

**THE EFFECTS OF EMPLOYEE SHARE OWNERSHIP
PLAN ON EMPLOYEES WORK ATTITUDES AND
JOB SATISFACTION IN SELECTED BANKS
IN NAIROBI, KENYA**

A Thesis Submitted to the
Department of Management
School of Business
University of Eastern Africa, Baraton

In Partial Fulfillment of the Requirements for the Degree of
Master of Business of Administration
(Finance and Business Management Options)

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June 2017

APPROVAL SHEET

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ABSTRACT

Employee Share Ownership Plans are becoming increasingly popular in the Kenyan local market as schemes provided to employees with the opportunity to acquire or purchase shares in their company. The adoption and implementation of ESOPs by both private companies and public listed entities have been on the rise in Kenya in recent years. This study investigated the effects of ESOPs on Banking employees' work attitudes and job satisfaction level in Nairobi. A causal comparative study was done to investigate and analyze the effects of ESOP on employees work attitudes and job satisfaction in Nairobi using a sample composed of 200 managing employees purposively selected from population of the selected Banking firms. A properly structured questionnaire was used. Questionnaire response rate of 169 (84.5%) was recorded from the employees from the selected firms. Employee shareowners under the ESOP in their institution have a good job satisfaction in the sense that, their income make them feel valued in their company, they are regularly and consistently briefed on company performance and Management maintain open and active communication with them. The employees share owner's work attitudes and job satisfaction level were best predicted by how satisfied they were with income (stock and cash dividends) and tax benefits offered under the ESOP plan. The work attitudes and job satisfaction level of participants of ESOP are better than the non-participants of ESOP. The research recommends that the banks allow employee shareowners to have more say in the way they want to perform and do their work. The banking institutions should allow the employee share owners to participate in peculiar decision making about the workflow in the organization as this will contribute to a better organizational performance.

ACKNOWLEDGEMENTS

I have had a colorful experience, full of lessons and discovery through the redaction of this thesis. I would like first to thank the almighty GOD and acknowledge all those who encouraged and supported me throughout the process.

First and foremost, Special thanks to my advisors Prof. Elizabeth Role and Prof. Corazon Banaga for their excellent academic and professional guidance and suggestions, which profoundly enriched this manuscript.

I specially acknowledge Mr Anthony Corline and Dr Francis Joseph Bwire whose professional assistance had been of greatest help in achieving this thesis.

I also thank the faculty members of the University of Eastern Africa, Baraton. They gave me the honour in attaining the master's degree.

Above all I would like to thank my respondents who took their time to participate in this research by responding to the questions in the research instrument, and to all those who contributed so many ways to the success of this work.

May the Almighty God richly bless all of you.

DEDICATION

This thesis is warmly dedicated to my father AWOUTE Kossi and my

Lovely mother Rebecca, to my aunt Ms Kondo Dovi, my sisters,

Amirose Christine and Sylvie without whose patience

And support this work would have not

Come into existence.

Specially To Jacqueline Inamahoro

And my brother and special friend Jordan D.N. Assienin, whose love

And support kept me going. To my great friend Nixon Mageka Gecheo

Whose assistance and support cannot be overstated.

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LIST OF ABBREVIATION AND ACRONYMS

EFESO	European Federation of Employee Share Ownership
EO	Employee Ownership
EOA	Employee Ownership Association
EPDM	Employee Participation in Decision Making
EPP	Executive Pension Plan
ESO	Employee Share Ownership
ESOP	Employee Share Ownership Plan
HPWS	High Productive Working Systems
KM	Knowledge Management
NACOSTI	National Commission for Science, Technology and Innovation
NCEO	National Centre for Employee Ownership
NSE	Nairobi Stock Exchange
PASW	Predictive Analytics Software
PO	Psychological Ownership
PDM	Participation in Decision Making

CHAPTER ONE

INTRODUCTION

Background of the Study

The world economy is composed of major organizations, corporations and multinationals which operate and conduct legal and major business activities and trades on daily basis within limited jurisdiction and also on global scales. The economic and business environment today is a complex and regulated one, with key players such as public and private companies, multinationals and corporations, governmental financial institutions, world institution such as International monetary fund and the World Bank group. Various economies across the Globe have recently regulated their business environment in order to facilitate ease of doing business.

The World Bank's annual review, Doing Business (2016), reports major changes that have been brought to business environment in various economies around the globe. The regulations reforms touch many aspects of business in many countries such as registration and creation of new companies, easier access to electricity, digitalization of business processes, better protecting policies to small and private investors and facilitation of employee investments and shares buying in companies.

Among all the notable business environment, reforms and opportunities implemented, a close attention should be paid to the increasing opportunities provided by companies and corporations to employees to own stock and shares in companies in

which they are working, through employee share ownership plans. Employee ownership is currently attracting considerable attention in the press across the globe.

According to Landau, Mitchell, O'Connell, and Ramsay (2007), employee share ownership (ESO) is a form of employee financial participation that confers on employees the right to share in the wealth of the company and, in theory at least, the right to exercise some degree of control over company affairs. Employee share ownership plan can be defined as an Employee benefit scheme intended to motivate employees by giving them a stake in the firm's success through equity participation.

In our current knowledge based economy, ownership comes to take different and multiple dimensions. The outcome of these dimensions of ownership is the emergence of new relationship embedded with new effects between owners and their work. The complexed business environment has evolved with new opportunities in terms of ownership, that change the normal landscape of employee work attitudes in workplace, fostered by major changes implemented in world economy.

Rousseau and Shperling (2003) state that employee share ownership is now a widespread form of employee participation in many industrialized nations. In principle, employee ownership gives employees additional rights to those normally expected by employees: a right to share in the company's profits, access to information on company finances and operations, and rights to participate in the management of the company. These may bring about fundamental changes in employee attitudes and behavior, which may in turn be reflected in a range of company-level outcomes such as productivity and financial performance.

Employees have attitudes or viewpoints about many aspects of their jobs, their careers, and their organizations and these view point play an important role in performance appraisal. The most known employee attitude is job satisfaction. According to Rynes, (et al 2002), in a study of Human resources professionals there are three knowledge gaps in the area of employee attitudes. That is, the causes of employee attitudes, the results of positive or negative job satisfaction, and How to measure and influence employee attitudes. Analyzing the first gap, the causes of employee attitudes, several studies have shown the influences of a person's disposition on employee attitude and job satisfaction.

Caramelli and Briole (2007) suggest that EO may affect employee attitudes through Psychological Ownership. However, stock ownership does not lead automatically to Psychological Ownership. Drawing on past theory, they suggest that stock ownership must allow employees (1) to exert some form of control over the company, (2) to receive some information on the company and (3) must imply an investment for the employees in their company. If these conditions are met, Employee Ownership is likely to lead to Psychological Ownership which in turn impacts positively on employees' organizational commitment and job satisfaction.

Pierce, Kostova, and Dirks (2003) affirmed that Psychologists do agree that possessions are one of the basic human needs therefore, the mere ownership of stock of one's company may have the potential of satisfying employees by filling the human need for property.

Furthermore Caramelli and Briole (2007) stated that concerning the financial facet of EO, such elements as dividends and stock price growth may fulfil both employees'

financial needs and be considered as recognition by the company of the importance of the employees' work. Accordingly, the financial gains related to stock ownership may also lead to improve employee satisfaction. Finally, the instrumental elements of EO such as information and decision making rights have the potential of reinforcing the employees' self-esteem. They can also be considered as a responsibility and recognition for employees. As a consequence, EO can improve work satisfaction through instrumental rights as well.

With reference to Aubert (2008), the revolutionary trend of the employee participations in ESOP all around the Globe is the result of growing support from managers and governments. According to Sauser (2009) the idea of employee ownership is based on the assumption that workers will put forth extraordinary efforts to ensure the economic success of their firm because compensation is linked to firm performance.

The European Federation of Employees Shares Ownership (2008), stated that in February 2008, For example, there were 1,436 press articles published, of which 683 focused on stock options, while 212 focused on workers' cooperatives.

Knyght, Kouzmin and Kakabadse (2010) stated that there have also been a growing number of academic articles in the last few years, particularly in the US, where employee stock ownership (ESO) or rather employee stock ownership plan (ESOP) diversification is an issue of concern. Such interest has been stimulated in part by the governments in North America, Europe, Australia and Asia promoting various forms of employee share ownership through a variety of schemes, which, in turn, have resulted in considerable differences in the practice of employee participation between countries.

Thus making generalizations about employee share ownership has to be done with considerable caution.

In the USA, according to the Securities and Exchange Commission (2008), an ESOP is a retirement plan in which the company contributes its stock for the benefit of the company's employees. US based ESOP employees never buy or hold stock directly. As such, an ESOP is different from other non-retirement plans such as employee stock options plans which give the employee the right to buy their company's stock at a set price within a certain period of time. The large number of employee ownership plan owners are found in the public companies in the United States, Approximately 70 per cent of ESOP owners are employed in large, public companies according to Rousseau and Shperling (2004).

The National Center for Employee Ownership (2016), in their statistical profile for employee ownership, published: ESOPs are the most popular employee-ownership scheme in the US, it stated that In 2007, there were 9,774 ESOPs, spread across 11.2 million employee owners in over 11,000 companies, holding 630billion Euros in assets, also Other employee-ownership schemes, additional to ESOPs, have some 25 million Employee/owners, holding more than 1,000 billion euros in assets. While 2,157 fewer individual ESOP plans filed in 2014 compared to 2002, the total number of participants increased from 10.2 to 14.1 million over the same period. Over that period, employed workers covered by an ESOP (active participants) increased from 7.9 million to 10.6 million.

Knyght et al. (2010) indicated that in the UK, employee-ownership associations (EOAs) comprise of employee-owned and Trust-owned businesses. These EOAs came

about predominately in two ways. One stream of EOAs is composed of management and employees who benefited from the buy-outs of public-sector firms undergoing privatization (most in the late 1980s and early 1990s). The second stream of EOAs arose from employee-ownership conversion from the private sector where owners wanted to divest themselves of, or exit from the business. Many of these were owner-managed firms. According to the EOA (Employee Ownership Association), (2008) employee ownership is about the majority in the company owning part of it, whether via a trust or shares, and where no outside interest has a controlling stake.

In a recent publication, the European Federation of Share Ownership, (2016) remarks in their European survey that the assets held by the employee owners in Europe were never so high: 370 billion Euro and more than 3% of the capital of all large European companies in 2015. It draws them to the conclusion that, even through the European crisis, employee share ownership is a formidable engine to share in results and growth, since assets per person have more than doubled since 2009.

Odero (2012) stated that in Africa and specifically South Africa. ESOPs have been used over time as employer benefit schemes and to promote staff empowerment programs. Locally in Kenya. ESOPs are becoming increasingly popular in the local market as schemes to provide employees with the opportunity to acquire or purchase shares in the company. The adoption and implementation of ESOPs by both private companies and public listed entities have been on the rise in Kenya in recent years. The companies in Kenya have utilized the ESOP concept in an effort to attract and retain top talent and also generate funds in the Securities Exchange. Further, ESOPs are now recognized under Section 5 of the Income Tax Act and as investment vehicles under the

Capital Markets Act and many companies are now considering their potential benefits. In Kenya, in most cases, shares are allocated to ESOPs trusts and these are to vest to employees over a given period of time depending on the stipulated conditions as detailed in the various ESOP Trust Deeds.

The Business Daily's work (as cited in Odero, 2012) affirmed, The employees with ESOP firms would get tax benefits from equity based compensations especially if the share prices appreciate and also since in Kenya, capital gains on stocks are not taxed. Examples of listed entities that have implemented ESOP plans include Access Kenya Group Limited, KCB Bank Limited, Kenol Kobil Limited, East Africa Breweries Limited, Safaricom Limited. Housing Finance Corporation Limited and Scangroup Limited amongst others.

ESOP however present some serious drawbacks. Pendleton (2011) identifies three principal issues that trade unions in the UK have had with ESOPs. First, ESOPs in the UK have generally fallen outside the scope of collective bargaining, meaning that they are often not subject to negotiation. Second, concerns have been raised that ESOPs may diminish the employee's need for trade union representation. Finally, ESOPs are seen as potentially confusing and undermining the representative role of trade unions through putting them in a position where they are representing both employees and owners, and perhaps even involved in governance institutions.

According to Maggs (2003) the extent to which ESOPs expose employees to risk will, of course, vary significantly depending on the way the ESOP is structured and the regulatory framework. In the US, for example, ESOPs have been criticized for exposing

employees to high levels of risk as employees' pensions, personal wealth and wages may all be tied to the same company

Evidence emerges from all over the world that employee share ownership plan remains a dominant trend and actuality all over the business environment.

According to Business Daily Africa, (2015) Employees of Nairobi Securities Exchange (NSE)-listed firms have accumulated share options worth Sh8.5 billion, booking substantial capital gains on assets they were offered for free or at discounted prices. Equity Bank, Safaricom, East African Breweries Limited (EABL), Housing Finance (HF) and KenolKobil are among 10 publicly traded companies that had outstanding employee share ownership (ESOP) plans last year. The combined value of shares held through these schemes rose from Sh8.2 billion in 2013 to Sh8.5 billion last year, reflecting a Sh230 million gain from issuance of additional stocks and share price rallies that have inflated the value of this form of staff compensation. Market data shows that employees of Nairobi Securities Exchange-listed firms cashed in share options worth more than Sh4 billion in the past decade, pocketing significant windfalls besides salaries and other benefits.

As per the Cytonn investments research team report (2015) since the turn of the millennium, Kenyan companies have also started adopting ESOPs, and more companies are now considering the potential benefits of such arrangements.

It should be noticed that this employees share ownership scheme are at a very new age among banking industry in Kenya therefore their presence might not offer meaningful stake in company share, yet it is an uprising program that may prove very beneficial to the banks. With different percentages of total shares and total value of the

plan among companies, statistics show that of the 64 listed companies in Kenya 14% have an ESOP program, with Equity Bank having the highest ESOPs of 3.9% as a percentage of total shares and total value of the plan representing ESOPs Value (Kshs) 5,898,501,900.

Statement of the Problem

Employee share ownership plan is a new program recently introduced in the business environment in Kenya. The idea behind such plan is to motivate and effectively include employees further in the affairs of business in order to create awareness, sense of ownership which will theoretically foster a better work performance among employees. How does this newly introduced plan in banking industry practically affect bank employees in term of work performance and job satisfaction? Are the Banking firms implementing this plan benefiting from it and is there any change in employee work performance via employee work attitudes, after introduction of the ESOP? In the Kenyan context, there have been some researches [such as Odero (2012) and Nyambane (2011)], on ESOP of listed firms and the effects of such plan on financial performance using economic indexes and secondary data but no research has been done with primary data in order to ascertain the direct effect of ESOP on employee work attitudes and job satisfaction level. Furthermore, as of date no research has tried to identify how ESOP plan introduction in banking firms affects employee work attitudes and job satisfaction level which ultimately determine employees' turnover intention.

Considering the recurrent reality of the employee share ownership plan worldwide and locally, this research therefore seeks to ascertain the effects of employee share

ownership plan on employees work attitude and job satisfaction in the banking sector and fill the serious gap in the literature on the topic.

