

ABSTRACT

In an increasingly competitive work environment, companies need strategies that not only enhance productivity but also retain their top talent. One such strategy gaining traction is the Employee Stock Ownership Program (ESOP)—a stock ownership scheme designed to foster a sense of ownership, employee engagement, and long-term retention. This study examines how ESOP influences employee performance through engagement and retention, using a case study of PT Bank Rakyat Indonesia (Persero) Tbk. A quantitative approach was employed, gathering data from 175 employees in the Financial & Management Accounting Division through a structured questionnaire. The analysis was conducted using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPls 4.1 to explore the relationships between the variables.

The findings indicate that ESOP significantly enhances both employee engagement and retention. Employees who feel a sense of ownership in the company tend to be more motivated, actively engaged in their work, and committed to the organization in the long run. Additionally, engagement and retention play a crucial role as mediators in the relationship between ESOP and employee performance. These results offer valuable insights for companies, particularly in the banking sector, to consider ESOP as a strategic tool for boosting productivity and fostering a positive workplace culture. From an academic perspective, this research contributes to the literature on human resource management strategies based on employee stock ownership.

Keywords: Employee Stock Ownership Program (ESOP), employee engagement, employee retention, employee performance.