

Employee Ownership And Employee - Shareholders Satisfaction: An Analysis Of French Companies Listed On The SBF 250


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ABSTRACT

Our paper examines employees' ownership as a mechanism that stimulates employee-shareholders' efforts and encourages them to adopt positive working behavior. Nevertheless, the expected effects of employees' ownership are not direct and need the inclusion of mediating variables. Our study proposes, then, to investigate the impact of employee ownership on organizational attitudes, analyzing, in particular, the influence of incentives. To this end, we conducted a questionnaire-based survey of employees of French companies listed on the SBF 250. Using structural equations modeling, we were able to conclude to the importance of the considered mediating variables.

Keywords: Employee Ownership; Employees Satisfaction; Association of Employee Shareholders

INTRODUCTION

 Employee ownership (ES) knows a strong development in Europe. France moved up to first place as a leader in the dissemination and democratization of ES. However, during the past three years, and with the exception of Great Britain, which has implemented strong fiscal incentives, ES figures have experienced a slight setback.

Among the reasons for this decline, we mention the high costs associated with fiscal regimes and increased taxation on employer contribution pursuing the 2012 law.

In this regard, the Macron Law (2015) was a revival of ES, offering numerous tax breaks to attract more employees and businesses.

This governmental awareness reflects the critical role of employee financial participation in the development of individual and organizational performance. Nevertheless, the positive effects of employee ownership are not systematic and are conditioned by push factors.

Our paper proposes to investigate the role of incentive variables (mediating variables), based on the work of Klein (1987). Indeed, ES is a complex issue that needs considering mediating variables in the relationship between ES and organizational attitudes (Hollandts, 2007).

Specifically, the present paper attempts to analyze the role of mediating variables in the relationship between employee ownership and employee-shareholders satisfaction. Our paper is structured as follows. In a first part, we review stakeholder theory and resource theory to frame the impact of ES on employees' organizational attitudes. Then, we present the satisfaction factors proposed by ES that can identify the mediating variables necessary for the satisfaction of employee shareholders. In a second part, we present our research hypotheses, methodology and the results of our study.

LITERATURE REVIEW

The Study's Theoretical Framework

We examine employee ownership using the Resource-Based View and stakeholder theory. Indeed, the Resource-Based View considers the skills brought by employees to be a specific investment, essential to the survival of the company and the creation of a competitive advantage. This specific resource has two risks, the risk of fluctuations in its value and risk of spoliation (Blair 1997). To protect it and develop it, the literature proposes employee ownership.

Furthermore, stakeholder theory is an important reference for the understanding of the effects of equity participation on the company's value (Greene, 2014). It also provides a relevant analytical framework to understand beneficiaries and actors in value creation. Indeed, issuing shares to employees promotes productive behavior and leads to better cooperation among stakeholders, while encouraging the adoption of positive behaviors (Aoki 1984; Marens et al. 1999).

Employee Ownership In The Center Of Resource Based View

The Resource-Based View (RBV) assumes that a firm with rare quality resources is likely to gain a competitive advantage over its rivals, thus endowing itself with a superior financial performance. The performance gap found between companies in the same sector may be attributed to differences in resource endowments and in particular intangible resources (Bounfour 1998).

The Resource-Based View can be defined as aiming at identifying, protecting, and exploiting the company's scarce resources to generate competitive advantages in markets. Under this approach, employees are a special capital difficult to reproduce and they are believed to play a greater role in the value creation process, which is the very essence of competitive advantage (Arrègle 2006).

In this regard, Wright et al. (1994) point out that the four criteria used to define a resource within the meaning of RBV should include the human capital. They point out that only a suitable management practice could enable the creation of a competitive advantage expected from human capital.

Similarly, Gray et al. (1997, p. 7) stress the importance of developing a human capital quality reservoir, and the implementation of human resource mobilization practices to create a competitive advantage. Likewise, Conner and Prahalad (1996, p. 477) show that knowledge-based resources represent the essence of the RBV perspective.

A recent meta-analysis by Crook et al. (2011) points to the positive role of human capital in the company's performance, in particular when it is not directly tradable on the market and is specific to the company and represents a competitive advantage.