Research Questions

In the endeavor to address the main concern captured under the above-mentioned statement, the study investigated the following problems:

1. What are the work attitudes of the employees in the selected banks?
2. What is the level of job satisfaction of employees in the selected banks?
3. To what extent do the participants benefit from their participation in ESOP in terms of a) income (stock and cash dividends) and tax benefits, b) involvement in key decision-making, and c) access to key information?
4. Is there a significant difference between the work attitudes and job satisfaction of employees classified according to their participation in the employee share ownership plan?
5. Is there a significant relationship between a) work attitudes and b) job satisfaction level of employees and their satisfaction on the different aspects of ESOP (stock and cash dividends and tax benefits, involvement in key decision-making, and access to key information)?
6. Which aspects of ESOP best predict employees' a) work attitudes and b) job satisfaction?

Hypotheses

The present research focused on testing the following null hypotheses:

Ho1: There is no significant difference between the work attitudes and job satisfaction of employees classified according to their participation in the employee share ownership plan

Ho2: There is no significant relationship between the i) work attitudes and ii) job satisfaction of employees and employees' participation of share ownership plan in terms of employees PDM, access to information, income (stock and cash dividends), and tax benefits.

Significance of the Study

As outlined and evidenced by previous statistics on the employees ownership plan in the business environment in Kenya and most importantly considering the recurrent reality of the wide and serious participations of employee of listed companies on the Nairobi Securities Exchange in employee ownership plans, this very research is significantly important and may contribute in many ways to the governance and management of the most valuable resources of the company which are employees. The undertaken study findings may be valuable to many board of governance and several stakeholders for the following reasons:

- To enable the listed companies in banking sector to understand the direct impact of ESOP on the psychological capital of employees in term of hope , resilience , optimism, and self-efficacy

- To help the board of governance to acknowledge and acquire explained and detailed knowledge of how ESOP can be used as a participative leadership style to govern and direct business processes of the listed company in banking sector
- To enable the banking and investment holding companies to understand and have better knowledge of ESOP as strategic tool for employee empowerment and catalyst of overall company's performance.

The subsequent findings of the present study might serve as avenue for the Nairobi Stock Exchange to monitor the effect of ESOP as an indicator of variations in listed companies' financial performance. The study also offered information which may help researchers identify areas of further research. To the employees themselves this research might serve as plausible avenue of awareness on the essence of ESOP, the aim of the various inclusive plans in the ESOP, and how to make good use of such plan to achieve a better work life balance and job satisfaction at workplace.

Finally this research may be valuable to

Policies makers: this study may assist them in making sound legislations and policies involving banking and financial matters such as the issue of ESOP offering, regulations and facilitations.

Justification of the Study

The obvious reality of the ESOP in the Kenyan business environment cannot be denied, although it is somehow a new and emerging practice in the Kenyan business environment. Some of the listed companies on the Nairobi stock exchange have espoused the employee share ownership plan schemes which represent billions of shillings in the activities and performance of the overall securities exchange.

Stretcher, Henry and Kavanaugh's work (as cited in Nyambane, 2011) affirmed: There is still no consensus on the impact of ESOPs on performance of companies. While some authors propose that the existence of an ESOP will add to firm value by aligning the incentives of employees with those of the shareholders, others argue that ESOP participants will use their ownership voice to push for increasing wages and benefits, to the detriment of the shareholders.

According to Nyambane, (2011) most of the available empirical studies report mixed results. There are studies that show positive effects and others that show negative effects or no significant effects of the ESOP on the performance of companies. In the Kenyan context, there have been some researches on ESOP of listed firms and the effects of such plan on financial performance using economic indexes and secondary data but no research has been done with primary data in order to ascertain the direct effect of ESOP on employee work attitudes and job satisfaction level. Furthermore, as of date no research has tried to identify how ESOP plan introduction in banking firms affects employee work attitudes and job satisfaction level which ultimately determine employees' turnover intention. The conflicting and mixed results on the effects of ESOP on company financial performance, associated with the serious lack of research concentrating on the direct impact of ESOP on employee work attitudes in the banking sector offers a gap in literature that this present study ultimately sought to address with conclusive and concrete results.

Theoretical Framework

Agency Theory

In order to get to a better understanding of the employee ownership theory, the present research was based on the agency theory. As outlined by Harrison, Singh and Frawley (2016), Agency theory provides an explanation of two interrelated problems fundamental in contractual relationships between principals and agents. The principal is the entity that owns capital (i.e., shareholders) and an agent is the entity that manages capital on behalf of the principal (i.e., corporate management). The first problem is that tensions can arise from principal-agent conflict, particularly when it is difficult for the principal to monitor the agent. The second problem relates to the difference of risk and investment in the organization between principals and agents. Principals face higher risk because they have more financially invested. Therefore, principals are more invested in seeing the firm succeed. Harrison et al., (2016) argues that these interrelated problems show that there can be competing interests between principals and agents. This is because the actions of agents do not necessarily match the preferred behaviors of the principals. It may be difficult to motivate the agent to behave like the principal because they have different concerns. Duncan, (2001) states: “One way of aligning interests between principals and agents is through employee ownership”

Pendleton, (2006) as one of the Proponents of agency theory has argued that employee ownership can link the goals of principals and agents by easing the dysfunctional effects of individual incentives, stimulating commitment, cooperation, trust, and broadening the time frame for desired performance outcomes. Furthermore, in a recent article by Kato, Miyajima and Owan (2016), they stated that the interest alignment

between workers and the firm is fostered by (i) financial participation schemes by which the financial wellbeing of workers is more tied to the final wellbeing of the firm (ESO plans); and (ii) information sharing mechanisms through which management shares important information with workers, and fosters their loyalty and commitment to the firm. Kato et al., (2016) also argues, in the High Productive Working System, workers are often provided with strong job security which will enable them to take advantage of the aforementioned opportunities wholeheartedly without fearing any job loss.

Conceptual Framework

The conceptual framework underlying this study focuses on the relationship between employees work attitudes and the employee share ownership plan. It assists in simplifying the proposed relationships between variables in a study. It presents a graphical and diagrammatical link between the independent variables and the dependent variable as shown in figure 1.

The dependent variable is employee attitudes towards their work in terms of work attendance, self-efficacy, resilience, hope and optimism, self-confidence and sense of accomplishment among others. The independent variables such as, employees' income (stock and cash dividends) and tax benefits, involvement in key decisions making processes as a shareholder in the company, also the employees accessibility to sensible information of the company in which they are working, influence their work attitudes by either contributing to the betterment or a degeneration of work attitudes in the Kenyan banking sector. The study therefore collected data using the questionnaire and analyzed it to find out which of the independent variable construct, affects and effects more on the employees work attitudes and job satisfaction level in a more significant way.

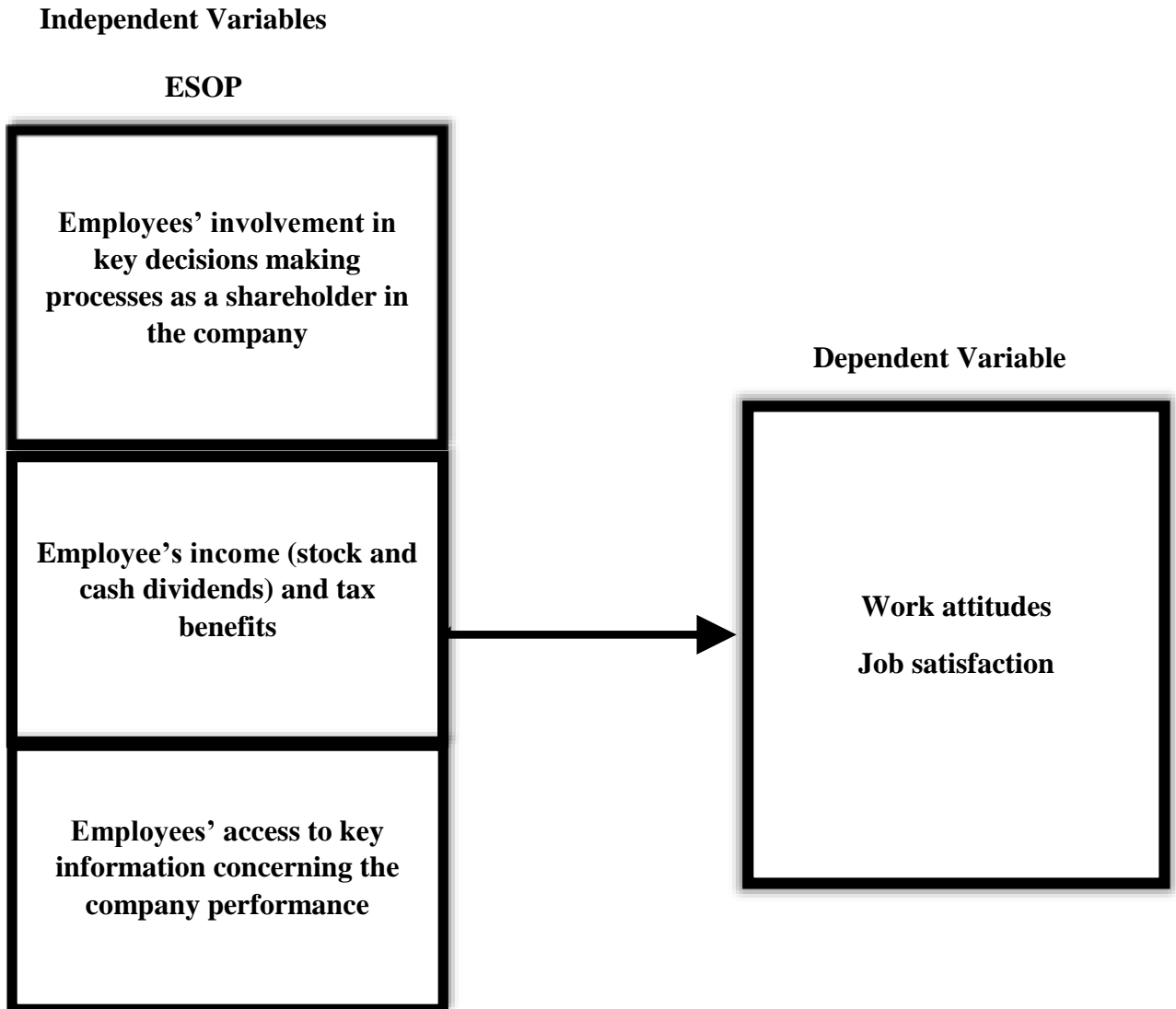


Figure 1. Conceptual framework model.

Employee's involvement in key decisions making process and their access to crucial information about company performance provoke a sense of urgency and triggers better work attitude towards their work. In the words of Pendleton and Robison (as cited in Lowitzsch & Hashi , 2014), anyone with an important stake in a company naturally wants full transparency on company accounts. Participation based on share ownership complements participation based on information and consultation. Management

henceforth adopt full transparency and disclosure of crucial, key and reliable information to employees in order to encourage a strong link between individual and organizational performance , and employee participation in decision making into their incentive plan. These measures complement employee financial participation.

Lowitzsch and Hashi (2014) noted that well - informed employees can also make significant contributions to the effectiveness of company boards, especially to their important function of monitoring and overseeing management. Employee participation in decision making process and employee financial participation are regarded as complementary, with the potential to reinforce the beneficial effects of each productivity and the quality of management. Financial participation thus rewards results, while participation in decision making offers employees ways and means to actually make the firm profitable.

Scope and Limitations of the Study

This study ascertained the effects of the employees share ownership plan on employee work attitudes and job satisfaction in selected companies and corporations under the banking sector in Kenya. It ultimately aimed to understand and elucidate the ways in which the independent variables such as, employee participation in decision making, employees' access to key information, and finally income (stock and cash dividends) and tax benefits under the ESOP plan affect the work attitudes. The banking and investment structures and companies under study were two headquarters offices of renowned banks in Kenya.

The target population included 200 managing employees and staff who are in various positions and are directly involved with various aspects of share ownership plan, as well as employees who don't own shares in the company.

The general effect of non-response error together with challenges in generalization of the present findings may represent the limitations to this study. Another limitation might be the fact that ESOP plan and its constructs are not the only factors that determine ultimately work attitudes and Job satisfaction level of employees.

Operational Definition of Terms

- **Access to key information:** The opportunity or right the employees have to experience, make use or have the knowledge of actual facts about company performance
- **Cash dividend** is money paid to stockholders, normally out of the corporation's current earnings or accumulated profits. All dividends must be declared by the board of directors, and they are taxable as income to the recipients.
- **Consequence:** change that is a result or consequence of an action or other cause.
- **Effect:** something that is produced by an agency or cause; result;
- **Employee share ownership plan:** An employee stock ownership plan (ESOP) is a qualified defined-contribution employee benefit plan designed to invest primarily in the stock of the sponsoring employer. ESOPs are "qualified" in the sense that the ESOP's sponsoring company, the selling shareholder and participants receive various tax benefits. ESOPs are often used as a corporate finance strategy and are also used to align the interests of a company's employees with those of the company's shareholders.

- **Involvement in decision making:** The level of participation, or consultation of employees in the action or process of taking decisions, especially the important ones that affect company performance.
- **Job satisfaction:** Job satisfaction is the level of contentment employees feel about their work, which can affect performance. Job satisfaction is a pleasurable or positive emotional state resulting from one's job or job experience.
- **Managing employees:** The term 'managing employee' means, with respect to a facility or institution, an individual (including a general manager, business manager, administrator, director, or consultant) who directly or indirectly manages, advises, or supervises any element of the practices, finances, or operations of the facility.
- **Organizational commitment:** is the emotional attachment people have toward the company they work for
- **Participation** is about employees playing a greater role in the decision making process. It is an arrangement that ensures that employees are given the opportunity to influence management decisions and to contribute to the improvement of organizational performance
- **Stock dividend** is a dividend payment made in the form of additional shares rather than a cash payout, also known as a "scrip dividend." Companies may decide to distribute this type of dividend to shareholders of record if the company's availability of liquid cash is in short supply.
- **Tax benefit:** A tax benefit is an allowable deduction on a tax return intended to reduce a taxpayer's burden while typically supporting certain types of commercial

activity. A tax benefit allows some type of adjustment benefiting a taxpayer's tax liability.

- **Work attitudes:** Work attitudes are the feelings employees have toward different aspects of their work, employee attitude are non-financial measures such as job satisfaction, employee commitment and psychological contracts.

CHAPTER TWO

REVIEW OF RELATED LITERATURE AND STUDIES

This section of the study looks closely at the related literature and studies. It consists of the concepts from literature that are related to the major variables under consideration in the study. According to Role (2015), literature review helps in attacking the problem of the research with deeper understanding and clear knowledge. This means going through indexes and abstracts, online data bases, treasury of government publication and library.

History of Employee Share Ownership Plan

The history of the employee share ownership plan in developed economies date back according to the NCEO, (2016) to the early nineteen, with the first ESOP being introduced in the United States in 1956 by Louis Kelso to the employees of Peninsula Newspapers. Nevertheless, the United States have not been the only country that experienced such innovations as European countries also followed in the implementation of such program.

As per Pendleton, McDonald, Robinson and Wilson, (1996) The United Kingdom as one of the pioneer of ESOP in Europe also experienced its first waves of ESOPs under the government of Margaret Thatcher, particularly following the Transport Act 1985. The economic world has had throughout every region a wave of employee share ownership plans and schemes.

