The Strategic Use of Corporate Cash Holdings in Collective Bargaining with Labor Unions. *Journal of Financial Economics* 92, 421-442.

La Porta, Rafael, Florencio Lopez-de-Silanes and Andrei Shleifer, 1999. Corporate Ownership Around the World. *Journal of Finance* 54(2), 471-517.

Maury, Benjamin, 2006. Family Ownership and Firm Performance: Empirical Evidence from Western European Corporation. *Journal of Corporate Finance* 12, 321-341.

McConnell, John J. and Henri Servaes, 1990. Additional Evidence on Equity Ownership and Corporate Value. *Journal of Financial Economics* 27, 595-612.

Miller, Danny, Isabelle Le Breton-Miller, Richard H. Lester and Albert A. Cannella Jr., 2007. Are Family Firms Really Superior Performers? *Journal of Corporate Finance* 13, 829-858.

Mueller, Holger M. and Thomas Philippon, 2006. Concentrated Ownership and Labor Relations. Working paper.

Mueller, Holger M. and Thomas Philippon, 2007. Family Firms, Paternalism, and Labor Relations. Working paper.

Pagano, Marco and Paolo F. Volpin, 2005. Managers, Workers, and Corporate Control. *Journal of Finance* 60(2), 841-868.

Sraer, David and David Thesmar, 2007. Performance and Behavior of Family Firms: Evidence from the French Stock Market. *Journal of the European Economic Association* 5(4), 709-751.

Tracy, Joseph S., 1986. An Investigation into the Determinants of U.S. Strike Activity. *American Economic Review* 76(3), 423-436.

Trébucq, Stéphane, 2002. L'Actionnariat Salarié dans les Entreprises Familiales du SBF 250 : Un Outil de Création de Valeur ? *Finance Contrôle Stratégie* 5(4), 107-135.

Villalonga, Belen and Raphael Amit, 2006. How do Family Ownership, Control and Management Affect Firm Value? *Journal of Financial Economics* 80, 385-417.

Table 1 - Distribution of workplaces across the most common industries
Panel A reports the distribution of workplaces across the most common industries. Panel B reports the distribution of workplaces across the country of incorporation of the parent company. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%.

Panel A: Distribution of workplaces across the most common industries

Industry	Observations	%
Extractive and manufacturing industries	429	42.81%
Electric, gas and water services	16	1.60%
Construction	54	5.39%
Wholesale trade, general merchandise and food stores	170	16.97%
Hotels and restaurants	14	1.40%
Transportation and communications	42	4.19%
Financial activities	58	5.79%
Real estate, rent and business services	187	18.66%
Health services	9	0.90%
Collective, social and personal services	23	2.30%
Total	1,002	100%

Panel B: Distribution of workplaces across the country of incorporation of the parent company

Country	Observations	%
Australia	3	0.30%
Austria	1	0.10%
Belgium	17	1.70%
Bermuda	1	0.10%
Canada	16	1.60%
Denmark	6	0.60%
Finland	4	0.40%
France	605	60.38%
Germany	43	4.29%
India	1	0.10%
Italy	5	0.50%
Japan	13	1.30%
Luxembourg	13	1.30%
Netherlands	30	2.99%
Norway	2	0.20%
South Africa	1	0.10%
Spain	7	0.70%
Sweden	27	2.69%
Switzerland	25	2.50%
United Kingdom	50	4.99%
United States	132	13.17%
Total	1,002	100%

Table 2 - Descriptive statistics of the variables used in the regressions and comparisons of family and non-family characteristics

This table presents summary statistics on ownership, board, firm-level, workplace-level and conflict variables used in the analyses and tests of differences in means and medians between family and non-family firms. Variable definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. ***, **, * indicate coefficients significance level: 1%, 5% and 10% respectively.

Variables	Obs.	Mean	Median	Max.	Min.	Std. dev.	Family firms		Non-family firms		Differences in means (Student test)	Differences in medians (Wilcoxon test)
							Mean	Median	Mean	Median		
Family Ownership (%)	1,002	10.67	0.00	87.78	0.00	20.84						
Family Firm (1,0)	1,002	0.30	0.00	1.00	0.00	0.46						
Largest Owner (1,0)	1,002	0.27	0.00	1.00	0.00	0.44						
Family Management (1,0)	1,002	0.13	0.00	1.00	0.00	0.33						
5% Ownership (%)	1,002	20.14	11.51	95.56	0.00	23.71	10.29	0.00	24.33	18.00	-8.910***	-9.837***
Employee Ownership (%)	1,002	2.24	1.02	30.73	0.00	3.53	1.53	0.40	2.54	1.29	-4.203***	-5.577***
Employee Directors (%)	1,002	4.74	0.00	56.00	0.00	11.49	2.92	0.00	5.51	0.00	-3.278***	-4.069***
Firm Size	1,000	54,084.80	12,958.30	1,140,000.00	5,569.00	148,000.00	13,090.95	3,143.11	71,570.06	16,474.40	-5.800***	-10.344***
Return on Assets	1,000	0.06	0.05	0.38	-0.45	0.06	0.055	0.06	0.061	0.05	-1.343	0.072
Leverage	1,000	0.25	0.26	0.76	0.00	0.13	0.24	0.26	0.26	0.26	-1.572	-1.459
Sales Growth (%)	1,000	13.78	4.19	6,755.02	-51.03	214.33	27.66	3.80	7.86	4.42	1.338	-0.772
Capital Expenditures	994	0.04	0.04	0.20	0.00	0.03	0.05	0.04	0.04	0.04	2.945***	2.616***
Market-to-Book	997	1.82	1.52	17.18	-0.22	1.04	1.89	1.62	1.80	1.49	1.299	0.146
Volatility	1,000	0.06	0.05	0.57	0.01	0.05	0.07	0.053	0.06	0.052	2.072**	4.652***
Common Law Origin (1,0)	1,002	0.20	0.00	1.00	0.00	0.40	0.10	0.00	0.25	0.00	-5.500***	-3.774***
Best Company (1,0)	1,002	0.45	0.00	1.00	0.00	0.50	0.35	0.00	0.49	0.00	-4.195***	-3.584***
Plant Employees	997	759.67	303.00	88,000.00	20.00	3,367.16	497.57	275.00	871.94	320.00	-1.610	-1.982**
Fixed-Term Workers (%)	987	3.85	1.00	100.00	0.00	9.12	5.28	2.00	3.23	1.00	3.251***	4.259***
Temporary Workers (1,0)	1,002	0.62	1.00	1.00	0.00	0.49	0.60	1.00	0.68	1.00	-2.291**	-1.883*
Executives (1,0)	1,002	0.96	1.00	1.00	0.00	0.21	0.93	1.00	0.97	1.00	-2.999***	-1.060
Commercials (1,0)	1,002	0.61	1.00	1.00	0.00	0.49	0.62	1.00	0.61	1.00	0.237	0.200
Technicians (1,0)	1,002	0.92	1.00	1.00	0.00	0.28	0.86	1.00	0.94	1.00	-3.900***	-1.869*
Employees (1,0)	1,002	0.94	1.00	1.00	0.00	0.24	0.93	1.00	0.95	1.00	-1.192	-0.489
Workers (1,0)	1,002	0.72	1.00	1.00	0.00	0.45	0.69	1.00	0.73	1.00	-1.560	-1.213
Workers under 19 (%)	1,002	0.67	0.00	19.15	0.00	1.70	1.06	0.00	0.51	0.00	4.783***	3.156***
Workers betw. 20 & 24 (%)	1,002	6.57	4.41	42.86	0.00	6.64	8.84	5.79	5.61	4.10	7.222***	5.776***
Workers betw. 25 & 29 (%)	1,002	12.42	11.11	55.56	0.00	7.28	14.42	13.20	11.56	10.26	5.767***	5.676***
Workers betw. 30 & 34 (%)	1,002	15.54	14.71	46.15	0.00	7.63	16.49	15.92	15.14	14.29	2.573**	2.995***
Workers betw. 35 & 39 (%)	1,002	15.28	15.22	45.08	0.00	6.25	15.31	14.71	15.27	15.35	0.098	-0.085
Workers betw. 40 & 44 (%)	1,002	14.36	14.10	35.71	0.00	5.25	13.86	13.34	14.57	14.29	-1.977**	-2.038**