Guillard and Roussel (2005) explain that human capital is a reservoir, which can be developed by "training" and or used to create new knowledge, i.e. "innovation". In the same way, Nekka (1999) assumes that organization, strategic choices and management style have a significant impact on human capital.

Referring to the work of Gibbons and Waldman (2004) and Hatch and Dyer (2004), Guillard and Roussel (2005) distinguish three types of human capital: general human capital, task-specific human capital and company-specific human capital.

- General human capital: it is the body of knowledge and generic skills accumulated through professional experience and education. It is not about a particular company or a specific task.
- The task-specific human capital: it brings together the knowledge and skills associated with a given task within the company.
- Firm-specific human capital: it represents all the skills and knowledge mastered by an employee in the shape of a body of collective knowledge specific to a given enterprise. This type of human capital provides employees with the skills needed by the company, yet its usefulness is specific to the company.

Therefore, general human capital and specific human capital may be possible expropriation because they are useful and operational, regardless of the company.

Rajan, Servaes and Zingales (1998) point out that a company is a collection of shared core resources, talents, ideas and knowledge. The protection and development of human capital guarantees a better use of it.

Blair and Kochan (2000) explain that specific human capital is the set of valuable skills and knowledge in a given company, making investment in work a vital resource, risky in nature (Furubotn 1988). At this level, Blair (1997) distinguishes two types of risks: the first relates to the risk of expropriating human capital by other partners of the firm. The second relates to the potential fluctuation of the human capital's value in the future, or because these specific skills become obsolete or no longer useful to the firm.

The risk of specific human capital should be remunerated like any other risk. Parrat (1999) states that wages should therefore be higher than cost opportunity.

Blair (1997) suggests to pay this risk through employee ownership: "The remuneration of employees through shares can provide a mechanism to encourage and protect investments in specific human capital. The holding of shares by employees functions as a kind of a guarantee that makes the firm's promise to share profits credible, (...) it also gives certain control rights and simultaneously aligns the interests of employees with those of external shareholders. In addition, if earnings on shares supersede wage premiums payable to the specific human capital of the firm, wages reflect more closely cost opportunity and send correct economic signals to the firm's decision makers to monitor hiring and layoffs".

According to Coff (1997), employees are assets difficult to reproduce or transfer, because of their specificity, their integration into the social systems (internal and external to the firm) and the ambiguous causality they have with performance.

Referring to Klein, Crawford and Alchian (1978), Desbrières (2002: 260) states: "the traditional contractual protection (explicit employment contract) is theoretically effective for employees of low qualifications and who do not follow regular vocational training with significant qualifications. Moreover, pressure from political or union actors allow them to maintain their interests collectively and indirectly".

Liebeskind (2000) emphasizes the importance, for any firm with high intensity in human capital, of creating incentives to meet three objectives:

- 1) Attract highly skilled employees.
- 2) Get them to develop their human capital.
- 3) Retain the employees for a sufficient period of time.

According to the author, sustainably giving rights on the wealth created, employees' financial participation allows to satisfy these three objectives.

Charreaux (1998) adds that employee ownership may lead to the formation of firm-specific human capital, by encouraging proposals of initiatives-taking and innovations.

According to Desbrières (2002, p. 261): "ownership forces employees to invest all or part of their wealth in the company, the same way they have already invested their human capital. This has the effect of increasing their specific investment to the firm". They assume therefore a high risk of loss of their double capital in case of bankruptcy or significant difficulties the company may face. Thus, they are encouraged to participate twice in the process of value creation.

Employee Ownership In The Center Of Stakeholder Theory

The analysis of employee ownership under the terms of stakeholder theory allows us to perceive its positive effects on employees' work attitudes. The latter is believed to be the cornerstone of the company's remuneration pattern of stakeholders and whose most significant role is aligning interests within the organization (Desbrières 2002).

According to Blair et al. (2000), employee ownership is the fairest distribution of the company's wealth. As such, Hansmann (1996) explains that, when it is disseminated, employee ownership encourages employees to monitor their efforts and those of other employees. In other words, employee ownership creates a culture of collective responsibility (Whyte 1978; Webb 1912).