In the African context, according to observations, South African economy leads in provisions of the employee share ownership plan in companies, with the first ESOPs

rising to prominence in 1987. These programs delivered good expectations as well as deceptions. Schuitema, (2015) states: ‘Employee Share Ownership Programs (ESOP) must be one of the most overrated placebos in South Africa’s human resource arena. I have always been a staunch critic, not of the concept itself but of expectations of what these highly complex and costly programs can deliver’.

According to Megginson, (2005) the first ESOP in Kenyan history was introduced through a privatization scheme in the airline industry, in the years 1995 to 1996. It was then structured as a unit trust rather than sales of shares to employees, for tax reasons. The Kenyan business environment is in a sort of ways new to the provisions of employee share ownership schemes in companies, recent introduction of such plans have been made representing considerable amount of dealing in company financial performance but nonetheless the domain remains a new era as compared to other developed economies around the world. As per the Cytonn investments research team report (2015), since the turn of the millennium, Kenyan companies have also started adopting ESOPs, and more companies are now considering the potential benefits of such arrangements.

Concept of Employee Share Ownership Plan

With reference to the UK Department for Business, Innovation and Skills (2013), Employee ownership means a significant and meaningful stake in a business for all its employees. If this is achieved then a business has employee ownership: it has employee owners. What is meaningful is not confined to financial participation. Irrespective of any financial participation, employees must have access to organizational structures that ensure employee engagement. Where financial participation takes place, there is no set rule on what percentage of issued share capital is a significant and meaningful stake. It is

important that all of the employees of the business (subject to reasonable qualifying conditions) receive an offer to participate on the same or similar terms. The offer should be accessible to all employees regardless of their ability to make a financial contribution. In businesses with employee ownership, employees generally either hold shares in their business directly (perhaps through a tax advantaged share plan) or shares are held collectively on behalf of employees, normally through an employee benefit trust – this is known as indirect share ownership or the Trust Model. Some businesses combine the benefits of both direct and indirect ownership.

The Department for Business, Innovation and Skills (2013), considers employee ownership to be where employees have both a voice in how the business is run through employee engagement and a stake in the success of the business.

Research suggests that employee ownership, when underpinned by strong mechanisms for employee engagement, can offer many benefits to employees, businesses and the wider economy (Sharing Success: The Nuttall Review of Employee Ownership, 2012). For example, it can: Provide a catalyst for greater employee commitment, engagement and well-being. Reduce absenteeism, staff turnover and accidents in the workplace. Produce substantially faster employment and sales growth, compared to businesses that do not have employee ownership. Lead to higher productivity and profitability, compared to businesses that do not have employee ownership. Display less variability over the economic cycle, giving a business greater resilience through times of economic difficulties.

Work Attitudes and Job Satisfaction

According to Wood and de Menezes (2011), high-performance work systems are a key invention of modern management, and are claimed to have strong beneficial effects on individual and organizational performance. Furthermore, Gerhart (2007) states that High-performance work systems are generally associated with employers providing (a) opportunities for worker involvement and participation, (b) intensive training and development, and (c) incentives just as ESOP scheme do most of the times.

Griffin, Neal and Parker (2007) state that high involvement management is concerned with the development of broader horizons among all workers so that they can think of better ways of doing their jobs, connect what they do with what others do, and react effectively to novel problems. It aims to induce more than proficient performance the adaptation and proactivity that characterize the modern work requirements associated with a continuous improvement culture.

Employees' work attitudes and job satisfaction are greatly influenced and shaped by the working environment and opportunities for advancement and involvement pertaining in the work environment. According to Kuvaas and Dysvik (2009), when organizations provide training and development opportunities, rewards, and demonstrate managerial concern for employees' well-being, employees become pro-socially motivated and have stronger feelings of obligation toward the organization.

Macky and Boxall (2007) found that HPWS theorists assume that HPWS contributes to improvements in employee performance through three interrelated, causal routes: a) developing employee skills and abilities; b) increasing an employee's

motivation for discretionary effort; and c) providing employees with the opportunity to make full use of their knowledge, skills, and other attributes in their jobs.

In their meta-analysis, Combs et al. (2006) conclude that HPWS is designed to enhance employees' skills, commitment, and productivity, which positively relates to organizational performance. In the same regard, Kuvaas and Dysvik (2010) affirm that when organizations offer skill-development efforts, employees become motivated to expend effort to benefit the organization and HRM practices such as appreciation, investment, and recognition help to foster a sense of a being a party to a social exchange rather than simply an economic one.

Appelbaum, Bailey, Berg, and Kalleberg (2000) showed that U.S. organizations using HPWS perform better in terms of higher productivity and higher-quality outputs, and employees in these systems are more likely to be committed to their jobs.

According to Boon, Arumugam, Safa, and Bakar (2007), job involvement has various definitions across different studies, including (a) the importance of an individual's work for his or her total self-image; (b) the degree to which the employee perceives his or her job performance as central to his or her self-concept or self-esteem, and; (c) the cognitive state of an individual's psychological identification with the job.

Appelbaum et al. (2000) state, when employees regard their relationship with an organization as a social exchange, they are more likely to be satisfied with their job, committed to their organization, feel a sense of personal accomplishment in their work, and assist coworkers. This process is likely to lead to positive synergies among employees and, as a result, improved performance. Thus, the effect of HRM practices on organizational performance may be mediated by employees' work attitudes that stem

from a positive social exchange. Committed workers identify psychologically with their employer and feel a stronger attachment to the organization. Consequently, they are more likely to expend discretionary effort towards achieving organizational ends.

According to Warr (2007), high involvement management through enhancing role breadth and opportunities for idea generation and suggestion making may increase perceived personal control and variety of work, even if there is no concomitant increase in job discretion, teamwork, and perhaps functional flexibility and group forms of idea capturing, increase social contact, a vital cause of satisfaction, which helps to reduce anxieties. In so far as high involvement management creates successful results or the perceptions of a successful adaptive organization, workers may perceive their jobs to be more secure or their career prospects to be good. Finally, the acquisition of the skills and information that high involvement management entails may increase satisfaction and contentment through its impact on the individual's job variety, self-esteem, and the ability to learn and be proactive.

According to Caramelli (2011), a large literature in organizational psychology and HRM has examined the connections between work attitudes and EO. The findings suggest that employees with positive workplace attitudes will similarly view investing in employer stock more positively. In fact, companies usually consider the success of employee stock offerings to be an indicator of job satisfaction and organizational commitment.

Confirming the latter, Pendleton (2010b) found that organizational commitment was a significant determinant of concentration in employer stock. In addition, Cohen (2009) evaluated the effect of loyalty on investment in company stock in the context of

US 401(k) plans and found that more loyal employees invested more in company stock than less loyal employees.

Importantly, Kruse et al. (2010) found that the combination of ownership and involvement leads to better employee outcomes (including higher loyalty, willingness to work hard and trust

Pendleton (2010a) found that a key workplace attitude, organizational commitment, was positively associated with concentration of ownership of employer stock. Overall, therefore, employee attitudes towards their jobs and employers likely have a positive effect on their desire to invest in employer stock.

Employees' Income (Stock and Cash Dividends) and Tax Benefits

According to NCEO (2016), companies that pay dividends often swear by their impact on employee motivation. The money gives employees an immediate payback from their stock and provides companies with a periodic way to draw employee attention to ownership issues. In some companies, they may add a few thousand dollars a year in compensation to people who have accumulated a lot of stock. Reasonable dividends used to repay an ESOP loan, passed through to employees, or reinvested by employees in company stock are tax-deductible.

Employees pay no tax on the contributions to the ESOP, only the distribution of their accounts, and then at potentially favorable rates: The employees can roll over their distributions in an IRA or other retirement plan or pay current tax on the distribution, with any gains accumulated over time taxed as capital gains.

According to Appelbaum et al. (2000), economic involvement involves methods of payment, promotion, and financial benefits, i.e. practices that are typically associated

with the motivational element of the high-performance work system. These are expected to give employees the incentive to ‘use their creativity, enthusiasm, and intimate knowledge of their particular job for the benefit of the organization.

Additionally, Warr (2007) states, job security guarantees are likely to have a positive impact on well-being because personal security is valued by most people internal recruitment implies the existence of a career ladder, which may provide employees with what Warr (2007) calls a good career outlook, with equal effect on job satisfaction and contentment.

Wood and de Menezes (2011) argue, however, that motivational supports may also have independent effects, especially when incentives are organization-wide, because they can enhance people’s sense of being valued, secure and supported.

In addition, the incentive elements of collective payment systems may be perceived as contributing to a higher level of pay than there would be otherwise, and thus may enhance pay satisfaction and reduce anxieties resulting from economic insecurity. Yet the main effect may be to enhance the sense of being part of a valuable collective and cooperative enterprise (Helliwell, 2006; Layard, 2006).

Kruse, Freeman and Blasi (2008) tested for an interaction effect involving motivational supports and high involvement management, and found that group- or organization-level payment systems had a positive effect on job satisfaction when used in conjunction with high involvement management.

Carameli et al. (2014) argue that employee decisions to invest through Executive Pension Plans are likely influenced by factors unique to the context of Employee Ownership. For example, EPPs often provide preferential tax treatment relative to other

investments, a discount on the purchase price and the presence of matching contributions from the company.

Freeman (2007) states that of all the benefits ascribed to ESOPs, overall compensation gain for individual employees is the most unequivocal. Not only do workers gain a great windfall of company equity, but overall average pay of workers in firms with employee ownership is at least as high as—and may be higher than—that of comparable workers in non-employee owned firms.

In their working paper Freeman, Blasi, Mackin and Kruse (2008) concluded that Shared capitalism is linked to lower turnover and greater loyalty and willingness to work hard, particularly when combined with high-performance policies, low levels of supervision, and fixed pay at or above market levels. They additionally found that Workplaces where workers average more shared capitalist compensation report greater employee effort along several dimensions. In their research the only outcome with which shared capitalist compensation is adversely related is absenteeism, but this result largely disappears when controlling for interactions with high performance policies and closeness of supervision.

Looking at particular programs, the strongest effects of shared capitalism are for profit sharing and gain sharing. The largely positive results are corroborated by worker views: most workers report that cash incentives, stock options, ESOP stock, and ESPP participation motivate them to work harder. The less risky forms of shared capitalist programs— profit sharing, gain sharing, stock options, and ESOPs – have greater effects than the riskier programs in line with concerns about workers being averse to risking their own capital.

Involvement and Participation in Decisions making

According to Phipps, Prieto, and Ndinguri, (2013) the word ‘involve’ is defined as the cause to participate in an activity or situation. Amah and Ahiauzu (2013) defined employee involvement (EI) as the actual participation of an employee in the decision-making process in an organization. Some authors distinguish between employee involvement and job involvement.

Diefendorff , Brown, Kamin and Lord (2002) defined job involvement as the degree to which a person identified the importance of his job to his self-image. From this definition, it can be inferred that job involvement focuses on the attachment employees have to their jobs.

Employees ‘Participation in Decision Making (PDM) involves the process of sharing important information between managers and employees to generate new ideas and possible alternatives, plan processes and evaluate results to achieve an organization’s objectives (Scott-Ladd , Travaglione , & Marshall , 2006).

Beardwell and Claydon (2007) defined employee participation as the distribution of power between employer and employee in decision making processes, either through direct or indirect involvement. In addition, Busck et al. (2010) state that PDM also refers to employee participation and influence in decision making at the workplace.

Helms, (2006) states that PDM encourages the involvement of manpower at all levels of an organization to analyze problems, develop new strategies, and implements solutions. Talib and Rahman, (2010) states PDM is the degree to which employers encourage or allow their employees to be involved in organizational decision-making.

Han, Chiang, and Chang, (2011) remarked that studies argued that PDM is a crucial element in improving job satisfaction in organizations

Gavino , Wayne and Erdogan (2012) found in their study conducted on 198 employees in the US in order to measure the impact of various HR practices on employees' behaviors within organizations that promotional opportunities, performance management processes, participation and involvement in decision making are the HR practices that give employees the greatest feelings of being more valued and appreciated, which results in increasing satisfaction, productivity and delivering a better quality of work.

In his research, Alsughayir's (2016) findings showed that a significant positive relationship exists between PDM and firm performance, suggesting that PDM is an essential component influencing firm performance. The higher the level of employee participation in decision-making, the higher the level of firm performance

According to Scott and Marshall, (2004). Being involved in decision-making may be a challenge for many employees but may also increase their motivation

Kemelgor (2002) reiterates that when employees are afforded opportunities to contribute ideas and suggestions in decision-making, firm performance may increase because deep employee involvement in decision-making maximizes the diversity of perspectives

A study by Han, Chan and Chiang (2010) introduced a model explaining the relationship between employee participation in decision making and knowledge sharing behavior, including testing of the mediating role of organizational commitment. This study demonstrated that employee participation in decision making is positively and

significantly related to employee psychological ownership which is important to arouse positive employee attitudes and behavior, which is consistent with arguments of scholars.

According to Noah (2008), there is also a significant relationship between frequency of employee consultations and organizational commitment. Employee involvement in decision-making creates a sense of belonging among workers and an agreeable environment in which both management and employees willingly contribute to healthy relations. Thus, workers' involvement in decision-making can be seen as a motivational tool for encouraging high productivity and positive attitude.

In reference to Zubair et al. (2015), in being involved in decision-making, employees gain access to resources required to complete a project and if involved in decision-making, employees may be able to set working conditions and standards, and influence the rewards system.

Snape and Redman, (2010) states that employee participation in the decision-making process sends a strong message that employees are valued organizational assets, which leads to a positive social exchange. According to Warr, (2007) the invitation to be more involved in the organization implicit in high involvement management may signal to the employee that they are respected and that their contribution is valued.

Caramelli et al. (2014), stated Employee Ownership is sometimes implemented as a way to motivate employees to participate more in decision making, which can improve the performance and satisfaction of employees. They therefore, expect that when employees believe that they can participate in decision making because of EO, they will have more positive attitudes about the company and stronger employee preferences for employer stock. In addition, in surveying the evidence of three studies, Kruse et al.

(2010) found that firms with EO are more likely than firms without EO to provide employee involvement in job-level decisions.

According to Aryee and Chen (2006) PDM gives employees a sense of responsibility, predictability, and efficacy which increases employee's sense of control of the situation (i.e., job resources), which in turn may buffer the impact of job demands on strain. PDM might serve as a motivational resource as well as a cognitive resource for coping with the adverse impact of job stressors (Somech, 2010).

Han, Chiang and Chang (2010) found that whenever employees participate in organizational decision-making, they will increase their working motivation and be more willing to increase their investment in the organization. According to Strauss (2006), EPDM may arouse a sense of ownership on the part of employees, which can lead to altruistic spirit, thus contributing to organizational effectiveness, such as knowledge sharing.

Based on practical results, Warner (2009) argues that involvement-HR systems matched with organizational culture (philosophy of Confucianism) make organizations achieve the maximum organizational performance, implying that employees who participate in decision making are willing to share innovative knowledge contributing to organizational performance.

According to Cox, Zagelmeyer and Marchington (2006), from empirical findings, the greater degree of employees 'participation in decision making is associated with a higher degree of altruistic spirit that contributes to psychological ownership

Furthermore, participation is considered as a fundamental democratic right for employees to extend a degree of control over organizational decision making (Wilkinson,

Gollan, & Marchington 2010). If employees are to understand the need for creativity and commit to changing their work behaviors in new and improved ways, they must be involved (Kingir & Mesci, 2010).