Table 2 - Continued

Variables	Obs.	Mean	Median	Max.	Min.	Std. dev.	Family firms		Non-family firms		Differences in means (Student test)	Differences in medians (Wilcoxon test)
							Mean	Median	Mean	Median		
Workers betw. 45 & 49 (%)	1,002	13.40	12.76	50.00	0.00	6.60	12.59	11.82	13.74	12.99	-2.514**	-2.913***
Workers betw. 50 & 54 (%)	1,002	13.20	12.32	80.93	0.00	8.39	10.91	9.78	14.18	13.28	-5.717***	-5.646***
Workers betw. 55 & 59 (%)	1,002	8.04	6.74	51.88	0.00	6.34	6.09	4.92	8.87	7.66	-6.470***	-6.468***
Workers older than 60 (%)	1,002	0.52	0.00	19.72	0.00	1.39	0.43	0.00	0.56	0.00	-1.429	-1.032
Wage	1,000	14.32	12.47	461.91	5.94	15.50	13.77	10.78	14.55	13.15	-0.728	-6.933***
Age	993	3.77	4.00	5.00	1.00	1.07	3.65	4.00	3.82	4.00	-2.308**	-2.195**
Unemployment Rate (%)	1,002	8.96	8.40	13.10	5.73	1.52	8.71	8.35	9.06	8.40	-3.305***	-3.148***
Population	1,002	439,188.70	56,034.00	2,203,817.00	29.00	806,148.30	431,434.10	53,371.00	442,486.90	57,576.00	0.198	0.973
Union Membership	859	2.01	2.00	4.00	1.00	0.99	1.91	2.00	2.06	2.00	-1.994**	-2.342**
Aggressive Union (1,0)	1,002	0.44	0.00	1.00	0.00	0.50	0.438	0.00	0.441	0.00	-0.083	-0.071
Involvement (%)	954	16.83	3.00	100.00	0.00	25.15	12.09	0.00	18.88	5.00	-3.857***	-3.469***
Duration	1,002	1.43	0.69	8.29	0.00	1.80	1.52	0.00	1.88	1.10	-4.159**	-3.801***
Strike (1,0)	1,002	0.57	1.00	1.00	0.00	0.50	0.49	0.00	0.60	1.00	-3.233***	-2.760***
Redundancies (1,0)	996	0.07	0.00	1.00	0.00	0.25	0.03	0.00	0.09	0.00	-3.170***	-1.388
Working Hours (1,0)	996	0.04	0.00	1.00	0.00	0.18	0.03	0.00	0.04	0.00	-0.164	0.052
Compensation (1,0)	996	0.14	0.00	1.00	0.00	0.35	0.12	0.00	0.15	0.00	-1.002	-0.605
Labor Relations (1,0)	996	0.04	0.00	1.00	0.00	0.20	0.040	0.00	0.044	0.00	-0.280	-0.098
Union Law (1,0)	996	0.00	0.00	1.00	0.00	0.04	0.01	0.00	0.00	0.00	2.175**	0.168
Working Conditions (1,0)	996	0.03	0.00	1.00	0.00	0.17	0.02	0.00	0.03	0.00	-0.895	-0.269
Qualifications (1,0)	996	0.02	0.00	1.00	0.00	0.13	0.01	0.00	0.02	0.00	-0.710	-0.164
Organization (1,0)	996	0.02	0.00	1.00	0.00	0.13	0.01	0.00	0.02	0.00	-0.571	-0.128
Compensated (1,0)	995	0.05	0.00	1.00	0.00	0.22	0.054	0.00	0.052	0.00	0.149	0.057
Protected Employees	952	0.00	0.00	0.10	0.00	0.01	0.002	0.00	0.003	0.00	-0.968	-0.455
Sanctioned Employees	881	0.03	0.02	0.33	0.00	0.04	0.04	0.03	0.03	0.01	2.923***	4.714***
Individual Law Disputes	918	0.01	0.00	0.66	0.00	0.04	0.02	0.01	0.01	0.00	0.228	1.827*
Works Council	810	13.91	13.00	40.00	0.00	4.62	13.70	13.00	14.00	14.00	-0.840	-0.726
Union Delegates	927	10.83	11.00	98.00	0.00	5.58	10.42	12.00	11.00	11.00	-1.452	1.118

Table 3 - Family ownership and plant employee involvement during the climax of the major conflict

This table presents results from regressing the percentage of employees involved during the climax of the major conflict which occurred in the workplace (Involvement) on various ownership, board, firm-level, plant-level and conflict variables. We estimate this percentage via Tobit regressions. Independent variable definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. The table presents the coefficients and Heteroskedasticity-consistent (White, 1980) t-values in parentheses and then the R^2 and adjusted R^2. ***, **, * indicate coefficients significance level: 1%, 5% and 10% respectively.