Moreover, Fitzroy and Kraft (1987) support the positive role of employee ownership in mutual control and cooperation among employees.

Lawler (1977) notes that equity participation creates a positive working relationship, which involves creating a perception of common interests and shared goals, but also it involves developing cooperation. Likewise, Long (1980) stresses that employee ownership provides a sense of common and shared goals, a sense of belonging (or solidarity) and a sense of loyalty.

A meta-analysis by Sesil et al. (2001) confirms the positive impact of ownership on employees' attitudes and behavior, particularly in a context of increasing participation in decision-making. Similarly, the study by Pendleton et al. (1998) noted a significant increase in the involvement of employee shareholders.

However, Tannenbaum (1983) argues that the benefits expected from employee ownership in terms of human resources (more involvement, motivation, loyalty and effort), would only be significant in the presence of a strong and a significant control over the company. For companies, the aim of employee ownership is to strengthen motivation of employees and to ensure alignment of individual interests (Desbrières 1997).

According to a survey by Altedia COB (1999), the most important aspirations of companies from employee ownership plans are employees' motivation, common interests creation and decreased turnover. Financial reasons come last such as eliminating public bids and creating a sound core ownership.

Vaughan-Whitehead (1992), in a longitudinal study of French companies, notes the positive effects of employee ownership on work attitudes:

- Increased motivation and employee involvement
- A reduction in absenteeism and turnover
- Improved production quality
- An increase in productivity, performance and profitability

In a theoretical analysis, French (1987) points to of virtuous circle created by employee ownership. Indeed, according to him financial remuneration perceived by employee shareholders will lead to satisfaction and motivation to produce, which will generate positive effects on business performance.

In addition, improved financial performance of companies with an employee ownership plan is viewed in the literature as a consequence of the search for a general alignment of interests with those of other shareholders. This latter confirms studies on employees' motivation to become shareholders. This finding is not surprising since most research on employee ownership was made under the framework of agency theory (Desbrières 1989, 1997, 2002).

Klein's Model (1987)

Employee ownership generates positive effects on organizational behavior. However, the literature notes the existence of mediating variables that may condition the emergence of expected productive attitudes. Accordingly,

Klein (1987) proposes three satisfaction models synthesized from the study of employee ownership. These are intrinsic, extrinsic and instrumental satisfaction.

Intrinsic Satisfaction

The first model relates to intrinsic satisfaction. The mere fact of being an employee shareholder increases organizational commitment. According to Long (1978), an employee shareholder status generates a common interest, while expanding employees' feeling of identification with the company. Tannenbaum (1983) explains this as a direct effect of employee ownership.

Oliver (1984) argues that increased involvement would result in part from a fit between an employee shareholder's values and expectations and, secondly, from what the company offers in terms of rewards.

The recent study of Dan Weltman and al. (2015) found that the selection effects are indicated by several positive relationships between attitudes and stock that is bought by the employees rather than being granted by the employer.

Accordingly, Pierce et al. (1991) and Pierce, Kostova, and Dirks (2000) showed interest in the concept of psychological ownership known as a mediating variable between formal ownership and its effect on employee attitudes. They interpret it as a psychological ownership feeling, more or less felt.

Vandewalle et al. (1995) conclude to the existence of a positive and a significant relationship between employees' psychological ownership feeling, satisfaction and organizational commitment.

In the same line of thinking, Pendleton et al. (1998) assume that employee ownership is likely to generate a sense of psychological ownership which guarantees positive attitudes such as employees' involvement and satisfaction. The results of these studies support the intrinsic satisfaction model.

Instrumental Satisfaction

The second model is instrumental satisfaction. It focuses on the indirect effects of employee ownership. The model suggests that ES generates an effect on employees' working behavior when opportunities to participate in decision-making are made possible.