A literature survey by Shaed , Ishak and Ramli (2015), analyzing a total of 32 published articles from year 2010-2014 covering 24 variables provided the basis of the inquiry which findings revealed that , variables that had positive correlations with PDM were gender, education level, job experiences, organizational performance, job satisfaction, job performance, job commitment, perceived supervisor support, perceived organizational support, attitude, psychological ownership, self-efficacy, training, leadership, trust, motivation and productivity. All this reiterated the fact that employee' PDM was one of the effective tools in enhancing positive outcomes for organizations, and should therefore be given due priority in organizational management.

Finally, according to Rousseau and Shperling, (2003), employees often respond positively to EO, particularly if it is accompanied by increased opportunities to participate in decision making

Employees' Access to Information and Information Sharing

According to Warr (2007), information sharing and workers' greater understanding of the organization's objectives and their role in the achievement of these may make their environment less uncertain. Allied to employee voice, a management that is perceived to be informative, particularly about change (secrecy being an oft-quoted characteristic of low involvement management), may contribute to job satisfaction and well-being by enhancing the individuals' sense of value, worth, and security, as well as procedural or substantive justice.

Wood and de Menezes (2011) therefore hypothesize that informative management is positively associated with job satisfaction and contentment. Moreover, being directly involved in and informed of the organization's objectives and its progress toward them may also increase the meaningfulness of both work and organizational participation.

Carameli et al. (2014) In terms of factors that are specific to the context of EO, found that when employees received high-quality information about the plan and perceived that managers were highly committed to EO, they had stronger preferences for investing in employer stock.

Yang (2004) found that among the practices of knowledge management (KM), knowledge sharing is the most important because the stronger the knowledge sharing of an organization is, the greater degree of organizational effectiveness it will have.

Additionally, Plessis (2007) showed that innovation relies heavily on the availability of knowledge; so, to reduce the complexity that results from easy access and reach of knowledge, knowledge has to be identified and managed carefully to ensure successful innovation.

Darroch and McNaughton (2002) showed that there is a link between knowledge sharing and innovation, as when firms encourage employees to distribute knowledge within groups and organizations, this will enhance their ability to generate and create new ideas and opportunities. KM is not solely focused on innovation, but it creates an environment that causes the innovation to take place (Plessis, 2007).

According to Shang et al. (2009), knowledge is both learned and exploited for business enhancement and innovation. Additionally, Huang and Li (2009) suggested that firms can prompt the sharing, application and deployment of knowledge to facilitate

innovation, as KM has a positive effect and contribution to transform tacit knowledge into innovative products, services and processes, which improve innovative performance. Some studies showed that there is a relationship between organizational innovation and knowledge transfer as well as reverse knowledge transfer, but its effect depends heavily on learning orientations (Jiménez-Jiménez et al., 2014).

Also, as innovation is an interactive process that involves variety of factors, it will be enhanced by the increasing of the frequent and intensive knowledge interactions as well as observations and comparison of peers (James et al., 2012).

According to Kianto, Vanhala and Heilmann (2016), the management of knowledge is mostly about creating, providing, energizing and supporting suitable knowledge environments in an organization, to motivate and enable knowledgeable individuals to use and share their knowledge and create new knowledge. They suggested that KM can indeed nurture job satisfaction and, in so doing, foster high organizational performance.

Almahamid et al. (2010) focused more closely on the impact of knowledge sharing on job satisfaction in a sample of 160 employees in Jordan. Their study demonstrated that knowledge-sharing practices significantly impact employees' job satisfaction.

According to Morgeson and Humphrey, (2006) In the current knowledge era, KM processes constitute such contextual features of the work environment, which can enrich the job and increase job satisfaction. Additionally, with reference to Mohrman et al. (2002). KM processes in organizations help workers in knowledge-intensive environments to establish shared understanding and derive value from knowledge. More

specifically, knowledge acquisition improves job satisfaction because it involves access to new knowledge that improves efficiency in carrying out one's tasks.

In their research paper, Kianto, Vanhala and Heilmann (2016) argue that the five facets of KM –knowledge acquisition, knowledge creation, knowledge sharing, knowledge codification and knowledge retention – improve the likelihood of employee job satisfaction. Job satisfaction, in turn, is related to high performance at both the individual and organizational levels. The key finding is that the existence of KM processes in the working environment is linked to high job satisfaction. Consequently, this study demonstrates a novel benefit of KM for organizations, strengthening the argument that KM is an important driver of value creation, organizational competitiveness and success

According to Argote and Ingram (2000), knowledge sharing is important because it enables the spread of knowledge as organizational collective knowledge and helps the company use available resources in an efficient and effective manner.

With reference to Henttonen, Kianto and Ritala (2016), the importance of knowledge sharing underlines the agentic power of individual employees, recognizing that the individuals engaging in knowledge sharing decide how they want to utilize their skills and intellect, as well as direct their efforts on the basis of personal motivation. This is connected to knowledge sharing, in that, the sharing of knowledge on relevant issues with other organizational members signals the beneficial utilization of relevant skills and competences, as other members have deemed receiving such knowledge useful.

Furthermore, sharing relevant knowledge across organizations signals individuals' expertise in relation to other actors and could open up additional possibilities for utilizing

this knowledge in ways that lead to improved job performance. Second, sharing considerable amounts of relevant knowledge in an organization improves the organizational embeddedness and influence of that particular actor. It has been found that the higher the amount of useful knowledge shared by a particular individual in an Organization, this individual becomes a more visible and desirable source of knowledge

General Critique on Employee Share Ownership

Although vaguely praised worldwide, the Employee share ownership plans don't always optimize company performance, employee work attitudes and job satisfaction, the program present at times serious drawbacks.

According to O'Connell (2007) employees may choose to "free-ride" off the efforts of other employee shareholders, and the rewards for increased productivity will be diluted by the number of shares held by non-employees.

Another study by Lenne, Mitchell and Ramsay (2005) claimed that companies with employee ownership tend to invest less, take fewer risks, grow more slowly, create fewer jobs, have worse free cash flow problems, and exhibit lower labour and total factor productivity relative to otherwise similar companies.

According to Maggs (2003) the extent to which ESOPs expose employees to risk will, of course, vary significantly depending on the way the ESOP is structured and the regulatory framework. In the US, for example, ESOPs have been criticized for exposing employees to high levels of risk as employees' pensions, personal wealth and wages may all be tied to the same company.

Pendleton (2001) identifies three principal issues that trade unions in the UK have had with ESOPs. First, ESOPs in the UK have generally fallen outside the scope of collective bargaining, meaning that they are often not subject to negotiation. Second, concerns have been raised that ESOPs may diminish the employee's need for trade union representation. Finally, ESOPs are seen as potentially confusing and undermining the representative role of trade unions through putting them in a position where they are representing both employees and owners, and perhaps even involved in governance institutions.

Dividends paid under the ESOP, as a short-term reward for good work, may be ineffective because a new worker making a valuable contribution would get a small fraction of what a more senior employee gets. (NCEO, 2016)

According to Bryan, Pendleton, Swats and McAllister (2013), the ESOP may have a negative impact on the company's balance sheet and income statement. The loan in a leveraged ESOP will typically be treated as a debt on the company's balance sheet. ESOP recordkeeping is complex. The special rules for tax deductions, transaction restrictions, loan balance tracking, suspense account maintenance, and general share accounting make ESOP recordkeeping complicated and relatively expensive. Also, there is the potential for significant liability if correct information is not maintained

Finally the empirical evidence of a research conducted by Ramesh (2009), supports the hypothesis that ESOP does not improve the productivity performance of Indian corporate sector. According to this author the rational of its presence can be justified only if it improves productivity and performance. There is no automatic link between ESOPs and performance.

Critique of Existing Literature

The existing literature on employee share ownership, mostly confirms theories formulated on the effectiveness of such plan in motivating and giving better job satisfaction to employees who are share owners. Authors have elaborated on the very elements and variables of employees share ownership plans that affect performance through work attitudes and job satisfaction level of employee owners. Pendleton (2010a) found that a key workplace attitude, organizational commitment, was positively associated with concentration of ownership of employer stock.

Though there are some stated negative effects identified by other authors in regard to ESOP plans in firms, the general result from major literature on ESOP is: reporting of better work attitudes and high job satisfaction level which lead to better organizational performance.

In the Kenyan context, literatures on ESOP have mostly focused on the effect of such programs on organizational performance of listed firms on the Nairobi Stock Exchange, leaving a gap in literature on the direct effect of ESOP adoption on Human capital in firms. This study sought to unveil the effects of employee share ownership plan on employees work attitudes and job satisfaction in selected banks in Nairobi.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter described the research methods used to carry out the effects of employees share ownership plan on employees work attitudes and job satisfaction in selected corporations in Nairobi. In this chapter, the methodology for this study was explained under the following subsections; the research design, the population, sampling techniques, validity and reliability of research instruments, data gathering procedures and statistical treatment of data.

Research Design

The research design was causal-comparative. The research attempted to identify a causative relationship between the employees share ownership plan and program and the work attitudes, job satisfaction level of employees in the selected banks. Causal-comparative research was used in order to understand the change and subsequent actions an employee share ownership program provokes in the selected banks employee's attitudes. With this method, the basic approach starts with the cause which is eventually the employee share ownership plans and its composite. Furthermore, the causal – comparative method investigated the effects of employees' participation in decision making, access to key information of the company, income (stock and cash dividends) and tax benefits on the other variables notably, the banking employees' work attitudes and job satisfaction in terms of organizational commitment and loyalty, job involvement. The researcher selected two groups of participants notably: a group of bank employees

who own shares in the bank where they are working and another one composed of other employee who don't own any share or don't participate in the ESOP. These are named respectively as control and experimental groups, but more accurately referred to as comparison groups because one group does not possess a characteristic or experience possessed by the second group or the two groups differ in the amount of a characteristic that they share. The purposive sample was selected from the already existing population.

Population and Sampling Techniques

In Kenya, there are a total of 11 approved employee share ownership plans, with nine listed on Nairobi Stock Exchange. Among the listed companies there are four in the banking and finance industry. The target population of interest for this study was managing employees of two selected banking institutions with ESOP plan offered to employees in Nairobi County. Data was collected from the two banking firms in Kenya, specifically in Nairobi County, this is because the research is interested in the ESOP plan in banks in Nairobi. The research more precisely targeted two headquarters offices. Equity bank (Equity center) and Kenya commercial bank in Nairobi.

The study was conducted in two renowned Banks in Nairobi notably Equity center and Kenya Commercial Bank. Additionally the research focused only on the employees working in the selected banks' headquarters in Nairobi. Specifically this research targeted managing employees working at the headquarters of the selected banks in Nairobi. For this matter the research sample was made of 200 managing employees in different departments of the organizations, holding shares in the company and also employees who are not participating in the ESOP schemes. The managing employees were drawn from different departments of the selected banks in Nairobi purposively

because they represent the portion of employees with considerable participation rate in ESOP plan of selected banks . A return rate of 80% was considered acceptable.

Research Instruments

A self-administered researcher-developed questionnaire was used as the main instrument for this research. The questionnaire was formulated from conceptualization of review of literature. Each research question and variables was considered in the questionnaire. The study used questionnaire because of its ability to install confidence in respondents through its element of anonymity, less skill required to administer and can be administered to a large number of individuals simultaneously. It included six sections related mainly to the five main variables of the study. The first indicated the respondents profile, the second section dealt with the employee's work attitudes, the third took care of the employees' job satisfaction, the fourth section dealt with Employees' income (stock and cash dividends) and tax benefits as a shareholder in the company under ESOP, the fifth concerned itself with Employees' involvement in key decisions making, the sixth and last section dealt with their access to key information concerning the company performance and financial positions under ESOP

The questionnaire applied a four-point scale. The four scales compelled respondents to specify the selected choice for a given statement, from disagree to agree and the interval between each point on the scale is assumed to be equal (Salkind, 2009). The scale was composed of the following levels: 1. Disagree (D), 2. Tend to Disagree (TD), 3. Tend to Agree (TA), 4. Agree (A). The questionnaire tested the effects of employees share ownership plan on employees work attitudes and job satisfaction. The main variables under the ESOP plan to be assessed were:

- Employee's income (stock and cash dividends) and tax benefits under the ESOP was assessed
- Employees' involvement in key decisions making processes as a shareholder in the company under ESOP was assessed.
- Employees' access to key information concerning the company performance and financial positions under ESOP
- Employees Work attitudes and job satisfaction in terms of work motivation, job satisfaction, work attendance, self-efficacy, resilience, hope and optimism, self-confidence and sense of accomplishment.

Validity of the Questionnaire

The instrument was checked to assure that it is valid. The validity aimed to ensure that the instrument measures what it was supposed to measure in this research. With the idea of further improvements, the questionnaire was presented to the experts as well as to the research advisors. The opinion of the experts from the University of Eastern Africa, Baraton (UEAB) was solicited. Two senior lecturers in the department of management, one lecturer in the department of business, and one lecturer (Statistician) in the department of mathematics were contacted. Because of their expertise and experiences, they were in a position to, without bias, advice on the contents and moderate the correctness and relevance of the instruments for this study. Before any adjustment to the questionnaire, any observation was discussed with the advisors. To ascertain the content and criterion validity of the instrument, the researcher consistently sought the assistance of the supervisors who read them and made changes as well as comments that were incorporated into the proposal questionnaires. This improved the degree of data acquisition. The instruments of data

collection were tested to verify both internal and external validity. The researcher checked whether they produced results that had not been interfered in any way with an intervening variable.

Reliability of the Questionnaire

A pilot study was conducted at Investment and Mortgage Bank in Nairobi, which is a bank with ESOP plan. Thirty purposively selected respondents were picked and questionnaires administered to them at I&M head office in Central Business District, Nairobi. The researcher target in conducting the pilot study was to ascertain the reliability of the instruments before distributing them to the respondents of the main study. This aimed at ensuring that the instrument gives the same results when given the second time to the relatively different sample. The idea behind reliability is that any significant result must be more than a one-off finding and be inherently repeatable (Scott & Hershberger, 2013). Other researchers must be able to perform exactly the same experiment under the same conditions and degenerate the same results

The reliability was tested using Cronbach's Alpha coefficient and it was required that Alpha coefficient ranges between 0.6 and above (Salikind, 2009). The higher the score the more reliable the generated scale will be.

The obtained Cronbach's reliability coefficients, which are above the cut-off value of 0.60, are as follows:

Work attitudes and job satisfaction - .695 after deleting one statement

Employees' income (stock and cash dividends) and tax benefits - .802

Employees' involvement in key decision making - .609 after deleting one statement

Employees' access to key information - .717

Data Gathering Procedures

For the purpose of this research, and as principal means of data collection, the study employed the questionnaire and personal interactions with some respondents if need be. Based on the outcome of the pilot study, and after performing the required adjustments to the questionnaire, the instrument was used for data collection. After the approval of the proposal, the researcher sought for ethics clearance from the University Research Ethics Committee, which enabled him to apply for a Research Permit from NACOSTI. After permit was granted, the researcher asked for a letter of introduction from the Director of Graduate Studies and Research in order for him to administer the questionnaires to the respondents personally. A cover letter that requested the respondents to participate voluntary in the study was attached to the questionnaires. The researcher was facilitated by the key managers of each organization under the study who introduced him to departmental heads who in turn gave him their permission to gather data. The respondents were required to fill the questionnaires and return them to the researcher the same day or in most time at their convenient time. The researcher had with key managers and departmental head lengthy and precise conversations about the content of the questionnaires and purpose of the whole research being carried out, emphasis was put on the confidentiality of the information being gathered. Questionnaires were distributed with the help of secretaries after recommendation from head of department.