Variables	Involvement (%)									
Family Ownership (%)	-0.0017***	-0.0014**	-0.0015**	-0.0015**	-0.0017***	-0.0017***	-0.0016**			
	(-2.936)	(-2.374)	(-2.374)	(-2.389)	(-2.750)	(-2.630)	(-2.148)			
Family Firm (1,0)								-0.0888***		
								(-2.693)		
Largest Owner (1,0)									-0.0895**	
									(-2.557)	
Family Management (1,0)										-0.0859*
										(-1.842)
5% Ownership (%)		0.0017***	0.0017***	0.0016***	0.0015***	0.0011*	0.0015**	0.0013**	0.0012*	0.0016***
		(2.915)	(3.004)	(2.914)	(2.760)	(1.952)	(2.345)	(2.145)	(1.911)	(2.664)
Employee Ownership (%)		-0.0027	-0.0042	-0.0048	-0.0032	-0.0041	-0.0045	-0.0040	-0.0037	-0.0027
		(-0.628)	(-0.986)	(-1.133)	(-0.837)	(-1.001)	(-1.069)	(-0.939)	(-0.880)	(-0.649)
Employee Directors (%)		-0.0592	-0.1381	-0.1363	-0.1227	-0.2283**	-0.2953**	-0.2842**	-0.2742**	-0.2877**
		(-0.531)	(-1.253)	(-1.233)	(-1.120)	(-2.082)	(-2.576)	(-2.481)	(-2.408)	(-2.518)
Log (Plant Employees)			0.0749***	0.0712***	0.0541***	0.0629***	0.0618***	0.0626***	0.0623***	0.0624***
			(6.305)	(5.890)	(4.630)	(5.228)	(5.197)	(5.233)	(5.224)	(5.228)
Fixed-Term Workers (%)			-0.0012	-0.0011	-0.0009	-0.0017	-0.0018	-0.0019	-0.0018	-0.0020
			(-0.901)	(-0.817)	(-0.695)	(-1.430)	(-1.445)	(-1.412)	(-1.351)	(-1.522)
Temporary Workers (1,0)			-0.0181	-0.0157	-0.0180	-0.0159	-0.0148	-0.0177	-0.0183	-0.0144
			(-0.610)	(-0.529)	(-0.605)	(-0.519)	(-0.484)	(-0.583)	(-0.601)	(-0.469)
Wage			-0.0064*	-0.0064*	-0.0069**	-0.0097***	-0.0093***	-0.0094***	-0.0092***	-0.0091**
			(-1.873)	(-1.865)	(-2.023)	(-2.699)	(-2.632)	(-2.656)	(-2.615)	(-2.550)
Age				0.0055	0.0021	-0.0125	-0.0138	-0.0133	-0.0135	-0.0128
				(0.394)	(0.153)	(-0.848)	(-0.920)	(-0.892)	(-0.906)	(-0.855)
Unemployment Rate (%)				0.0092	0.0030	-0.0023	-0.0006	-0.0032	-0.0027	-0.0017
				(1.068)	(0.357)	(-0.259)	(-0.067)	(-0.364)	(-0.310)	(-0.189)
Compensated (1,0)					0.2329***	0.2021***	0.2177***	0.2151***	0.2155***	0.2161***
					(5.284)	(4.174)	(4.321)	(4.173)	(4.189)	(4.183)
Union Membership						0.0666***	0.0660***	0.0684***	0.0677***	0.0670***
						(4.608)	(4.555)	(4.692)	(4.649)	(4.628)
Log (Firm Size)							0.0076	0.0079	0.0076	0.0096
							(0.895)	(0.983)	(0.943)	(1.218)

Table 3 - Continued

Variables	Involvement (%)									
Return on Assets							0.5858**	0.5170*	0.5392*	0.5734**
							(2.035)	(1.895)	(1.958)	(2.022)
Leverage							0.1323	0.1362	0.1269	0.1620
							(1.233)	(1.284)	(1.189)	(1.527)
Sales Growth (%)							0.0124***	0.0127***	0.0127***	0.0117***
							(11.296)	(11.452)	(11.425)	(10.727)
Capital Expenditures							0.3441	0.3790	0.3698	0.3745
							(0.684)	(0.755)	(0.736)	(0.746)
Market-to-Book							-0.0098	-0.0095	-0.0098	-0.0090
							(-0.496)	(-0.515)	(-0.525)	(-0.468)
Common Law Origin (1,0)							-0.0606*	-0.0616*	-0.0605*	-0.0452
							(-1.684)	(-1.707)	(-1.675)	(-1.302)
Workforce Age Structure Dummies	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Workforce Employment Structure Dummies	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cause of Dispute Dummies	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Industry Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	0.1957*	0.1534	-3.5493***	-3.5571***	-3.2352***	-3.5810***	-3.8919***	-3.9078***	-3.9497***	-4.1552***
	(1.957)	(1.509)	(-3.189)	(-3.226)	(-3.329)	(-3.092)	(-3.252)	(-3.303)	(-3.309)	(-3.367)
R²	0.10	0.11	0.15	0.15	0.18	0.20	0.22	0.22	0.22	0.22
Adjusted R²	0.09	0.10	0.12	0.11	0.14	0.15	0.17	0.17	0.17	0.17
Observations	954	954	912	907	903	790	781	781	781	781

Table 4 - Family ownership and duration of the plant major conflict

This table presents results from regressing the logarithm of the duration in hours of the major conflict which occurred in the workplace (Duration) on various ownership, board, firm-level, plant-level and conflict variables. We estimate this ratio via OLS regressions. Independent variable definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. The table presents the coefficients and Heteroskedasticity-consistent (White, 1980) t-values in parentheses and then the R² and adjusted R². ***, **, * * indicate coefficients significance level: 1%, 5% and 10% respectively.

