

Effective Communication is Key to Effective Share Plans

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Promoting share plans to employees can be a huge challenge for employers. Many use a variety of communication channels in order to reach all business divisions, often across multiple locations. This is further complicated when communicating within international companies where languages need to be taken into account, various legal and tax implications apply, and multiple time zones have to be considered.

Why is effective communication important?

Given share plans are often implemented to align employee interests to that of shareholders to ensure long-term value is considered as part of decision-making, communicating their value to employees is vital. Good communication of share plans fosters:

1. Employee engagement (prompting attention and action)
2. Greater loyalty
3. A closer alignment of interests
4. A stronger work culture
5. Motivation and commitment

Employees often fail to attribute a clear value to all elements of their benefits package due to a lack of

financial understanding and ineffective explanation of such benefits. It's therefore important that your employees are given:

1. Regular updates about the company, highlighting key financials that relate to any measurements used for performance conditions.
2. Clear information so they fully understand the role they play within the company and the delivery of the company's strategy.
3. Clear company guidance to help them work at optimum efficiency and within company guidelines and policies.

If you haven't considered the importance of effective communication, read on to discover more of the benefits.

Assess what your key objectives are and produce an eye-catching creative design that helps you to communicate in a way that meets these objectives.

Communication methods

Various communication methods can be adopted to engage and explain the value of share plans to employees:

- As part of a total reward statement
- Seminars or workshops
- Staff meetings
- Emails
- Text messages (SMS)
- Apps
- Webinars or podcasts
- Video
- Booklets or leaflets
- Desk drops
- Posters
- Social media
- Online portal
- Intranet
- Screen savers

Key considerations for effective communications

To ensure your objectives are met, here are some key ways in which to gain maximum engagement and understanding of your share plans:

1. Create engaging design

Assess what your key objectives are and produce an eye-catching creative design that helps you to communicate in a way that meets these objectives. Include clear prompts (call to actions) and headlines, to attract and encourage employees to take the desired action, whether this is to visit a website for more information or to sign-up to participate in a share plan. Use graphics to depict the benefits of share plans and use charts or graphs to help explain key financials. Ensure the creative is consistent with your brand.

2. Include captivating content

To maximise impact and engagement try to use simple, direct and concise language, avoiding unnecessary jargon. Similarly, use a tone that reflects your brand voice and connects with your employees by adopting a friendly but authoritative tone. Content should be personalised where possible and relevant as employees do not want to read through information that does not apply to them. This can be enhanced by offering real-time information and updates throughout the life cycle of a share plan to help keep employees consistently engaged with the value of their existing share plans.

3. Utilise various communication channels

Optimise accessibility by mixing online and offline communication methods, choosing channels most appropriate to the size, nature and demographics of your employee base, as well as budget constraints. A good example of this - if part of your workforce do not have access to a computer as part of their role then consider offline methods to reach them.



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4. Consider the sequence of delivery

Use various communication channels that complement one another and direct employees through a well co-ordinated communication funnel where the message builds over the course of the campaign and follows a logical progressive path from one channel to another.

5. Communicate news & updates regularly

Communication is often focused around the awarding of a share plan or vesting periods and the time in between is often overlooked. Instead, this period provides a huge opportunity to reinforce the benefits of share plans and their value to ensure maximum impact. For example, if the company has good year end results then use this as an opportunity to communicate the notional outcome on the value of existing share plans.

6. Build a network of support

Ensure there are share plan administrators and champions in each office/geographical location. Spend time explaining the benefits of share plans to all line managers as they can help communicate the key points to their respective teams.

If you can get each of these points right you increase the likelihood that your share plan communications will be effective.

Measure your success

Although not always an easy task, measuring the effectiveness of your communications is just as important as delivering it. It's an opportunity to invite feedback and assess the strengths and weaknesses to improve future communications.

You can measure key points such as:

1. Was the message relevant?
2. Was the message understood?
3. What action was taken as a result of the message/ take-up levels?
4. Are there any comments, concerns or questions?
5. What was the cost of the communications?
6. What was the business benefit for this cost?

Once you know what you want to measure, you need to decide what method of measurement you will use. Here are some example methods that are regularly used by companies:

1. Surveys/Feedback forms
2. Focus Groups/Workshops
3. Webpage visitor statistics
4. Email measurement statistics

Once your measurement and analysis has been carried out you should share the findings, make recommendations and take action to make improvements for future communications.

If you would like assistance with communicating your share plans effectively then contact us for a partnered solution that is focused on a strategic approach to the creative design and communication process.

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