Statistical Treatment of Data

The data generated by questionnaires was checked, edited organized and coded by computer to reduce the mass of data obtained into a form suitable for analysis. The coded data was then analyzed using PASW statistical package. Both descriptive and inferential

statistics were used in analyzing data. According to Zikmund et al. (2013), descriptive statistics is the analysis of data that helps describe, show or summarize data in a meaningful way which allows simpler interpretation of the data. Inferential statistics enables precise and informed conclusions that can be generalized about a population. Prior to data analysis the questionnaires was coded based on a four-point scale used in the questionnaire. With the assistance of the Director of Research (UEAB) and supervisors, the Statistical Package PASW was run to analyze the collected data. The results obtained were organized and presented in forms of tables. The research findings were presented in form of tables and graphs. The findings obtained discussed and formed the basis of the research findings, conclusion and recommendations. The following statistical procedures were used to analyze and interpret the data:

- Two stages characterized the design and distribution of the questionnaire. The first stage was a pilot study that was prior to the main distribution of questionnaire, and a bank was used to carry out the pilot study. The pilot study assisted in verifying the validity, and also nurturing better suggestions and modifications to the questionnaire. The second stage concerned the definite data gathering. It consisted of the distribution of the questionnaire to the selected banks employees (employees with shares and no share in the bank), in Nairobi County, KENYA. Together the pilot study and the final questionnaire were self-administered.
- Descriptive analyses. Descriptive statistics were used to obtain the frequencies, percentages, means, and standard deviations. The results of the descriptive statistics were used to describe the background of the respondents and their work attitudes and job satisfaction together with their participation in employee share

ownership plan and its effects on work attitudes and job satisfaction. These descriptive statistics were also used to identify the subscales of high or low perceptions by the respondents.

- Independent samples t- test was used to determine the differences between work attitudes and job satisfaction level of employees shareowners and non-shareowners.
- Relationships between variables were tested using bivariate (Pearson's *r* product-moment) correlation analysis.
- Multiple regression analysis was used to identify the best predictors of work attitudes and job satisfaction.

The level of significance was set to .05.

Ethical Considerations

The proposal was also presented to the Research Ethics Committee of UEAB and NACOSTI which after going through the document approved it and issued out a letter of approval. Before conducting the study, the researcher presented a written introductory letter from the University of Eastern Africa, Baraton administration so as to be allowed to gather data for the study. In this study, all information provided were treated with utmost confidentiality as all the participants were definitely fully informed about the procedures and were required to give consent to participate. No one was put in a risky situation as a result of their participation, and respondents remain anonymous throughout the study till reporting. The researcher ensured quality work, integrity, clarity, independent and impartial in writing the proposal and the final thesis.

CHAPTER FOUR

PRESENTATION OF FINDINGS, ANALYSIS AND INTERPRETATION

This chapter discussed in details the presentation, analysis and interpretation of the data collected for the effects of employee share ownership plan on employees work attitudes and job satisfaction in selected banks in Nairobi

The first section described the response rate for the employees. The second section described the demographic profile of employees of the selected bank in terms of the gender, department, Years of service and last but not least share ownership status. The third section dealt with evaluation of employee's work attitudes, job satisfaction, employee's income (stock and cash dividends) and tax benefits, involvement in key decisions making in the company and employee's access to key information. The fourth section dealt with the existence of any significant difference in the work attitudes and job satisfaction of employees classified according to their participation in the employee share ownership plan. The fifth section dealt with the existence of any significant relationship between the variables i.e. work attitudes and job satisfaction level of employees and their satisfaction on the different aspects of ESOP (stock and cash dividends and tax benefits, involvement in key decision-making, and access to key information) . Finally the sixth section dealt with the regression analysis which mainly consisted of finding which aspects of ESOP best predict employees' work attitudes and job satisfaction. Data were analyzed descriptively and tables were provided throughout the chapter to illustrate statistical patterns of the findings from the data. Findings, analysis and interpretations

were developed following the sequence of research questions. The following scale of interpretation of the mean was used:

- 1.00 – 1.49 Disagree/Negative attitude
- 1.50 - 2.49 Tend to Disagree/Tend to be negative
- 2.50 – 3.49 Tend to Agree/Tend to be positive and
- 3.50 – 4.00 Agree/Positive attitude

Response Rate

The study targeted 200 managing employees but managed to obtain responses from 169 of them thus representing 84.5% response rate. This response rate is considered satisfactory to make conclusions and collaborates with Bailey (2000) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that the response rates of 84.5% is therefore very good. The recorded high response rate can be attributed to the data collection procedures, where the researcher had various appointments and discussions with Human Resource managers and General managers who introduced him to organization key departments and pre-notified the potential participants (staff members and normal employees) of the intended survey

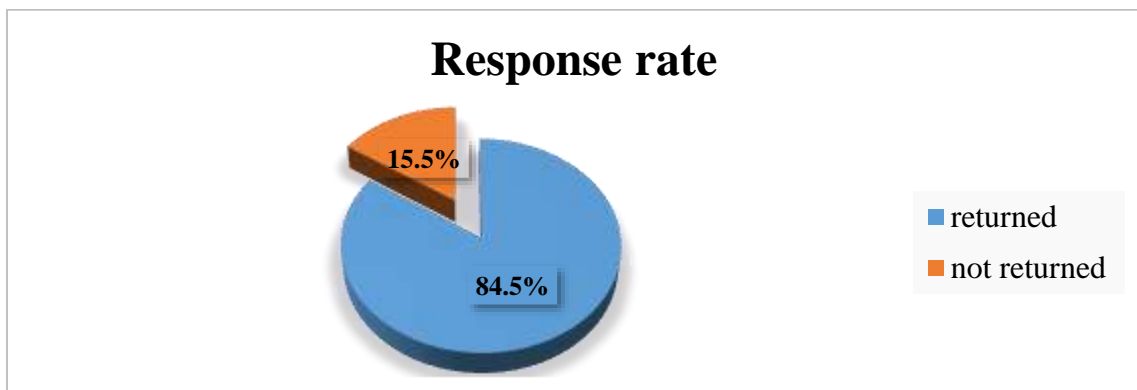


Figure 2. Response rate- employees for 2 selected banks.

Demographic Data

The demographic data got from the respondents included: name of respondent's organization, gender of respondent, department worked, years of service, and employees share ownership status.

Number of Respondents per Organization

Respondents were required to mention the name of the organization in which they are working. The collected data indicated that majority (66.3%) of respondents work in Bank A which happens to be the bank with highest percentage of ESOP in share structure of organization in Kenyan banks with ESOP. The minority of respondents (33.7%) work in Bank B.

Table 1

Number of Respondents per Organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Bank A	57	33.7	33.7	33.7
Valid Bank B	112	66.3	66.3	100.0
Total	169	100.0	100.0	

Gender

Respondents were required to indicate their gender. The findings revealed that both male and female respondents were proportionately represented in the study. Employees female were at 46% and male at 54%, this indicates that majority of employees in the gathered data are Male with a fair representation of female as well.

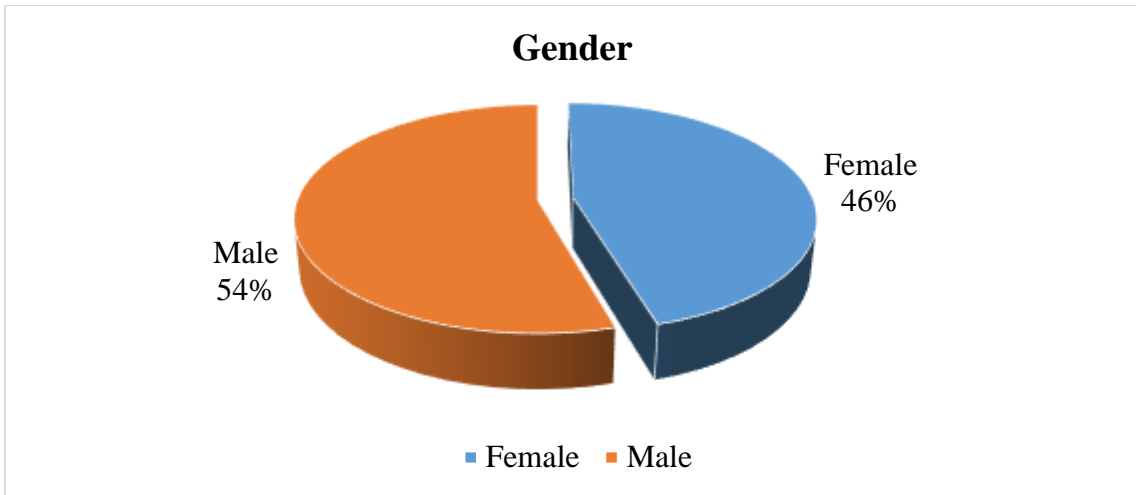


Figure 3. Gender of Respondents

Department

Managing employees were required to indicate the department in which they worked. Majority (21.3 %) of them worked in the Finance department followed by employees in customer care department (16%). Employees who worked in the regulatory department and human resources were the least in this study as shown below.

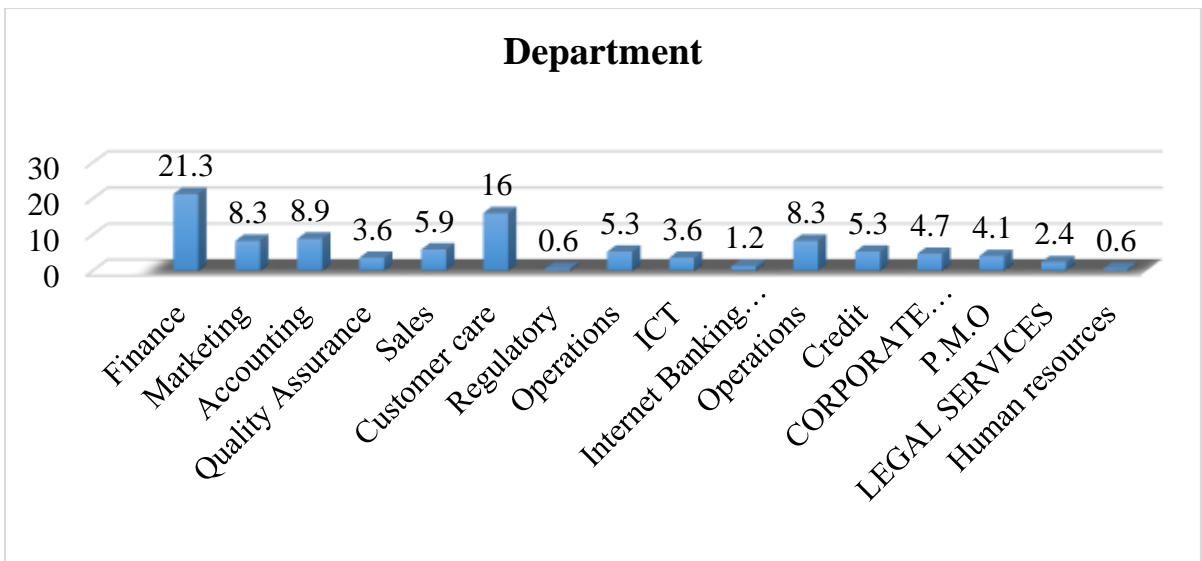


Figure 4. Employees per department.

Years of Service

Employees were required to indicate the number of years they had worked for their firms. Majority (46.2%) of them had worked in their firms for a period of between 1-4 years. Furthermore it was clarified from gathered data that a significant 37.9% of them had worked for their firms for a period of between 5-10 years. The remaining 16 % of the respondents had worked for their firms for a combined period of between 10-20 years as shown in table below. This therefore implies that majority of the managing employees had worked in the Banking industry for a period long enough to comment on the aspects under study.

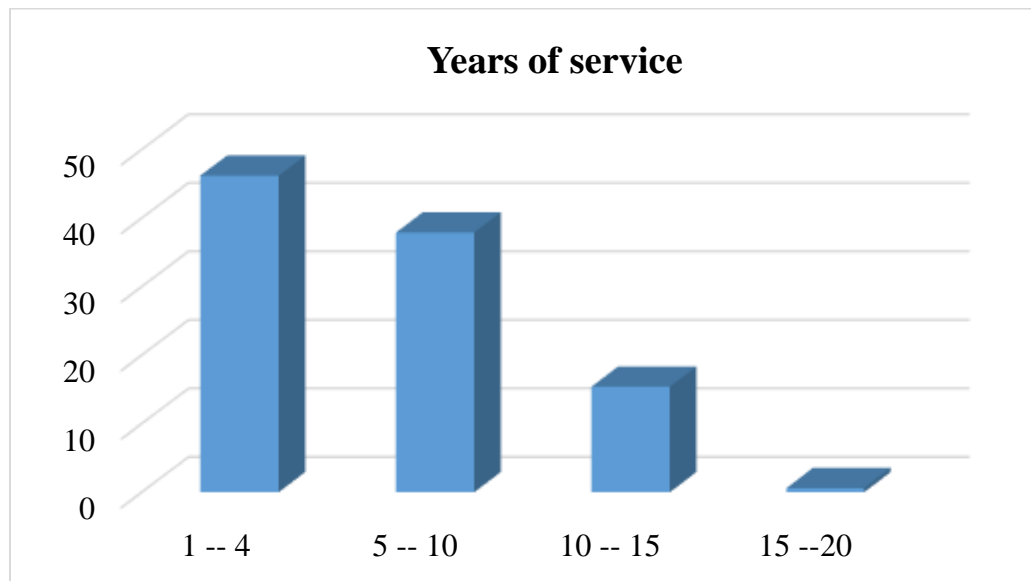


Figure 5. Employees' years of service.

Employees Share Ownership Status

In order to have a proper insight into the presence and participation rate of employees in the Employee share ownership plans in the selected banks, the research, sought to establish the number of employees who own and doesn't own shares under the ESOP scheme established and served by the two banks. The findings revealed that out of

the 169 respondents 64 respondents though a minority but considerable number of managing employees (37.9%), own share under ESOP in their respective banks. The majority therefore 105 respondents (62.1%) who participated in this study doesn't own share in ESOP of their banks. This figure confirms the expectation in this research in the sense that, ESOP plan remains a new phenomenon in the business environment especially in the banking sector with relatively moderate participation rate.

Table 2

Employees Share Ownership Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Own share under ESOP	64	37.9	37.9	37.9
Valid Does not own share in ESOP	105	62.1	62.1	100.0
Total	169	100.0	100.0	

Work Attitudes

Research question 1. What are the work attitudes of employees in the selected banks?

Managing employees were required to indicate the extent to which they rate their attitudes towards their work in banking industry. Table 3 presents the results.