Variables	Duration									
Family Ownership (%)	-0.0063**	-0.0050*	-0.0053*	-0.0054*	-0.0059**	-0.0061**	-0.0083**			
	(-2.519)	(-1.926)	(-1.848)	(-1.884)	(-2.338)	(-2.314)	(-2.478)			
Family Firm (1,0)								-0.4366***		
								(-2.746)		
Largest Owner (1,0)									-0.4705***	
									(-2.921)	
Family Management (1,0)										-0.3190*
										(-1.786)
5% Ownership (%)		0.0069***	0.0070***	0.0070***	0.0057**	0.0054*	0.0053*	0.0049	0.0042	0.0068**
		(2.685)	(2.651)	(2.600)	(2.212)	(1.846)	(1.728)	(1.595)	(1.312)	(2.345)
Employee Ownership (%)		-0.0017	-0.0051	-0.0064	0.0020	0.0076	0.0028	0.0061	0.0067	0.0122
		(-0.093)	(-0.271)	(-0.339)	(0.112)	(0.385)	(0.141)	(0.311)	(0.342)	(0.621)
Employee Directors (%)		-0.4348	-0.5814	-0.5028	-0.3907	-0.5124	-0.8488*	-0.8005	-0.7560	-0.7922
		(-0.910)	(-1.193)	(-1.020)	(-0.890)	(-1.088)	(-1.677)	(-1.607)	(-1.515)	(-1.553)
Log (Plant Employees)			0.2844***	0.2651***	0.1709***	0.2017***	0.2152***	0.2194***	0.2204***	0.2117***
			(5.178)	(4.794)	(3.190)	(3.469)	(3.553)	(3.641)	(3.651)	(3.495)
Fixed-Term Workers (%)			0.0024	0.0023	0.0024	0.0037	0.0039	0.0035	0.0041	0.0033
			(0.371)	(0.366)	(0.381)	(0.617)	(0.630)	(0.567)	(0.662)	(0.524)
Temporary Workers (1,0)			-0.0201	-0.0001	0.0010	-0.0359	0.0016	-0.0120	-0.0153	0.0011
			(-0.154)	(-0.001)	(0.008)	(-0.270)	(0.012)	(-0.090)	(-0.114)	(0.008)
Wage			-0.0026*	-0.0022	-0.0016	-0.0010	-0.0015	-0.0018	-0.0017	-0.0016
			(-1.686)	(-1.426)	(-1.055)	(-0.783)	(-1.161)	(-1.462)	(-1.390)	(-1.343)
Age				0.1010*	0.0841	0.0602	0.0555	0.0565	0.0560	0.0590
				(1.710)	(1.537)	(0.986)	(0.896)	(0.910)	(0.901)	(0.949)
Unemployment Rate (%)				0.0318	0.0019	-0.0264	-0.0192	-0.0332	-0.0305	-0.0260
				(0.801)	(0.051)	(-0.646)	(-0.460)	(-0.789)	(-0.730)	(-0.618)
Compensated (1,0)					0.7027***	0.6883***	0.7805***	0.7704***	0.7722***	0.7676***
					(3.157)	(2.895)	(3.123)	(3.114)	(3.103)	(3.059)
Union Membership						0.1234*	0.1107*	0.1201*	0.1185*	0.1153*
						(1.876)	(1.677)	(1.822)	(1.797)	(1.737)
Log (Firm Size)							-0.0119	-0.0061	-0.0098	0.0069
							(-0.306)	(-0.171)	(-0.269)	(0.189)

Table 4 – Continued

Variables	Duration									
Return on Assets							1.9394*	1.6532	1.7238	1.9134*
							(1.703)	(1.485)	(1.552)	(1.720)
Leverage							0.6055	0.6265	0.5802	0.7309
							(1.203)	(1.240)	(1.155)	(1.444)
Sales Growth (%)							0.0422***	0.0430***	0.0436***	0.0384***
							(6.579)	(6.895)	(6.890)	(5.946)
Capital Expenditures							-0.5811	-0.5511	-0.5642	-0.7250
							(-0.225)	(-0.214)	(-0.219)	(-0.282)
Market-to-Book							0.0175	0.0197	0.0193	0.0201
							(0.232)	(0.277)	(0.269)	(0.273)
Common Law Origin (1,0)							-0.4322***	-0.4356***	-0.4394***	-0.3501**
							(-2.761)	(-2.759)	(-2.807)	(-2.339)
Workforce Age Structure Dummies	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Workforce Employment Structure Dummies	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Cause of Dispute Dummies	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Industry Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	1.7103***	1.5340***	-7.4751*	-7.7004*	-5.2880	-6.6780	-7.5908*	-7.5832*	-7.6587*	-8.0968*
	(5.394)	(4.591)	(-1.677)	(-1.729)	(-1.426)	(-1.588)	(-1.705)	(-1.733)	(-1.740)	(-1.809)
R^2	0.05	0.06	0.10	0.10	0.23	0.25	0.26	0.27	0.27	0.26
Adjusted R^2	0.04	0.05	0.07	0.07	0.19	0.21	0.22	0.22	0.22	0.21
Observations	1,002	1,002	958	950	943	822	813	813	813	813

Table 5 - Probit model predicting the likelihood of a strike

This table presents results from regressing a binary variable that equals 1 when there was at least a strike in the workplace, and 0 otherwise (Strike) on various ownership, board, firm-level, plant-level and conflict variables. We estimate this variable via Probit regressions. Independent variable definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. The table presents the coefficients and Heteroskedasticity-consistent (White, 1980) t-values in parentheses and then the Pseudo R². ***, **, * * indicate coefficients significance level: 1%, 5% and 10% respectively.

