

Case Study 8.4

Voestalpine AG

The largest employee-owned company by voting rights and market value in Austria, Voestalpine AG is an Austrian steel manufacturer and has operations in over sixty countries. Central to the stability and ongoing performance of the group (sales were almost €11bn in 2010) is their commitment towards employee share ownership. Thirteen per cent of the group's shares are held by 21,700 employees, totalling 22.4m shares.¹ Employees are the second largest shareholder and have a unique role in the governance of the company, a role that explains the rationale for having employee ownership at Voestalpine AG. Whilst the shares are held individually by the employees, the voting rights are bundled together, meaning the employee-owners vote as one. By holding more than ten per cent of the group's shares and voting as one body, Voestalpine's employees have the ability to block hostile takeovers of the group.² Voestalpine AG refer to this form of employee ownership as 'strategic ownership'.

¹ Voestalpine AG. 'voestalpine Employee Participation'.

<http://www.voestalpine.com/group/en/group/employee-participation/>, accessed 15 August 2011.

² Voestalpine AG. 'The basic principles of Employee Participation'.

<http://www.voestalpine.com/group/en/group/employee-participation/grundsaeetze-der-mitarbeiterbeteiligung.html>, accessed 15 August 2011.