The following scale of interpretation of the mean was used:

- 1.00 – 1.49 Disagree/Negative attitude
- 1.50 - 2.49 Tend to Disagree/Tend to be negative
- 2.50 – 3.49 Tend to Agree/Tend to be positive and
- 3.50 – 4.00 Agree/Positive attitude

Table 3

Descriptive Statistics on Employee's Work Attitudes

	N	Minimum	Maximum	Mean	Std. Deviation
I am more willing to put greater effort into my work	169	1	4	3.67	.615
I am eager to come to work everyday	169	1	4	3.21	.723
I am committed to the efficient use of institution's resources	169	2	4	3.70	.532
I have the freedom to do my job how I see best	169	1	4	2.49	1.201
I do my best to finish my work within the required work time.	169	1	4	3.33	.792
EMPLOYEE'S WORK ATTITUDES	169	2.20	4.00	3.2793	.43764

From the gathered data and analysis resulting from the table above, on average (3.279) employees tend to have a positive work attitude in the workplace. Employee's commitment to the efficient use of institution's resources and their willingness to put greater effort into their work were rated the highest amongst the work attitudes as revealed by high means of 3.70 and 3.67 respectively. However, it was clear from the research findings that majority of the respondents tended to disagree (2.49) that they have freedom to do their job how best they see. According to these finding in general managing employees of the selected banks in Nairobi have positive attitudes towards their work in the banking institution, this means they are willing to perform well for their company and have exemplary attitudes in their workplace. This is explained by their

willingness to put a greater effort in their work and their high commitment to make good use their institutions' resources. Nevertheless, employees feel that their job is dictated to them, with procedures to be followed because they expressed that they don't have the freedom to do their work how best they deem.

In addition, the findings of this research pinpointed with statistical evidence represented in table 4 below, that on average (3.397) the employees who own shares in their organizations under the ESOP tend to have a better and positive work attitude in the workplace than the employees who don't own shares or don't participate in the ESOP. This is evidenced by the difference in respective means of 3.397 and 3.20. Furthermore on average (3.73) commitment to the efficient use of institution's resources of employee share owners is better than the average level (3.63) of employees with no share. We notice from findings evidenced by difference in means of 3.33 and 3.13 respectively, that employees share owners are more eager to come to work every day than those who do not own shares in the company. Although the level of agreement on freedom to work from both employee shareowners and non-shareowners stay relatively low, the findings show that employee shareowners have a better degree of freedom in doing their work than those who don't own share. This was evidenced by difference in means respectively of 2.95 and 2.21.

In general, the previous findings show that employees share owners in their organizations have better work attitudes than those who don't have. The findings confirm previous literature such as Pendleton (2010a) who found that a key workplace attitude, organizational commitment, was positively associated with concentration of ownership of employer stock.

Table 4

Descriptive Statistics on Employees Work Attitudes Classified According to their

Participation in ESOP

	Own ESOP		Do not own ESOP	
	N	Mean	N	Mean
I am more willing to put greater effort into my work	64	3.73	105	3.63
I am eager to come to work everyday	64	3.33	105	3.13
I am committed to the efficient use of institution's resources	64	3.72	105	3.69
I have the freedom to do my job how I see best	64	2.95	105	2.21
I do my best to finish my work within the required work time.	64	3.25	105	3.38
EMPLOYEE WORK ATTITUDES	64	3.3969	105	3.2076
Valid N (listwise)	64		105	

Job Satisfaction

Research question 2. What is the level of job satisfaction of employees in the selected banks?

Managing employees were also required to indicate the extent to which they are satisfied with their job in the banking industry. Items were rated on a four-point scale (1=Disagree, 2=Tend to Disagree, 3= Tend to Agree and 4 Agree).

Table 5 presents the results.

Table 5

Descriptive Statistics on Employee's Job Satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
I have a stronger sense of identification with managerial objectives	169	1	4	3.02	.848
I feel my welfare and that of the bank are more closely linked	169	1	4	2.85	.936
I feel I am an important member of the bank	169	1	4	2.94	.992
My work gives me a feeling of personal accomplishment	169	1	4	2.95	.993
EMPLOYEE JOB SATISFACTION	169	1.00	4.00	2.9408	.76096

The following scale of interpretation of the mean was used:

- 1.00 – 1.49 Disagree/Low level
- 1.50 - 2.49 Tend to Disagree/Fair level
- 2.50 – 3.49 Tend to Agree/Average level and
- 3.50 – 4.00 Agree/High level

On average, the level of employees' job satisfaction is average. They tended to agree (2.94) that the various aspects of job satisfaction described their own job satisfaction level in their firms. Specifically, the research findings revealed that majority of the respondents tended to agree (3.02) that they have a stronger sense of identification with managerial objectives. The job satisfaction level of managing employee in the selected banks in Nairobi was found to be on an average level, this means managing

employees although they don't get total satisfaction from their jobs they somehow identify themselves with their work objectives and managerial objectives. This finding show that more can be and should be done to boost employee's level of job satisfaction in the banking industry in Nairobi.

While from general observations and findings the job satisfaction level of employees of the bank was found to be on the average level, there exist a staggering difference between the job satisfaction level of employee shareowners and non-shareowners. This is evidenced by the findings and differences in mean from the two groups presented in table 6 below. On average employee share owners are more satisfied with their job than the employee non shareowners. This is statistically evidenced by noticeable difference in means of the respective groups of 3.21 and 2.78. Specifically findings have shown that employee share owners have a greater sense or feeling of personal accomplishment from their work than those who are non-shareowners. The difference in means of 3.41(for owners) and 2.68 (for non-shareowners) show the evidences. These previous findings come in support to other literature.

Appelbaum et al. (2000) state, when employees regard their relationship with an organization as a social exchange, they are more likely to be satisfied with their job, committed to their organization, feel a sense of personal accomplishment in their work, and assist coworkers. In addition, Cohen (2009) found that more loyal employees invest more in company stock than less loyal employees.

Table 6

Descriptive statistics on Employee's Job satisfaction classified according to their participation in ESOP

	Own ESOP		Do not Own ESOP	
	N	Mean	N	Mean
I have a stronger sense of identification with managerial objectives	64	3.22	105	2.90
I feel my welfare and that of the bank are more closely linked	64	3.05	105	2.73
I feel I am an important member of the bank	64	3.17	105	2.80
My work gives me a feeling of personal accomplishment	64	3.41	105	2.68
EMPLOYEE JOB SATISFACTION	64	3.2109	105	2.7762
Valid N (listwise)	64		105	

Employee Share Ownership Plan

Research question 3. To what extent do the participants benefit from their participation in ESOP in terms of a) income (stock and cash dividends) and tax benefits, b) involvement in key decision-making, and c) access to key information?

Sixty-four (64) employees who are participants in the employee share ownership plan responded to the questionnaire.

Employee's Income (Stock and Cash dividends) and Tax Benefits

Employees were further required to indicate the extent of their satisfaction on the income and tax benefits as a participant in the employee share ownership plan. Results are shown in table 7.

Table 7

Descriptive Statistics on Employee's Income and Tax Benefits

	N	Minimum	Maximum	Mean	Std. Deviation
I feel my remuneration reflects the level of efforts I put in my work	64	1	4	2.88	.864
I feel a better job security in my company	64	1	4	2.98	.724
My income makes me feel valued in my company	64	1	4	3.09	.955
I take better advantage of tax concessions under ESOP	64	1	4	2.72	1.061
I have a better remuneration scheme and opportunity under the ESOP	63	1	4	2.62	1.007
EMPLOYEE INCOME AND TAX BENEFITS	64	1.00	4.00	2.8563	.77703

On average, employees have an average level (2.856) of satisfaction on income and tax benefits under the employee share ownership plan. Specifically, the research findings revealed that majority of the respondents tended to agree (3.09) that their income make them feel valued in their company. This confirms Wood and de Menezes (2011) argument, that motivational supports may also have independent effects, especially when incentives are organization-wide, because they can enhance people's sense of being valued, secure and supported. The findings above made it clear that among all the benefits included in the ESOP in the banking industries, employees are more satisfied with benefits included under the income and tax provision, hence it should be understood that these benefits are likely to provide better job satisfaction to employee shareowners.

The findings come in support to Freeman (2007) who stated that of all the benefits

ascribed to ESOPs, overall compensation gain for individual employees is the most unequivocal. Not only do workers gain a great windfall of company equity, but overall average pay of workers in firms with employee ownership is at least as high as—and may be higher than—that of comparable workers in non-employee owned firms.

Employee Participation in Key Decision Making

Employees were further required to indicate the extent in which they are satisfied with their participation in key decision making in their company as a participant in the employee share ownership plan. Results are shown in table 8

On average, majority of the employees have a fair level (2.46) of satisfaction on their participation in key decision making in the organization. Specifically, the research findings revealed that majority of the respondents tended to disagree (2.23) that they are more involved in firm budgeting /finances decisions. Employees also tended to disagree (2.44) on the fact that they have more say in the design and setting of the workflow of their organization. From findings, it is noticed that employee shareowners in the selected banks are not really or if included, just fairly in key decision making in their institutions. This means employees feel their opinions and involvement in decisions making are not really considered in their institution.

The findings show that employee have a low level of involvement as they didn't agree to key statement on involvement such as being consulted or included in setting workflow and work standards which are strong indicators of good employee involvement in company affairs as outlined by Zubair et al. (2015): in being involved in decision-making, employees gain access to resources required to complete a project and if

involved in decision-making, employees may be able to set working conditions and standards, and influence the rewards system.

Table 8

Descriptive Statistics on Employee's Participation in Key Decision Making

	N	Minimum	Maximum	Mean	Std. Deviation
I have more say in the design and setting of the workflow of my organization	64	1	4	2.44	.941
I decide the best manner in which I do my work	64	1	4	2.66	1.087
I am usually consulted for setting major organizational strategies	64	1	4	2.52	1.098
I am more involved in Firm budgeting /finances decisions	64	1	4	2.23	1.050
EMPLOYEE PARTICIPATION IN KEY DECISION-MAKING	64	1.00	3.50	2.4609	.82522

Employee Access to Key Information

Employees were further required to indicate the extent in which they are satisfied with their access to key information in their company as a participant in the employee share ownership plan. Results are shown in table 9.

On average, employees have an average level (3.184) of satisfaction on their access to key information in their company. Specifically, the research findings revealed that majority of the respondents tended to agree (3.39) that they are regularly and

consistently briefed on company performance. Employees also tended to agree (3.30) on the fact that management maintain open and active communication with colleagues and employees. These finding show that employees shareowners are well informed in their institution , they receive proper information about firm performance , also employees communicate freely with top management as there is an open communication in the institution, this is very indicative of a high performance working environment, since the flow of information affects work attitudes which affect employee performance .

Table 9:

Descriptive Statistics on Access to Key Information

	N	Minimum	Maximum	Mean	Std. Deviation
I am clearly and promptly informed regarding any adjustments	64	1	4	3.16	.979
Management maintain open and active communication with colleagues and employees	64	1	4	3.30	.867
I am regularly and consistently briefed on company performance	64	2	4	3.39	.726
I am involved in discussions on achieving team goals	64	1	4	3.25	.873
I directly communicate with peers and management	64	1	4	3.20	.839
I receive high quality information about how the ESOP is performing	64	1	4	2.81	1.082
EMPLOYEE ACCESS TO KEY INFORMATION	64	1.17	4.00	3.1849	.68501

Comparison of Employees' Work Attitudes and Job Satisfaction

Research question 4. Is there a significant difference between the work attitudes and job satisfaction of employees classified according to their participation in the employee share ownership plan?

This research question requires testing the null hypothesis: There is no significant difference between the work attitudes and job satisfaction of employees classified according to their participation in the employee share ownership plan.

Comparison of Employees' Work Attitudes

Table 10

Descriptive Statistics on Employees Work Attitudes According to Employees

Ownership Status

	Do you own share (under the Employee Share Ownership Plan in your organization?)	N	Mean	Std. Deviation	Std. Error Mean
EMPLOYEE WORK ATTITUDES	Own ESOP	64	3.3969	.36600	.04575
	Does not own ESOP	105	3.2076	.46320	.04520

The mean rating on the work attitudes of the share owners is 3.40 while that of the non-share owners is 3.21. There is a numerical difference but it is necessary to test if the difference is significant.

Table 11

Employees' Work Attitudes – t-test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2- tailed)	Mean Differ ence	Std. Error Differ ence	95% Confidence Interval of the Difference	
								Lower	Upper	
EMPLOYEE WORK ATTITUDES	Equal variances assumed	2.449	.119	2.781	167	.006	.18926	.06805	.05490	.32361

Table 11 shows the results of t-test which seeks to establish the statistical difference between work attitudes of employees who are share owners and non-share owners. The study findings revealed that there is a significant statistical difference in the work attitudes of employees who own share under the ESOP and those who don't own share in ESOP of their company. This is explained by t value (2.781) and a p-value of 0.006 which is less than 5% level of significance share hence we reject the null hypothesis. The evidence is finally shown from results that employees who participate in ESOP have better work attitudes than those who do not participate. This shows that the ESOP share ownership have significant effects on work attitudes of employees in banking industry in Nairobi , since it brings a significant difference in the work attitudes between the group of people who participate and don't participate in ESOP. Overall the ESOP contribute to the betterment of participants work attitudes.

Comparison on Job Satisfaction

Table 12

Descriptive Statistics on Employees' Job Satisfaction According to Employees Ownership

Status

	Do you own share (under the Employee Share Ownership Plan in your organization?)	N	Mean	Std. Deviation	Std. Error Mean
EMPLOYEE JOB SATISFACTION	Own ESOP	64	3.2109	.76014	.09502
	Does not own ESOP	105	2.7762	.71633	.06991

The mean rating on the work attitudes of the share owners is 3.21 while that of the non-share owners is 2.78. There is a numerical difference but it is necessary to test if the difference is significant.

Table 13

Employees' Work Job Satisfaction – t-test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2- tailed)	Mean Differ ence	Std. Error Differ ence	95% Confidence Interval of the Difference	
								Lower	Upper	
EMPLOYEE JOB SATISFAC- TION	Equal variances assumed	.042	.838	3.739	167	.000	.43475	.11627	.20520	.66429

Table 13 shows the results of t-test which seeks to establish the statistical difference between job satisfaction of employees share owners and non-share owners. The study findings revealed that there is a significant statistical difference in the job satisfaction level of employees who own share under the ESOP and those who don't own share In ESOP of their company. This is explained by t-value (3.739) and p-value of 0.000 which is considerably less than 5% level of significance share, hence we reject the null hypothesis. There is a remarkable difference between job satisfaction level of ESOP participants and non-participants, the employee participants in ESOP have higher level of job satisfaction than those non-ESOP participants. This shows that ESOP contribute to the betterment of employee owners perception about their job, ESOP add value to their work and make them feel important in their company

Correlations between Work Attitudes, Job Satisfaction and Employees Participation in ESOP

Research question 5. Is there a significant relationship between a) work attitudes and b) job satisfaction level of employees and their satisfaction on the different aspects of ESOP (income and tax benefits, involvement in key decision-making, and access to key information?)

This research question requires testing the null hypothesis: There is no significant relationship between a) work attitudes and b) job satisfaction level of employees and their satisfaction on the different aspects of ESOP (income and tax benefits, involvement in key decision-making, and access to key information).

Table 14

Correlations Coefficient between Employees Work Attitudes and Job Satisfaction and Aspects of Employee Share Ownership Plan

		EMPLOYEE INCOME AND TAX BENEFITS	EMPLOYEE PARTICIPATION IN KEY DECISION- MAKING	EMPLOYEE ACCESS TO KEY INFORMATION
EMPLOYEE WORK ATTITUDES	Pearson Correlation	.574**	.491**	.391**
	Sig. (2-tailed)	.000	.000	.001
	N	64	64	64
EMPLOYEE JOB SATISFACTION	Pearson Correlation	.805**	.717**	.767**
	Sig. (2-tailed)	.000	.000	.000
	N	64	64	64

** . Correlation is significant at the 0.01 level (2-tailed).

Table 14 shows the results of the Pearson product-moment correlation coefficient to establish the statistical relationship between a) work attitudes and b) job satisfaction level of employees and their satisfaction on the different aspects of ESOP (income and tax benefits, involvement in key decision-making, and access to key information). The study findings revealed that there is a positive, moderate and significant statistical relationship between work attitudes and their satisfaction level on the different aspects of ESOP (income and tax benefits, involvement in key decision-making, and access to key information). This is explained by p-values which are considerably less than 1% level of significance.