Variables	Strike (1,0)		
Family Firm (1,0)	-0.2835**		
	(-2.079)		
Largest Owner (1,0)		-0.2901**	
		(-2.041)	
Family Management (1,0)			-0.3761**
			(-2.186)
5% Ownership (%)	0.0059**	0.0056**	0.0067***
	(2.238)	(2.059)	(2.631)
Employee Ownership (%)	-0.0272	-0.0268	-0.0230
	(-1.529)	(-1.507)	(-1.296)
Employee Directors (%)	-1.0560**	-1.0278**	-1.1290**
	(-2.321)	(-2.268)	(-2.469)
Log (Plant Employees)	0.4454***	0.4450***	0.4425***
	(8.286)	(8.287)	(8.199)
Fixed-Term Workers	0.0036	0.0039	0.0035
	(0.550)	(0.590)	(0.530)
Temporary Workers (%)	-0.0931	-0.0936	-0.0788
	(-0.792)	(-0.797)	(-0.671)
Wage	-0.0295**	-0.0290**	-0.0282**
	(-2.164)	(-2.144)	(-2.062)
Age	0.0019	0.0027	0.0062
	(0.034)	(0.049)	(0.113)
Unemployment Rate (%)	-0.0227	-0.0208	-0.0191
	(-0.662)	(-0.606)	(-0.559)
Union Membership (%)	0.2225***	0.2209***	0.2215***
	(3.893)	(3.858)	(3.869)
Log (Firm Size)	0.0377	0.0369	0.0348
	(1.142)	(1.103)	(1.027)
Return on Assets	1.5047	1.5565	1.6912
	(1.370)	(1.417)	(1.507)
Leverage	0.5407	0.5152	0.6159
	(1.246)	(1.190)	(1.416)

Table 5 - Continued

Sales Growth (%)	0.1616	0.1670	0.1901
	(0.611)	(0.636)	(0.722)
Capital Expenditures	-2.2128	-2.1907	-2.2602
	(-1.014)	(-1.004)	(-1.045)
Market-to-Book	-0.0040	-0.0051	-0.0029
	(-0.060)	(-0.077)	(-0.042)
Common Law Origin (1,0)	-0.2639*	-0.2646*	-0.2248
	(-1.851)	(-1.857)	(-1.631)
Workforce Age Structure Dummies	Yes	Yes	Yes
Workforce Employment Structure Dummies	Yes	Yes	Yes
Industry Dummies	Yes	Yes	Yes
Constant	-10.6618***	-10.7361***	-11.2567***
	(-2.619)	(-2.624)	(-2.686)
Pseudo R²	0.23	0.23	0.23
Observations	818	818	818

Table 6 - Impact of family ownership and management on labor relations: alternative regressions

This table presents results from regressing the ratio of the number of layoffs of plant protected employees asked by the management (Protected Employees), sanctioned employees (Sanctioned Employees) and individual law disputes handled by an employment tribunal (Individual Law Disputes) during the year to the average number of employees in the workplace, the annual number of works council (Works Council) and union delegate (Union Delegates) meetings in the workplace. We estimate the Protected Employees, Sanctioned Employees and Individual Law Disputes variables via OLS regressions, and Works Council and Union Delegates variables via Poisson regressions. Independent variable definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. The table presents the coefficients and Heteroskedasticity-consistent (White, 1980) t-values in parentheses and then the R^2 and adjusted R^2. ***, **, * indicate coefficients significance.

Variables	Protected Employees		Sanctioned Employees		Individual Law Disputes		Works Council		Union Delegates	
Family Ownership (%)	-0.00004**		0.0001		-0.0002		-0.0006		-0.0019*	
	(-2.118)		(1.157)		(-1.241)		(-0.734)		(-1.729)	
Family Management (1,0)		-0.0017**		-0.0078*		-0.0111**		-0.0914**		-0.1103**
		(-2.431)		(-1.829)		(-2.181)		(-2.223)		(-2.091)
5% Ownership (%)	-0.00003**	-0.00002*	-0.00002	-0.0001	-0.00004	-0.00004	-0.0007	-0.0008	-0.0003	-0.0001
	(-2.130)	(-1.767)	(-0.296)	(-1.405)	(-0.037)	(0.044)	(-1.258)	(-1.637)	(-0.424)	(-0.206)
Employee Ownership (%)	-0.0002***	-0.0002**	-0.0002	-0.0003	-0.0009**	-0.0007*	-0.0077**	-0.0072**	-0.0120***	-0.0098**
	(-2.857)	(-2.469)	(-0.281)	(-0.497)	(-1.969)	(-1.865)	(-2.049)	(-2.015)	(-2.708)	(-2.321)
Employee Directors (1,0)	0.0018	0.0020	0.0064	0.0021	-0.0051	-0.0055	-0.0800	-0.0949	-0.1220	-0.1158
	(0.657)	(0.741)	(0.490)	(0.165)	(-0.365)	(-0.381)	(-0.832)	(-0.972)	(-0.864)	(-0.826)
Log (Plant Employees)	-0.0008***	-0.0008***	-0.0065***	-0.0061***	-0.0038**	-0.0038**	0.1074***	0.1091***	0.1483***	0.1487***
	(-2.921)	(-2.909)	(-3.829)	(-3.654)	(-2.426)	(-2.489)	(7.355)	(7.508)	(4.069)	(4.091)
Fixed-Term Workers (%)	-0.00003	-0.00004	0.0001	0.0001	0.0002	0.0002	0.0002	0.0002	-0.0003	-0.0004
	(-1.461)	(-1.634)	(0.551)	(0.708)	(1.142)	(1.111)	(0.142)	(0.151)	(-0.154)	(-0.204)
Temporary Workers (1,0)	-0.0006	-0.0006	0.0038	0.0042	-0.0019	-0.0017	0.0006	0.0026	-0.0160	-0.0152
	(-0.854)	(-0.833)	(0.967)	(1.070)	(-0.414)	(-0.372)	(0.023)	(0.097)	(-0.338)	(-0.326)
Wage	0.00001	0.00001	-0.0001**	-0.0001**	0.0001	0.0001	-0.0033***	-0.0032***	-0.0008	-0.0003
	(0.592)	(0.550)	(-2.559)	(-2.151)	(1.331)	(1.365)	(-5.583)	(-5.521)	(-0.196)	(-0.085)
Age	-0.0001	-0.00003	0.0001	0.0001	0.0005	0.0006	-0.0138	-0.0137	0.0199	0.0209
	(-0.154)	(-0.102)	(0.065)	(0.098)	(0.293)	(0.371)	(-1.372)	(-1.353)	(1.303)	(1.369)
Unemployment Rate (%)	-0.00004	-0.0001	0.0018*	0.0018*	-0.0010	-0.0012	-0.0066	-0.0079	-0.0069	-0.0091
	(-0.246)	(-0.420)	(1.686)	(1.646)	(-1.155)	(-1.309)	(-0.850)	(-1.018)	(-0.501)	(-0.661)
Union Membership	0.0004	0.0005	-0.0029**	-0.0028*	0.0029	0.0030	0.0320***	0.0330***	-0.0110	-0.0097
	(1.471)	(1.500)	(-1.978)	(-1.926)	(1.495)	(1.533)	(2.597)	(2.667)	(-0.741)	(-0.643)
Log (Firm Size)	-0.0001	-0.0001	-0.0001	-0.0012	-0.0013	-0.0013	0.0120	0.0089	-0.0199	-0.0185
	(-0.520)	(-0.244)	(-0.070)	(-1.020)	(-1.223)	(-1.361)	(1.524)	(1.183)	(-1.246)	(-1.230)
Return on Assets	-0.0261*	-0.0263*	-0.0029	-0.0013	-0.1067	-0.1079	-0.4850**	-0.4668**	-0.4531*	-0.4596*
	(-1.695)	(-1.691)	(-0.103)	(-0.048)	(-0.736)	(-0.742)	(-2.555)	(-2.439)	(-1.713)	(-1.743)
Leverage	-0.0054**	-0.0050**	0.0028	0.0007	-0.0017	0.0004	-0.0634	-0.0515	0.3052*	0.3302*
	(-2.100)	(-1.972)	(0.199)	(0.053)	(-0.090)	(0.025)	(-0.582)	(-0.478)	(1.828)	(1.942)