According to several authors (Long (1978, 1979), Hammer and Stern (1980) and Tannenbaum (1983) and Buchko (1993)), employee shareholders' participation in decision-making is essential to achieve organizational commitment. Indeed, a virtuous circle seems to be established as ownership increases influence of employees, resulting in an increase in their involvement. Employee ownership is introduced in this model as a political tool, calling for an ownership right rather than a financial device. Similarly, Klein (1987, p 320 - 321) argues that only political rights, assumed by ES plans, generates positive attitudinal effects. Likewise, the study by Long (1980) points to the importance of granting rights assumed under ES and shows that political rights leads to positive change.

Extrinsic Satisfaction

The extrinsic satisfaction model assumes that employee ownership increases organizational commitment if it is "Financially rewarding" for the employee. This model meets the aspirations of employees, while adhering to the assumptions of agency theory. French and Rosenstein (1984); French (1987) and Klein (1987) explain that it is the presence of the prospect of financial gain which promotes employee shareholders' involvement. Buchko (1992) defines employee satisfaction towards share plans, as the degree to which employees have a positive emotional orientation towards ES. This model has been tested by Klein (1987). The results confirm the existence of a significant positive relationship between degree of the financial contribution of the company and the two attitudinal variables: satisfaction towards employee stock ownership plans (ESOP) and organizational commitment.

Then, in this model, there is a strong positive relationship between level of employer's contribution, under an employee stock ownership plan, and the extent of employee shareholders' satisfaction.

Accordingly, HOLLANDTS (. 2007, p 101) distinguishes two sequences to employee shareholders' financial satisfaction:

- The employer's contribution at the ESOP subscription: the company may pay its employees a contribution, in kind or in cash, to help them acquire shares of the company.
- The evolution of employee shareholders: this form of satisfaction relates to stock prices, dividends and assets liquidity.

Research Hypotheses

According to proponents of instrumental satisfaction, political rights and opportunities for employee shareholders' participation, provided by their dual status, lead to positive effects. Several empirical studies (Long (1978a, 1978b, 1980, 1982) and Pendleton et al. (1998)) pointed to the importance of participation in ES plans so that employee shareholders can develop positive attitudes to work such as satisfaction, commitment and involvement.

In addition, studies show that the mere introduction of employee a ownership plan has no automatic effect on employees' behavior. To generate positive changes, ES should be linked to other incentives such as employees' participation and influence in the company.

In an English context, Pendleton et al. (1998) prove that employee shareholders develop more satisfaction and commitment and prefer political participation.

According to Desbrières (2002, p. 270), "The presence of employees on the Board, because of their ownership, however, is of more interest. First, control of shareholder-employees appointed administrators should be more efficient since the intensity and quality of their activity in the Board not only depends on the value of their human capital, but also on that of their shares. Second, not being the official representative of a trade union nor being elected by all employees, their decisions and monitoring should not be "noisy" because of collective negotiations considerations".

Therefore, we formulate our first hypothesis H1 as follows:

H1: The presence of a administrator-employee shareholder strengthens the effects induced by ES on satisfaction towards the company.

Political participation is exercised most often when employee shareholders are involved (Desbrières, 2002; D'Arcimoles and Trébucq, 2003).

"Employee shareholders have the opportunity to exercise active control over the decisions of a controlling coalition by creating or joining a dissident coalition. These shareholders meet under an 'associational'" form (Girard, 2001, p. 130). We can conclude, then, to the positive effect of involving employee shareholders.

Considering that involvement of employee shareholders as a political body could increase the influence and involvement of employee shareholders, we add hypothesis H2 as follows:

H2: Involving employee shareholders strengthens the effects induced by ES on satisfaction towards the company. If one refers to the extrinsic satisfaction model, employer's abandonment influences perceptions of employee shareholders. Klein (1987) explains this by linking employee ownership to agency theory, where the granting of financial incentives, like employer's abandonment, is likely to align the utility function of the main agent to that of the principal.

A recent survey by Amundi in 2012 highlights the importance of employer contribution for employees. The results indicate that when subscribing to employee ownership operations, 31.5% of respondents believe that their company's abandonment is the most encouraging than a discount on share price (28%) and represents a guarantee on their personal contribution (15%).

We suggest:

H3: Employer’s abandonment reinforces the effects induced by ES on satisfaction towards the company.