Specifically, the table above indicates that there is moderate positive relationship between employees work attitudes and their satisfaction with income and tax benefits under the ESOP this is explained by a correlation coefficient of 0.574 which implies that the more employees are satisfied with their income and tax benefits the better the employee's work attitudes in their workplace, these findings confirm the assertion of Freeman, Blasi, Mackin and Kruse (2008) who In their working paper concluded that Shared capitalism is linked to lower turnover and greater loyalty and willingness to work hard, particularly when combined with high-performance policies, low levels of supervision, and fixed pay at or above market levels. They additionally found that workplaces where workers average more shared capitalist compensation report greater employee effort along several dimensions. Additionally, Warr (2007) states, job security guarantees are likely to have a positive impact on well-being because personal security is valued by most people internal recruitment implies the existence of a career ladder, which may provide employees with what Warr (2007) calls a good career outlook, with equal effect on job satisfaction and contentment.

There is also a moderate positive relationship as indicated by the results in the table above between employee work attitudes and employee satisfaction with their participation in decision making. This is evidenced by the correlation coefficient (0.491) which is significant. This finding shows that the more involved the employees are in key decisions making by virtue of shareowners rights in their organization, the better their work attitudes. This finding reiterates the previous findings of Noah (2008), who concluded there is a significant relationship between frequency of employee consultations and organizational commitment. Employee involvement in decision-making creates a

sense of belonging among workers and an agreeable environment in which both management and employees willingly contribute to healthy relations. Thus, workers' involvement in decision-making can be seen as a motivational tool for encouraging high productivity and positive attitude.

Finally, from analysis of collected data, work attitudes of employees are found to have a moderate positive relationship with employee access to key information, this finding is depicted by the correlation coefficient (0.391) which indicate a significant relationship between employees work attitudes and employee access to information in their company. This means the more informed the employees are in the company the better their work attitudes in the organization.

Table 14 furthermore sought to establish a statistical relationship between job satisfaction and employees' satisfaction on the different aspects of ESOP (income and tax benefits, involvement in key decision-making, and access to key information). The findings presented in table 14 in general have shown a significant positive relationship between variables. There is strong relationship between employee job satisfaction level and employee income and tax benefits, the results of the analysis from collected data have obviously shown a correlation coefficient of 0.805. which indicates that employees are more satisfied with their job when they have more income and tax benefits in their organization through the Employee Share Ownership Plan. This finding relates strongly to Kruse, Freeman and Blasi (2008) findings who tested for an interaction effect involving motivational supports and high involvement management, and found that group- or organization-level payment systems had a positive effect on job satisfaction when used in conjunction with high involvement management.

Employee job satisfaction level was also found to be positively and moderately related to employee participation in decision making. This finding is based on the correlation coefficient of 0.717. This result led the researcher to make the interpretation that the job satisfaction level of employees participating in ESOP in their organization get higher when they are more consulted for decision making and are more involved in key decision making processes of their organization.

These findings successfully complement the findings of Snape and Redman, (2010) who stated that employee participation in the decision-making process sends a strong message that employees are valued organizational assets, which leads to a positive social exchange. Also According to Warr, (2007) the invitation to be more involved in the organization implicit in high involvement management may signal to the employee that they are respected and that their contribution is valued. A study by Han, Chan and Chiang (2010) demonstrated that employee participation in decision making is positively and significantly related to employee psychological ownership which is important to arouse positive employee attitudes and behavior.

Finally, job satisfaction of managing employee participating in ESOP of their organization, was found to be also positively and moderately correlated to employee access to key information. At a correlation coefficient of 0.767, there is a significant relationship between employees' job satisfaction and access to key information. This brings the researcher to interpret the findings in the sense that, managing employees participating in Employee share ownership plan of their organization have a better job satisfaction, when they are acutely and consistently informed or received relevant information about various aspects of their job. This findings back up previous

researchers' assertion: in line with this finding Wood and de Menezes (2011) hypothesized that informative management is positively associated with job satisfaction and contentment. Moreover, being directly involved in and informed of the organization's objectives and its progress toward them may also increase the meaningfulness of both work and organizational participation.

In their research paper, Kianto, Vanhala and Heilmann (2016) argue that the five facets of KM –knowledge acquisition, knowledge creation, knowledge sharing, knowledge codification and knowledge retention – improve the likelihood of employee job satisfaction. Job satisfaction, in turn, is related to high performance at both the individual and organizational levels. The key finding is that the existence of KM processes in the working environment is linked to high job satisfaction.

Predictors of Employees' Work Attitudes and Job Satisfaction

Research question 6. Which aspects of ESOP best predict employees' a) work attitudes and b) job satisfaction?

Predictors of Employees' Work Attitudes

Table 15

Regression Model Summary on Employees' Work attitudes

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.574 ^a	.330	.319	.30201

a. Predictors: (Constant), EMPLOYEE INCOME AND TAX BENEFITS

Table 15 shows the results of the regression analysis of variables of ESOP which best predict the work attitudes of employees. The study findings revealed that of the different aspects of ESOP, employee income and tax benefits predicts the employees work attitudes. In table 15 above, the regression model summary output show that 31.9 % of the variance in employees' work attitudes is accounted for by employees' income and tax benefits. This clearly shows that the best predictor of the employees share owners work attitudes is the income and tax benefits offered under the ESOP plan.

Employee share owners attitudes are influenced a lot by income and tax benefits under the ESOP plan, this means it is likely that employee owning share under ESOP have changes in attitudes towards works depending on their satisfaction with income and tax benefits they receive .

Table 16

Regression Coefficient on Work Attitudes

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	2.624	.145	18.113	.000
	EMPLOYEE INCOME AND TAX BENEFITS	.271	.049	.574	.000

a. Dependent Variable: EMPLOYEE WORK ATTITUDES

Taking Y' to represent the predicted employees' work attitudes, the regression equation can be developed from table 16 above as follows:

$$Y = 0.271 X_1 + 2.6424$$

Predictors of Employees' Job Satisfaction

Table 17 shows the results of the regression analysis of variables of ESOP which best predict the job satisfaction of employees. The study findings revealed that of the different aspects of ESOP, employee income and tax benefits combined with employee access to key information predicts the employees work attitudes. In table 17, the regression model summary output show that 64.2 % of the variance in job satisfaction is accounted for by employee income and tax benefits and 5.1% of the variance in job satisfaction is accounted for by employee access to key information. This clearly shows that the best predictor of the employees share owners job satisfaction level is the income and tax benefits offered under the ESOP plan.

Table 17

Regression Model Summary on Job Satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805 ^a	.647	.642	.45499
2	.837 ^b	.700	.691	.42277

a. Predictors: (Constant), EMPLOYEE INCOME AND TAX BENEFITS

b. Predictors: (Constant), EMPLOYEE INCOME AND TAX BENEFITS, EMPLOYEE ACCESS TO KEY INFORMATION

Taking Y' to represent the employee job satisfaction, the regression equation can be developed from table 18 as follows:

$$Y = 0.514X_1 + 0.402X_2 + 0.464$$

Table 18

Regression Coefficients on Job Satisfaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.963	.218		4.411	.000
	EMPLOYEE INCOME AND TAX BENEFITS	.787	.074	.805	10.670	.000
	(Constant)	.464	.253		1.830	.072
2	EMPLOYEE INCOME AND TAX BENEFITS	.514	.108	.525	4.771	.000
	EMPLOYEE ACCESS TO KEY INFORMATION	.402	.122	.362	3.288	.002
	(Constant)					

a. Dependent Variable: EMPLOYEE JOB SATISFACTION

To summarize, positive work attitudes of employees who participate in the ESOP are best determined by their satisfaction on the income and tax benefits. Moreover, higher level of job satisfaction of ESOP participants are best predicted by their satisfaction of the income and tax benefits and the access to key information.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The chapter summarizes the findings of the study done with specific reference to the objectives and research questions of the study were used as units of analysis. Data was interpreted and the results of the findings were correlated with both empirical and theoretical literature available. The conclusion relates directly to the specific objectives/research questions. The recommendations were deduced from conclusion and discussion of the findings.

Summary of the Study

The present research was carried with the sole purpose of identifying the Effects of Employee Share Ownership Plan on Employees Work Attitudes and Job satisfaction in selected Banks in Nairobi. The study was conducted in two renowned Banks in Nairobi notably Equity center and Kenya Commercial Bank. This study was mainly framed into six research questions. The first question concerned itself with the work attitudes of participants and non-participants of the ESOP in the selected Banks. The second dealt with the level of job satisfaction of Employees participants and non-participants of the ESOP in the banking industry in Nairobi. The third research question sought to identify the extent to which the workers participating in Employee share ownership plan benefit from their participation in ESOP in terms of a) income and tax benefits, b) involvement in key decision-making, and c) access to key information .The fourth research question dealt with enquiring if there is a significant difference between the work attitudes and

job satisfaction of employees classified according to their participation in the employee share ownership plan. The fifth research question sought to identify if there is a significant relationship between a) work attitudes and b) job satisfaction level of employees and their satisfaction on the different aspects of ESOP (income and tax benefits, involvement in key decision-making, and access to key information), finally the sixth research question aimed to identify Which aspects of ESOP best predict employees' a) work attitudes and b) job satisfaction.

The research was based on the Agency theory as outlined by Harrison, Singh and Frawley (2016): Agency theory provides an explanation of two interrelated problems fundamental in contractual relationships between principals and agents. Duncan, (2001) states: "One way of aligning interests between principals and agents is through employee ownership"

The independent variables tested were the various aspects of ESOP notably Employees' involvement in key decisions making processes as a shareholder in the company, Employee's income and tax benefits, and Employees' access to key information concerning the company performance.

The sample was 169 employees drawn from equity bank and Kenya Commercial Bank. Data was collected using a questionnaire which was developed by the researcher and self-administered to the respondents. The questionnaire contained close ended questions. The research design was causal-comparative, attempting to identify a causative relationship between an independent variable and a dependent variable. The statistical Package for Social Sciences (SPSS) was employed as a tool to organize and tabulate data collected. Cronbach's Alpha coefficient was used to test the reliability of the

questionnaires and all the variables had a coefficient above 0.6. Descriptive statistics was used to analyze the demographic information.

Summary of Findings

This study provides a bird view and insights into the effects of employee share ownership plan on employees work attitudes and job satisfaction in selected banks In Nairobi .

1. Employees of selected banks with Employee Share Ownership Plan in Nairobi are committed to the efficient use of institution's resources and have a sufficient willingness to put greater effort into their work. However, it was clear that employees of the banking institutions in Nairobi don't have freedom to do their job how best they see.
2. Employees of selected banks with Employee Share Ownership Plan in Nairobi have a stronger sense of identification with managerial objectives of their institution.
3. Although employee shareowners under the ESOP in their institution have no say in the design and setting of the workflow of their organization, they greatly benefit from their participation in ESOP in the sense that, their income make them feel valued in their company, they are regularly and consistently briefed on company performance and Management maintain open and active communication with them.
4. There was a significant statistical difference in the work attitudes of employees who own share under the ESOP and those who don't own share In ESOP of their company. In addition there is a significant statistical difference in the job

satisfaction level of employees who own share under the ESOP and those who don't own share In ESOP of their company

5. There is positive relationship between employees work attitudes and their satisfaction with income and tax benefits under the ESOP, There is also a positive relationship between employee work attitudes and employee satisfaction with their own participation in decision making, Finally Work attitudes of employees were found to have a positive relationship with employee access to key information. There is positive relationship between employee job satisfaction level and employee income and tax benefits. Employee job satisfaction level was positively related to employee participation in decision making .Finally job satisfaction of managing employee participating in ESOP of their organization, was also positively correlated to employee access to key information.
6. The best predictor of the employees share owner's work attitudes and job satisfaction level is their satisfaction with income and tax benefits offered under the ESOP plan.

Conclusions

The objective of this study was to assess the effects of employee share ownership plan on employees work attitudes and job satisfaction in selected banks in Nairobi. The findings revealed that the various aspects of the employee share ownership plan under study under study have a significant effect on employees work attitudes and job satisfaction in the banking industry.

In respect to findings of the research questions, the following conclusions were arrived at:

1. From findings we conclude that employees of the selected banks have exemplary attitudes in their workplace. These work attitudes can be fully optimized if management let the employees have the freedom to do their work how best they deem.
2. Managing employees have a fair satisfaction level from their jobs. We conclude more can be and should be done to boost employee's level of job satisfaction in the banking industry in Nairobi for optimum performance.
3. Communication and access to information in selected banks under study are major contributors to the friendly working environment pertaining in the banks with ESOP. Employees benefit from this because a friendly work environment foster better work attitude and job performance .Employees biggest benefit from their participation in ESOP is the income and tax benefits, which we conclude effect majorly on their job satisfaction level . There is still nevertheless less desire from top management to include employees in all decision making processes.
4. We conclude that employees who participate in ESOP have better work attitudes than those who do not participate. The employee participants in ESOP have higher level of job satisfaction than those non-ESOP participants.
5. Among the motivational tools and techniques used by banking institutions to motivate and retain top workers, employee share ownership plan remain one of the most effective one, because of the positive relationship each aspect of such plan has with key determinants like job satisfaction and work attitudes.
6. Finally, we conclude that the employees participating to ESOP of the selected banks have strong attachment to the stock and cash dividends and tax benefits

under the ESOP scheme in the selected banks. It remains hence the sole aspect of ESOP which can entirely shape the work attitudes and job satisfaction level of employee shareowners. In case the selected banks intend to effect better work attitude and job satisfaction level of employees using ESOP, the stock and cash dividends and tax benefits remain the first tool of choice.

Recommendations

The current study investigated the effects of Employee share ownership plan on employee work attitudes. From the findings and conclusions, the subsequent recommendations can be drawn on the effects of Employee Share Ownership plan on employees work attitudes and job satisfaction in selected banks in Nairobi.

1. The banking institutions with ESOP should allow and make room for some freedom for employee shareowners to have more say in the way they want to perform and do their work
2. The banking institutions should allow the employee share owners to intervene in peculiar decision making about the workflow in the organization , this will contribute to a better organizational performance
3. In an effort to constantly keep employees work attitudes and job satisfaction level at their best for better organizational performance and low employees turnover level, the banking institutes should constantly strive to keep employees shareowner's , income and tax benefits and access to key information at their best level.
4. Banking institutions with ESOP should seek to raise awareness of such plan among employees, in order to incite and have a wider range of participation of employees in such plan since the plan has proven to be very beneficial to all participants.

Areas for Further Research

This study is a milestone for future research in this area, particularly in the Banking industry, especially considering the fact that Employee share ownership plan is relatively new in the industry.