Table 6 - Continued

Variables	Protected Employees		Sanctioned Employees		Individual Law Disputes		Works Council		Union Delegates	
Sales Growth (%)	0.0005***	0.0005***	-0.0004***	-0.0004***	0.0003	0.0003	-0.0005	-0.0008	0.0034**	0.0024**
	(6.302)	(6.181)	(-3.023)	(-3.048)	(0.526)	(0.410)	(-0.597)	(-1.079)	(2.526)	(2.123)
Capital Expenditures	-0.0154	-0.0154	0.0577	0.0564	0.0613	0.0588	-0.5186	-0.5052	-0.7180	-0.6841
	(-1.532)	(-1.538)	(1.025)	(1.006)	(0.973)	(0.946)	(-1.157)	(-1.147)	(-0.754)	(-0.732)
Market-to-Book	0.0006	0.0006	-0.0015	-0.0015	0.0017	0.0018	-0.0009	0.0001	0.0020	0.0031
	(1.573)	(1.575)	(-1.002)	(-0.963)	(0.496)	(0.518)	(-0.112)	(0.012)	(0.161)	(0.262)
Common Law Origin (1,0)	-0.0005	-0.0001	0.0051	0.0029	-0.0012	-0.0002	0.0044	0.0052	0.0354	0.0537
	(-0.644)	(-0.164)	(1.081)	(0.634)	(-0.257)	(-0.033)	(0.137)	(0.164)	(0.843)	(1.229)
Workforce Age Structure Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Workforce Employment Structure Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	0.0289	0.0264	-0.0114	-0.0029	0.0370	0.0276	0.3491	0.2661	-1.9821	-2.2502
	(1.352)	(1.262)	(-0.102)	(-0.026)	(0.307)	(0.238)	(0.346)	(0.254)	(-0.938)	(-1.093)
R²	0.12	0.12	0.27	0.27	0.05	0.05	0.21	0.22	0.19	0.19
Adjusted R²	0.07	0.07	0.22	0.23	0.01	0.01	0.16	0.16	0.14	0.14
Observations	790	790	741	741	759	759	664	664	765	765

Table 7 - Determinants of family ownership

This table reports results from regressing the percentage of family ownership (Family Ownership) on various ownership, board, firm-level, plant-level and conflict variables. We estimate this percentage via Tobit regressions. Independent variable definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. The table presents the coefficients and Heteroskedasticity-consistent (White, 1980) t-values in parentheses and then the R² and adjusted R². ***, **, * indicate coefficients significance level: 1%, 5% and 10% respectively.

Variable	Family Ownership (%)
Log (Firm Size)	-0.1344***
	(-14.657)
Return on Assets	-0.0630
	(-0.225)
Leverage	-0.0905
	(-0.649)
Sales Growth (%)	0.0079***
	(5.785)
Capital Expenditures	0.8635
	(1.465)
Market-to-Book	-0.0016
	(-0.119)
Volatility	-1.3768***
	(-2.872)
Common Law Origin (1,0)	-0.3410***
	(-6.758)
Industry Dummies	Yes
Constant	1.9548***
	(9.342)
R²	0.33
Adjusted R²	0.32
Observations	989

Table 8 - Conflict involvement and duration controlling for endogeneity

This table reports the second stage of a 2SLS regression, using the regressions reported in Table 7 as the first stage. The second stage uses the predicted value from the first stage to instrument the endogenous choice variables. The dependent variables are the percentage of employees involved during the climax of the major conflict which occurred in the workplace (Involvement) and the logarithm of the duration in hours of the major conflict which occurred in the workplace (Duration). Independent variable definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. The table presents the coefficients and Heteroskedasticity-consistent (White, 1980) t-values and then the R² and adjusted R². ***, **, * indicate coefficients significance level: 1%, 5% and 10% respectively.

Variables	Involvement (%)	Duration
Predicted Value of Family Ownership	-0.0016**	-0.0083**
	(-2.141)	(-2.481)
5% Ownership	0.0015**	0.0052*
	(2.372)	(1.688)
Employee Ownership (%)	-0.0045	0.0027
	(-1.069)	(0.136)
Employee Directors (%)	-0.2966***	-0.8438*
	(-2.585)	(-1.666)
Log (Plant Employees)	0.0618***	0.2150***
	(5.197)	(3.551)
Fixed-Term Workers (%)	-0.0018	0.0039
	(-1.443)	(0.627)
Temporary Workers (1,0)	-0.0155	0.0045
	(-0.508)	(0.034)
Wage	-0.0093***	-0.0015
	(-2.629)	(-1.163)
Age	-0.0138	0.0557
	(-0.923)	(0.900)
Unemployment Rate (%)	-0.0008	-0.0182
	(-0.092)	(-0.436)
Compensated (1,0)	0.2179***	0.7799***
	(4.322)	(3.118)
Union Membership	0.0660***	0.1109*
	(4.554)	(1.680)
Log (Firm Size)	0.0076	-0.0123
	(0.890)	(-0.315)
Return on Assets	0.5917**	1.9171*
	(2.052)	(1.682)
Leverage	0.1371	0.5841
	(1.266)	(1.152)
Sales Growth (%)	0.0124***	0.0423***
	(11.262)	(6.599)
Capital Expenditures	0.3332	-0.5329
	(0.662)	(-0.206)
Market-to-Book	-0.0096	0.0168
	(-0.488)	(0.223)
Common Law Origin (1,0)	-0.0608*	-0.4327***
	(-1.687)	(-2.763)
Workforce Age Structure Dummies	Yes	Yes
Workforce Employment Structure Dummies	Yes	Yes
Cause of Dispute Dummies	Yes	Yes
Industry Dummies	Yes	Yes
Constant	-3.9242***	-7.4835*
	(-3.257)	(-1.680)
R²	0.22	0.26
Adjusted R²	0.17	0.22
Observations	780	812