THE EMPIRICAL ANALYSIS

To test our hypothesis we retained some variables. The presence of a administrator-employee shareholder, involvement of employee shareholders and employer’s abandonment as variables that enhance the effects induced by ES on positive attitudes to work and will be measured by binary variables (yes = 1; No = 0) (Hollandts, 2006; Ben Noamene, 2014)).

To measure employee shareholders’ satisfaction towards their companies, we adopted the variable 'propensity to invest in shares of the company" to which we added the variable" number of years that the employee is a shareholder with the company" (Caramelli, 2006).

The variable propensity to invest in shares of the company is a variable that best reveals employee-shareholders’ satisfaction. Indeed, it reveals the will of the employee shareholder to accept a concentrated risk level by refusing to diversify financial instruments (Desbrières 2002, p.59). Indeed, employee-shareholders bear a maximum single risk in modern capitalism (Hollandts 2012). They invest their human capital but also a significant portion of their savings in the company that employs them. They thus run the risk of accumulated loss of employment and savings.

In addition, the variable 'propensity to invest in shares of the company" is less studied in the literature. Therefore, we decided to integrate it in our research as a variable that may reveal the best level of employee-shareholders’ satisfaction.

The measure of the propensity of employees to invest in shares of the company will be determined by a continuous variable ranging from 1 (strongly agree to invest my money (profit-sharing premiums, dividends. etc) in my company's stock to 5 (strongly disagree) (Caramelli, 2006).

The following table summarizes the variables of our study

Table 1. The variables

Variables	Operationalization
Employee-shareholders’ satisfaction	<ul style="list-style-type: none"> • Propensity to invest in shares of the company • Number of years that the employee is a shareholder with the company
Financial incentives	<ul style="list-style-type: none"> • Presence or absence of employer’s abandonment
Employee-shareholders’ political participation	<ul style="list-style-type: none"> • Presence or absence of a administrator-employee-shareholder • Presence or absence of employee-shareholder involvement

RESEARCH METHODOLOGY

To study the effects of ES on employee-shareholders’ attitudes (satisfaction), we opted for a quantitative study based on questionnaires-driven data. To analyze our questionnaires, we decided to process our data with a structural equations method for two main reasons.

First, it is the only method that can simultaneously handle the relationship of interrelated dependencies, and then it takes account of measurement errors by incorporating them into the model, making the correlation coefficients more accurate (Hair et al. 1998). Second, structural equations is believed to be the only technique that examines separately and simultaneously a set of dependency relationships with dependent and independent variables at the same time (Hair et al. 2006, p. 706).

The methodology that we will use to study the relationships of our model is that of Anderson and Gerbing (1988, 1999). Both authors propose a two-step analysis process. First, it confirms the measurement model to improve its

convergent and discriminant validity. Then, it proceeds to the assessment of the model's structural relationships through confirmatory analysis. This approach is recommended by practitioners of structural equations, as it minimizes the risk of incorrect specification related to structural designs and develops measures called "congeneric".

We propose to evaluate our theoretical model, using the method of Anderson and Gerbing, in the following way:

- Estimating the measurement model separately for each construct of the general model to be tested
- Estimating the measurement model by combining constructs step-wise
- Finally, estimating the entire measurement model

We sought to sequentially analyze the relationships between our variables.

The questionnaire was administered to employees of French companies listed on the SBF250. We propose in what follows the results of the descriptive statistics and the structural equation modeling.

In total the survey was sent to 4230 employees.

- 345 questionnaires were completed, so 8.15% response rate.
- The sending period runs from 1 December 2014 to 30 June 2015.

ANALYSIS OF RESULTS

To determine the percentage of employee shareholders among the employees surveyed, we asked the question, "Are you a direct shareholder of your company?"

The results indicate that of the 345 employees surveyed, there are 133 employees who directly hold securities of their companies. Indeed, 38.6% of respondents are direct shareholders of their companies.

The Variable Number of Years as a Shareholder

The results indicate that 25.6% of the employee-shareholders hold shares of their companies for a period of 5 to 10 years and 18.2% for more than 10 years. Only 9% of employee-shareholders hold shares for less than a year.