1. Considering the low participation rate of employee in the ESOP in the banking industry despite its various benefits to participants, a study should seek to identify the specific drives that effect employees' decision to participate in organizational ESOP in the banking industry in Kenya.
2. The present research focused mainly on three key aspects of ESOP that were more likely to influence work attitudes and job satisfaction, Future research should aim at identifying other aspects of ESOP if not all , that effectively change and majorly impact work attitudes and job satisfaction level

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Appendices

A: QUESTIONNAIRE

Questionnaire FOR employees of banks with ESOP plan

To whom it may concern

Dear Respondent:

Re: Research Questionnaire.

The Researcher Samuel K.D. Awoute is a graduate student in the School of Business at the University of Eastern Africa, Baraton. He is majoring in Finance and Strategic Management. This is an academic research thesis about “The Effects of Employees Share Ownership plan on Employees work attitudes and Job satisfaction in selected Banks in Nairobi “ In Partial Fulfillment of the Requirements for the Degree of Master of Business of Administration. I would like to cordially invite you to contribute to the academic research by filling out the enclosed questionnaire. All the information provided will be used for academic purposes only, and will not be transferred to other applications.

Please feel at ease in filling out the answers. Your support will be very crucial to the successful completion of this research. I sincerely hope that you would spend some time to express your opinions to be taken as reference for this research. Please accept my most sincere appreciation.

Thank you and wish you all the best.

Samuel K.D. Awoute

Part A. Demographic profile of the respondents

Please answer all the questions by putting a tick in the appropriate box.

1. Name of your organization:

Equity bank KCB I&M Bank

2. Gender: Female Male

3. Your department: Accounting Customer Care Finance Human Resources

Marketing Regulatory Quality Assurance Sales ICT P.M.O

4. Years of service in your organization:

1-4 5-10 10-15 15-20 20-25

5. Do you own share (under the Employee Share Ownership Plan in your organization?)

Yes No

Instructions: *If your answer to question 5 is YES, answer all the parts (B, C, D, E, F, and G) of this questionnaire. If your answer to question 5 is NO, answer parts B and C only)*

Part B. Employees' Work Attitudes

The statements presented below describe aspects of Employees' work attitudes and job satisfaction in banking firms in Nairobi. Please indicate the extent to which you agree or disagree that each of the statements describes your firm by circling the number using the following scale: 1= Disagree 2 = Tend to Disagree 3 = Tend to Agree 4 = Agree

	Item	Disagree	Tend to disagree	Tend to agree	Agree
1	I am more willing to put greater effort into my work	1	2	3	4
2	I am eager to come to work everyday	1	2	3	4

3	I am committed to the efficient use of institution's resources	1	2	3	4
4	I have the freedom to do my job how I see best	1	2	3	4
5	I do my best to finish my work within the required work time.	1	2	3	4

Part C. Job Satisfaction

Item		Disagree	Tend to disagree	Tend to agree	Agree
1	I have a stronger sense of identification with managerial objectives	1	2	3	4
2	I feel my welfare and that of the bank are more closely linked	1	2	3	4
3	I feel I am an important member of the bank	1	2	3	4
4	My work gives me a feeling of personal accomplishment.	1	2	3	4

Part D. Employees Income (stock and cash dividends) and tax benefits

The statements presented below describe aspects of employees' income (stock and cash dividends) and tax benefits of Employee Share Ownership Plan (ESOP) in banking firms in Nairobi. Please indicate the extent to which you agree or disagree that each of the statements describes your firm by circling the number using the following scale:

1 = Disagree 2 = Tend to Disagree 3 = Tend to Agree 4 = Agree

Item	Disagree	Tend to disagree	Tend to agree	Agree
<i>As a participant in my organization's ESOP...</i>				

1	I feel my remuneration reflects the level of efforts I put in my work	1	2	3	4
2	I feel a better job security in my company	1	2	3	4
3	My income makes me feel valued in my company	1	2	3	4
4	I take better advantage of tax concessions under ESOP	1	2	3	4
5	I have a better remuneration scheme and opportunity under the ESOP	1	2	3	4

Part E. Employees' involvement in key decisions making in the company

The statements presented below describe aspects of employees' involvement in key decisions making in banking firms in Nairobi. Please indicate the extent to which you agree or disagree that each of the statements describes your firm by circling the number using the following scale:

1= Disagree 2 = Tend to Disagree 3 = Tend to Agree 4 = Agree

	Item	Disagree	Tend to disagree	Tend to agree	Agree
<i>As a participant in my organization's ESOP...</i>					
1	I have more say in the design and setting of the workflow of my organization	1	2	3	4
2	I decide the best manner in which I do my work	1	2	3	4
3	I am usually consulted for setting major organizational strategies	1	2	3	4
4	I am more involved in Firm budgeting /finances decisions	1	2	3	4

Part F. Employees' access to key information

The statements presented below describe aspects of Employees' access to key information concerning the company performance and financial positions under ESOP in banking firms in Nairobi. Please indicate the extent to which you agree or disagree that each of the statements describes your firm by circling the number using the following scale:

1 = Disagree 2 = Tend to Disagree 3 = Tend to Agree 4 = Agree

Item		Disagree	Tend to disagree	Tend to agree	Agree
<i>As a participant in my organization's ESOP...</i>					
1	I am clearly and promptly informed regarding any adjustments	1	2	3	4
2	Management maintain open and active communication with colleagues and employees	1	2	3	4
3	I am regularly and consistently briefed on company performance	1	2	3	4
4	I am involved in discussions on achieving team goals	1	2	3	4
5	I directly communicate with peers and management	1	2	3	4
6	I receive high quality information about how the ESOP is performing	1	2	3	4

D: LETTER FOR PILOT STUDY



OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

02 May 2017

TO WHOM IT MAY CONCERN:

Re: PILOT STUDY OF RESEARCH INSTRUMENT

Samuel Kokou Dgidula Awoute is a graduate student pursuing the degree **Master of Business Administration (Finance)** at the University of Eastern Africa, Baraton. He is currently writing his thesis entitled *The effects of employee share ownership plan on employees' work attitudes and job satisfaction in selected banks in Nairobi, Kenya*.

To establish the reliability of his research instrument, Samuel is conducting a pilot study. Kindly allow him to administer his questionnaire to the employees of your company.

Any assistance you will grant him will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File



E: LETTERS FOR DATA GATHERING



OFFICE OF THE DIRECTOR OF GRADUATE STUDIES AND RESEARCH

UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

11 May 2017



THE MANAGER
Equity Bank
Nairobi, Kenya

Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Samuel Kokou Dzigula Awote is a graduate student pursuing the degree **Master of Business Administration (Finance)** at the University of Eastern Africa, Baraton. He is currently writing his thesis entitled *The effects of employee share ownership plan on employees' work attitudes and job satisfaction in selected banks in Nairobi, Kenya*.

Kindly allow him to administer his questionnaires to the employees of your company. He will gather his research data within this month of May 2017.

Any assistance you will grant him will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File



A SEVENTH-DAY ADVENTIST INSTITUTION OF HIGHER LEARNING
CHARTERED 1982



**OFFICE OF THE DIRECTOR OF GRADUATE
STUDIES AND RESEARCH**
UNIVERSITY OF EASTERN AFRICA, BARATON
P. O. Box 2500, Eldoret, Kenya

11 May 2017

THE HUMAN RESOURCE MANAGER

Kenya Commercial Bank Limited
Upper Hill, 69695
Nairobi, Kenya


Re: REQUEST FOR PERMISSION TO GATHER RESEARCH DATA

Samuel Kokou Dgidula Awoute is a graduate student pursuing the degree **Master of Business Administration (Finance)** at the University of Eastern Africa, Baraton. He is currently writing his thesis entitled *The effects of employee share ownership plan on employees' work attitudes and job satisfaction in selected banks in Nairobi, Kenya*.

Kindly allow him to administer his questionnaires to the employees of your company. He will gather his research data within this month of May 2017.

Any assistance you will grant him will be greatly appreciated. May God richly bless you in all your undertakings.

Sincerely yours,


Prof. Elizabeth M. Role, PhD
Director

Cc: Chair, Department of Management
Office File



F: Letter of Ethics Clearance



**OFFICE OF THE DIRECTOR OF GRADUATE STUDIES
AND RESEARCH**

UNIVERSITY OF EASTERN AFRICA, BARATON

P. O. Box 2500-30100, Eldoret, Kenya, East Africa

May 3, 2017

Samuel Kokou D.Awouté
University of Eastern Africa, Baraton
School of Business

Dear Samuel,

Re: ETHICS CLEARANCE FOR RESEARCH PROPOSAL (REC: UEAB/5/5/2017)

Your research proposal entitled "*The Effects of Employee Share Ownership Plan on Employees Work Attitudes and Job Satisfaction in Selected Banks in Nairobi*" was discussed by the Research Ethics Committee (REC) of the University and your request for ethics clearance was granted approval.

This approval is for one year effective May 3, 2017 until May 3, 2018. For any extension beyond this time period, you will need to apply to this committee one month prior to expiry date. Note that you will need a clearance from the study site before you start gathering your data.

We wish you success in your research.

Sincerely yours,

A handwritten signature in blue ink that reads "Jackie K. Obey".

Dr. Jackie K. Obey
Chairperson, Research Ethics Committee



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CHARTERED 1991

G: Reliability Analysis

Reliability (Work attitudes and Job Satisfaction)

Reliability Statistics

Cronbach's Alpha	N of Items
.655	10

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I am more willing to put greater effort into my work	26.47	18.533	.024	.667
I am eager to come to work everyday	27.00	14.966	.588	.584
I am committed to the efficient use of institution's resources	26.57	16.392	.478	.615
I have the freedom to do my job how I see best	27.73	14.064	.369	.621
*I occasionally leave the workplace before the end of required work time	28.63	16.861	.102	.681
I have a stronger sense of identification with managerial objectives	27.13	16.326	.283	.637
**I feel that direct relations with management is best for protecting my interests	27.27	16.892	.069	.695
I feel my welfare and that of the bank are more closely linked	27.30	13.734	.671	.554
I feel I am an important member of the bank	26.93	14.754	.521	.589
My work gives me a feeling of personal accomplishment	27.07	15.651	.321	.629

*Improved in the final questionnaire

**Deleted in the final questionnaire (Reliability of the questionnaire is .695)

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
30.23	18.806	4.337	10

Reliability (Employees' income and tax benefits)

Case Processing Summary

		N	%
Cases	Valid	11	36.7
	Excluded ^a	19	63.3
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.802	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I feel my remuneration reflects the level of efforts I put in my work	12.45	4.873	.758	.721
I feel a better job security in my company	12.36	5.655	.622	.772
My income makes me feel valued in my company	12.27	5.418	.440	.805
I take better advantage of tax concessions under ESOP	12.64	3.055	.915	.635
I have a better remuneration scheme and opportunity under the ESOP	12.82	5.364	.382	.827

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
15.64	7.255	2.693	5

Reliability (Employees' involvement in key decisions making in the company)

Case Processing Summary

		N	%
Cases	Valid	11	36.7
	Excluded ^a	19	63.3
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.583	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I have more say in the design and setting of the workflow of my organization	10.18	6.764	.330	.541
I decide the best manner in which I do my work	9.91	5.691	.304	.554
I am usually consulted for setting major organizational strategies	9.82	4.764	.562	.382
*I am involved with procuration of key regulations and policies in organization	10.82	7.364	.148	.609
I am more involved in Firm budgeting /finances decisions	10.18	5.164	.387	.502

*Deleted in the final questionnaire

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
12.73	8.418	2.901	5

Reliability (Employees' access to key information)

Case Processing Summary

		N	%
Cases	Valid	11	36.7
	Excluded ^a	19	63.3
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.717	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I am clearly and promptly informed regarding any adjustments	16.18	6.164	.608	.623
Management maintain open and active communication with colleagues and employees	16.27	6.218	.739	.585
I am regularly and consistently briefed on company performance	16.27	9.618	-.052	.794
I am involved in discussions on achieving team goals	16.45	7.473	.443	.681
I directly communicate with peers and management	16.36	7.855	.436	.686
I receive high quality information about how the ESOP is performing	16.64	6.055	.569	.638

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
19.64	9.855	3.139	6

H: CURRICULUM VITAE

Samuel Kokou D. AWOUTE

Tigoni road, KILIMANI • Nairobi • P.O. Box 2500-30100
samsamuelkd@gmail.com Mobile: +254 718 316 890
Linked in: www.linkedin.com/in/samuel-k-d-awoute-65b5088a

PROFILE: *A young Graduate of Master Degree Program of Business Administration with concentration in Finance and Strategic Business Management, highly-motivated, productive and results driven team player with strong communication, interpersonal, organizational, time management, analytical and problem solving skills. Reliable and dedicated with the ability to grasp and apply new procedures quickly; organize and prioritize tasks to meet deadlines and adapt readily to new challenges.*

OBJECTIVE: Seeking an entry level position, with the objective of acquiring,
Concrete professional and practical experience

**EDUCATION: UNIVERSITY of EASTERN AFRICA, BARATON Eldoret,
KENYA**

Master of Business Administration, May 2015 - July 2017

Concentrations: **Finance and Strategic management**

Relevant courses: Leadership, Investment and Portfolio Management,
International Finance, Operations and Total Quality Management, Public
Finance, Managerial and Accounting and Control, Financial Management,
Marketing Management

VALLEY VIEW UNIVERSITY Accra, GHANA

Bachelor of Business Administration, January 2011- July 2014

Concentration: **Accounting**

Relevant courses: Advanced accounting, Institutional and Governmental

Accounting, Auditing, Cost and managerial accounting, Strategic management, Investment and portfolio management, business finance, Macro- economics, Entrepreneurship.

EXPERIENCE: OYIBI AREA RURAL BANK, Accra, GHANA

Assistant cashier intern, marketing agent intern, summer 2013

- Advertised bank services and products in more than 7 local communities of the rural area
- Created more than 10 deposit and savings accounts
- Collected in collaboration with team members more than 500 dollars of fixed deposit, savings from new customers
- Helped cashier in processing fixed deposit, money transfers orders and call overs.
- Assisted the chief accountant in preparation and review processes of creation of the relevant financial statements of the company

EXPERIENCE: FUCEC – TOGO, Lomé, TOGO

Assistant of Loan Officer and Accountant, 1st September 2014 – 31st October 2014

- Assisted loan officers in processing and constituting loan files
- Analyzed and forecasted with critical thinking the rate of loan repayment of individuals and new business seeking for loan
- Helped accountant in preparation of company financial statements
- Assisted internal audit officer in reviewing and appraisal of the loan department activities
- Recommended a digitalized system in which only softcopies of loan applications files are kept.

COMPUTER skills: Proficient with Excel, PowerPoint, Access, Word, Tally ERP

Proficient with operating system such as Windows 8/10,

Ubuntu, I OS

LANGUAGE skills: Fluent in ENGLISH and FRENCH with strong writing and communication Skills in both, moderate in Spanish: beginner

REFERENCES:

M. Basandja Banafai: Project Control Officer

UNHCR: Nairobi - Kenya

Contact: banafai7@gmail.com / Cell: +254 720 372 048

M. Nixon MAGEKA: Technical Committee Member National for Development

Communication Authority of Kenya: Nairobi - Kenya

Contact: nmageka@yahoo.com / Cell: +254 723234656

Prof. Elizabeth M. Role, PhD: Director of Graduate Studies and Research

University of Eastern Africa, Baraton: Eldoret - Kenya

Contact: role@ueab.ac.ke / Cell: +254 734492813, +254 716508232