Table 9 - Robustness tests

Panel A presents results for different definitions of a family firm and for several sample restrictions the coefficient of a family firm variable in multivariate regressions of Involvement and Duration. Panel B presents coefficients on dummy variables that equal one when the firm is a family firm in the generation in each column heading, and zero otherwise in multivariate regressions of Involvement and Duration. The dependent variables are the percentage of employees involved during the climax of the major conflict which occurred in the workplace (Involvement) and the logarithm of the duration in hours of the major conflict which occurred in the workplace (Duration). We estimate Involvement via Tobit regressions and Duration via OLS regressions. Independent variables are the same as those of tables 4 and 5 and definitions and sources are provided in the Appendix. The initial sample includes all workplaces of subsidiaries belonging to a listed company with an ultimate ownership of more than 95%. The table presents the coefficients and Heteroskedasticity-consistent (White, 1980) t-values and then the R^2 and adjusted R^2. ***, **, * indicate coefficients significance level: 1%, 5% and 10% respectively.

Panel A: Subsample analyses and alternative definitions of a family firm

Variables	Involvement (%)	R²	Adj. R²	Observations	Duration	R²	Adj. R²	Observations
Family Ownership (%) after excluding all non French firms	-0.0016* (-1.681*)	0.27	0.19	462	-0.0071* (-1.702)	0.27	0.19	484
Family Ownership (%) after excluding all French firms	-0.0013 (-0.887)	0.28	0.15	319	-0.0065 (-0.939)	0.34	0.22	329
Family Ownership (%) after excluding financial firms.	-0.0017** (-2.174)	0.22	0.17	738	-0.0086** (-2.547)	0.26	0.21	768
Family Ownership (%) after capping the dependent variables at the 99th percentile.	-0.0017** (-2.266)	0.23	0.18	776	-0.0063** (-1.977)	0.28	0.23	807
Family Ownership (%) after excluding all workplaces without a strike during the year.	-0.0023*** (-3.305)	0.22	0.12	458	-0.0147*** (-2.887)	0.15	0.04	445
Family Ownership (%) defined as the fraction of shares of all classes held by the founding family with at least a 10% equity stake.	-0.0016** (-2.067)	0.22	0.17	781	-0.0080** (-2.443)	0.26	0.22	813
Family Ownership (%) defined as the fraction of shares of all classes held by the founding family with at least a 20% equity stake.	-0.0013* (-1.809)	0.22	0.17	781	-0.0074** (-2.319)	0.26	0.22	813
Family Ownership (%) when the founding family is the largest shareholder of the firm and has at least 10% of the shares.	-0.0016** (-2.071)	0.22	0.17	781	-0.0081** (-2.460)	0.26	0.22	813
Family Ownership (%) when the founding family is the largest shareholder of the firm and has at least 20% of the shares.	-0.0013* (-1.823)	0.22	0.17	781	-0.0075** (-2.341)	0.26	0.22	813
Family Votes (%) defined as the fraction of votes held by the founding family with at least a 5% stake.	-0.0012* (-1.844)	0.21	0.15	725	-0.0086* (-2.814)	0.27	0.21	755
Family Ownership (%) after excluding firms with decreases in the number of employees greater than 20% between 2003 and 2004 and firms with a drop in net property, plant and equipment greater than 15% over the same period.	-0.0016** (-2.010)	0.25	0.19	711	-0.0081** (-2.242)	0.27	0.22	741
Family Ownership (%) after excluding firms with decreases in the number of employees greater than 20% between 2003 and 2004, firms with a drop in net property, plant and equipment greater than 15% over the same period and firms with negative Return on Assets.	-0.0020** (-2.356)	0.27	0.21	669	-0.0087** (-2.277)	0.27	0.21	696

Panel B: Effects of family firm generations on labor relations

Variables	First generation	Other generations	R²	Adj. R²	Observations
Involvement (%)	-0.0286 (-0.623)	-0.1249*** (-3.290)	0.22	0.17	781
Duration	-0.2714 (-1.366)	-0.5378*** (-3.033)	0.27	0.22	813

Appendix - Description of all the variables used in the analyses
This table explains the construction of the ownership, board, firm-level, workplace-level and conflict variables used in the analyses.

Ownership and board variables

Family Ownership (%)	Fraction of shares of all classes held by the founding family with at least a 5% equity stake. As in Anderson and Reeb (2003) and Villalonga and Amit (2006), a founder is an individual responsible for the firm's early growth and development. Sources: Registration documents for founding-family equity stakes, Registration documents, Factiva, LexisNexis and the "International Directory of Company Histories" resource for the identification of founders.
Family Firm (1,0)	Binary variable that equals 1 when the founding family holds at least a 5% equity stake, and 0 otherwise. Source: Registration documents.
Largest Owner (%)	Binary variable that equals 1 when the founding family is the largest shareholder in the firm, and 0 otherwise. Source: Registration documents.
Family Management (1,0)	Binary variable that equals 1 when any member of the founding family holds the title of Chief Executive Officer (CEO), and 0 otherwise. Source: Registration documents.
5% Ownership (%)	Fraction of shares of all classes held by all the non-family shareholders who hold at least a 5% equity stake. Source: Registration documents.
Employee Ownership (%)	Fraction of shares of all classes held by the employees. Source: Registration documents.
Employee Directors (%)	Fraction of directors elected from among the employees on the board. Source: Registration documents.