The Variable Propensity to Invest in Shares of the Company

Concerning the four dimensions of this variable, the results show that 67.7% of employee-shareholders prefer to invest in profit-sharing premiums or in shares of their companies. 60.3% prefer to invest the dividends received on their shares in their companies rather than touch the money. Similarly, 55% of employees-shareholders confirm investing their money in shares of their company when possible. 63.6% do not sell their shares. Only 9.9% of employee-shareholders declared they sold their land shares in a short time.

Incentive Variables

We asked two questions to determine the presence of incentive conditions, which are employer's abandonment, and the presence of administrator-employee-shareholders. According to the results, 88.4% said they had received a contribution in shares or cash, paid by their companies. 82.6% confirm the presence of an administrator representing employee-shareholders in the Board. 70.2% of employee-shareholders affirm the existence of an involvement plan for employee-shareholders in their companies.

THE RESULTS OF STRUCTURAL EQUATIONS

Examining the various indices (Table 2) shows that the model fits well with the empirical data. Indeed, the Chi-Square adjusted to the degree of freedom is less than 3 (Roussel, 1996); NFI is between 0 and 1; CFI is acceptable because according to Hair et al. (2006, p. 749) a good model should have a CFI at least 0.9. GFI and AFM are respectively greater than 0.9 and 0.8 (Hair et al. 2006, p. 747) while RMSEA is below the threshold of 0.08.

Table 2. Results of construct validity

	χ^2/df	NFI 0.90	GFI 0.90	AGFI 0.80	CFI/TLI 0.97	RMSEA 0.08
Propensity	1.58	0.9	Not provided	Not provided	0.96	0.07
Administrator	0.05	0.9	Not provided	Not provided	1	0
Involvement	0.64	0.9	Not provided	Not provided	1.03	0
Abandonment	1.66	0.9	Not provided	Not provided	0.96	0.07
Global model	2.163	0.9	0.9	0.85	1	0

The table below reporting the regression coefficients shows that the construct “propensity to invest” heavily helps to explain the latent construct it measures with the exception of *propcorrigé4* whose correlation coefficient is low (0.377). In the absence of a theoretical justification defending its retention, we decided to reject our global model.

In addition, the presence of administrator employee-shareholders influences positively and significantly willingness to invest in the company with a coefficient reaching 0.997. This result corroborates our H1 hypothesis that the presence of administrator employee-shareholders builds trust of employee-shareholders.

Similarly, the existence of an involvement plan for employee-shareholders and employer’s abandonment highly and positively contribute to the increase in the propensity to invest in shares of the company, the correlation coefficients of these two variables are respectively to 0.988 and 0.998. These results support our hypotheses H2 and H3 which assume that presence of an involvement plan for employee-shareholders and employer’s abandonment reinforce the effects induced by ES on employee-shareholders satisfaction.

Nevertheless, the simultaneous analysis of the three variables reveals the low impact of the presence of administrator employees-shareholders on the propensity to invest in the company's shares.

Table 3. Regression coefficients

Structural relationships	Regression coefficient
prop1<---Propensity	.707
prop2<--- Propensity	.707
prop3<--- Propensity	.651
propcorrigé4<--- Propensity	.377
Propensity <--- Administrator	.997
Propensity <---Involvement	.988
Propensity <---Abandonment	.998
Propensity <--- Administrator	.182
Propensity <--- Involvement	.756
Propensity <--- Abandonment	.623

DISCUSSION OF RESULTS

Our study examined the impact of mediating variables on employee-shareholders satisfaction. Indeed, hypotheses H1, H2 and H3 of our study assume the presence of an administrator employee- shareholder, an involvement plan for employee-shareholders and employer’s abandonment as variables that enhance the induced effects by ES on employee-shareholders satisfaction. The results of the separate structural equations analysis show the existence of a strong positive relationship between the studied mediating variables and propensity to invest in shares of the company. However, the simultaneous analysis of the three mediating variables reveals the mixed role of the presence of an administrator employee-shareholder in our model. Indeed, there are a lower regression coefficient between the presence of an administrator employee-shareholders and propensity to invest.