Firm-level variables

Firm Size	Book value of total assets, euro millions. Source: Worldscope.
Return on Assets	Return on Assets measured as operating income over total assets. Source: Worldscope.
Leverage	Leverage measured as total debt over total assets. Source: Worldscope.
Sales Growth (%)	Growth rate computed as percentage change in net sales between years *N-1* and *N*. Source: Worldscope.
Capital Expenditures	Ratio of capital expenditures to total assets. Source: Worldscope.
Market-to-Book	Market-to-book ratio measured as the market value of equity at the end of the fiscal year plus the book value of total liabilities, all divided by the book value of total assets. Source: Worldscope.
Volatility	Monthly stock return volatility over the last twelve months. Source: Worldscope.
Common Law Origin (1,0)	Binary variable that equals 1 when the origin of the commercial law of a country is English Common Law, and 0 otherwise. Source: A. Shleifer's data set, http://www.economics.harvard.edu/faculty/shleifer/files/qgov_web.xls.
Best Company (1,0)	Binary variable equals to 1 when the firm is in the list of one of the 2004 "Best companies to work for" classifications by the *Financial Times* ("The World's Most Respected Companies"), *Great Place to Work For Institute*, *Journal du Net* or *TNS Sofres*, and 0 otherwise.

Workplace-level variables

Plant Employees	Average number of employees in the workplace (it excludes temporary workers). Source: Dares.
Fixed-Term Workers (%)	Fraction of fixed-term workers in the workplace. Source: Dares.
Temporary Workers (1,0)	Binary variable that equals 1 when temporary workers are employed in the workplace, and 0 otherwise. Source: Dares.
Executives (1,0)	Binary variable that equals 1 when executives are employed in the workplace, and 0 otherwise. Source: Dares.
Commercials (1,0)	Binary variable that equals 1 when commercials are employed in the workplace, and 0 otherwise. Source: Dares.
Technicians (1,0)	Binary variable that equals 1 when technicians are employed in the workplace, and 0 otherwise. Source: Dares.
Employees (1,0)	Binary variable that equals 1 when employees are employed in the workplace, and 0 otherwise. Source: Dares.
Workers (1,0)	Binary variable that equals 1 when blue-collar workers are employed in the workplace, and 0 otherwise. Source: Dares.

Workers under 19 (%), Workers betw. 20 & 24 (%), …, Workers older than 60 (%)	Denote respectively fractions of workers under 19, between 20 and 24, 25 and 29, 30 and 34, 35 and 39, 40 and 44, 45 and 49, 50 and 54, 55 and 59, and older than 60. Source: Dares.
Wage	Net average hourly full-time-equivalent compensation in the workplace. Source: Dares.
Age	Continuous variable that equals 1 when plant age < 5 years, 2 when 5 years ≤ plant age ≤ 9 years, 3 when 10 years ≤ plant age ≤ 19 years, 4 when 20 years ≤ plant age ≤ 49 years, 5 when plant age ≥ 50 years. Source: Dares.
Unemployment Rate (%)	Unemployment rate in the area where the workplace is located. Source: Insee (*Institut National de la Statistique et des Etudes Economiques - National Institute of Statistics and Economic Studies*, www.insee.fr).
Population	Number of inhabitants in the city where the workplace is located. Source: Insee (*Institut National de la Statistique et des Etudes Economiques - National Institute of Statistics and Economic Studies*, www.insee.fr).
Union Membership	Continuous variable that equals 1 when the fraction of workers in the plant who belong to a union < 5%, 2 when 5% ≤ fraction < 10%, 3 when 10% ≤ fraction < 20%, and 4 when fraction ≥ 20%. Source: Dares.
Aggressive Union (1,0)	Binary variable that equals 1 when the most representative confederation at the latest employee representatives election was affiliated to one for which the 1906 Charter of Amiens is still the founding document, and 0 otherwise. Source: Dares.
Industry variables	Binary variables for each different industry in the sample. Source: Dares.

Conflict variables

Involvement (%)	Percent of the employees involved during the climax of the major conflict which occurred in the workplace. Source: Dares.
Duration	Logarithm of the duration in hours of the major conflict which occurred in the workplace. Source: Dares.
Strike (1,0)	Binary variable that equals 1 when there was at least a conflict in the workplace, and 0 otherwise. Source: Dares.
Redundancies (1,0)	Binary variable that equals 1 when the major conflict is due to redundancies in the workplace, and 0 otherwise. Source: Dares.
Working Hours (1,0)	Binary variable that equals 1 when the major conflict is due to working hours in the workplace, and 0 otherwise. Source: Dares.
Compensation (1,0)	Binary variable that equals 1 when the major conflict is due to compensation, and 0 otherwise. Source: Dares.
Labor Relations (1,0)	Binary variable that equals 1 when the major conflict is due to difficult labor relations in the workplace (ragging, discipline…), and 0 otherwise. Source: Dares.
Union Law (1,0)	Binary variable that equals 1 when the major conflict is due to union law, and 0 otherwise. Source: Dares.
Working Conditions (1,0)	Binary variable that equals 1 when the major conflict is due to working conditions in the workplace, and 0 otherwise. Source: Dares.
Qualifications (1,0)	Binary variable that equals 1 when the major conflict is due to qualification difficulties in the workplace, and 0 otherwise. Source: Dares.
Organization (1,0)	Binary variable that equals 1 when the major conflict is due to a technical or an organizational change in the workplace, and 0 otherwise. Source: Dares.
Compensated (1,0)	Binary variable that equals 1 when the strikers received full or part compensation during their days of strike, and 0 otherwise. Source: Dares.
Protected Employee Layoffs	Ratio of the number of layoffs of plant protected employees asked by the management during the year to the average number of employees in the workplace. Source: Dares.
Sanctioned Employees	Ratio of the number of plant sanctioned employees during the year to the average number of employees in the workplace. Source: Dares.
Individual Law Disputes	Ratio of the number of individual law disputes handled by an employment tribunal during the year to the average number of employees in the workplace. Source: Dares.
Works Council Meetings	Annual number of works council meetings in the workplace. Source: Dares.
Union Delegate Meetings	Annual number of union delegate meetings in the workplace. Source: Dares.