The presence of an administrator influences propensity to invest, only when other mediating variables are not present. The positive effect substantially decreases with the presence of an involvement plan for employee shareholders and employer’s abandonment. These results point to the mixed role of an administrator employee-shareholder as a political representative. In fact, the coefficients highlight the effect of the presence of an involvement plan for employee-shareholders as a representative mechanism.

Our results are consistent with the literature. Indeed, French and Rosenstein (1984) and French (1987) point to the importance of the prospect of financial gain when involving employee-shareholders. Accordingly, Klein (1987) concludes that there is a positive correlation between employee-shareholders' satisfaction and employer's abandonment, which are extrinsic elements of employee ownership.

In addition, employee participation in decision-making is presented in the literature as an essential element to involve employees. Subscribing to instrumental satisfaction, the work of Long (1978, 1979); Hammer and Stern (1980); Tannenbaum (1983) and Buchko (1993) highlight participation in decision-making as a key variable for employee involvement.

Similarly, Long (1980) and Klein (1987) found that the detention of political rights, provided by ES, generates positive attitudinal effects.

In contrast, most of the literature questions the effectiveness of the role played by an inside administrator in the Board.

A recent study by Aubert, Guedri and Hollandts (2011) reveals that the representation of employee shareholders in the Board is an additional involvement opportunity for the manager. The authors cite hierarchical structural as a result of the inefficiency of the control exercised by representatives of employee-shareholders.

Indeed, Alexander and Paquerot (2000, p. 13) state that "The agency theory assumes that inside administrators do not have the sufficient power to oppose decisions of managers. These administrators are executives of the company or of employees that report to the management. It is, therefore, difficult to them to oppose their line managers without compromising their careers and their future in the company. Their lack of independence harms so seriously the effectiveness of their control".

Pichard-Stamford (1997) explains that managers tend to appoint internal administrators to neutralize control mechanisms. As such, Viénot (1999), Hampel (1998) and Cadbury (1992) point to the effectiveness of the control exercised by independent outside administrators.

Similarly, Charreaux and Pitol-Belin (1991) put an emphasis on the qualities that outside administrators have to resolve conflicts of interest between the company's partners. Many other empirical studies also confirm the effectiveness of the control exercised by outside administrators described as independent of management, (Chtourou (2001) Chtourou et al. (2001), Peasnell et al. (1998), Wright (1996), Forking (1992) and Haniffa and Cooke (2000)).

CONCLUSION

This study examined the role of mediating variables in employee-shareholders satisfaction. Thanks to the sequential modeling of the structural equations method, we found a positive effect of political participation and employer's abandonment on employee-shareholders' investment propensity. However, the simultaneous modeling of all the mediating variables in a global model reveals the mixed effect of the presence of an administrator employee-shareholder. Indeed, in the presence of other mediating variables, employee-shareholders' propensity to invest seems insensitive to the presence of an administrator employee-shareholder.

All these results should encourage manager to consider the complexity of employee ownership plans by integrating mediating variables. Accordingly, our study confirms the positive impact of financial and political incentives inherent to ES plans on employees' attitudes. Our results concluded that presence of involvement plans for employee-shareholders and employer's abandonment enhance employee-shareholders' satisfaction with the company. However, the presence of administrator employee-shareholders has a weaker effect on satisfaction when combined with other studied mediating variables.

However, one of the most important issues that we have not been able to address here relates to the distinction between the administrator employee-shareholder representing employee shareholders and employees' trade union representative (Garfatta 2010).

This distinction could enrich our results, since this would have contributed significantly to understanding the reason for the low correlation of the variable "presence of administrator" with "propensity to invest", when simultaneously studied. According to Desbrières (2002), membership of an administrator employee-shareholder to a trade union alters their power and control while creating interference with collective negotiation rights.

Other variables may also be studied. In particular, we think of seniority of employee-shareholders in the company and in the employee ownership plan. These two variables have been addressed in our questionnaire but were not included in the structural equation modeling framework because of a very large number of missing answers.

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