Top tips for share plan engagement as we kick-off a new tax year

With Brits seemingly forgetting the old adage, 'pop it away for a rainy day', the cost of living crisis, and the nation's post-pandemic financial resilience hanging by a thread, the untapped benefits held in share plans could significantly ease the economic squeeze ahead.

You know it. We know it. But do your employees know it?

As Financial Literacy Month kicks off in the US and a new tax year begins here in the UK, creative employee communications company Eximia has five tips for what more can be done, in the post-Covid era of hybrid working and the Great Resignation, to get the share plan message heard and help rebuild the nation's finances.

Financial education teaches lifelong money-management skills. What better capability to equip your colleagues with in these rapidly-changing times? Financially confident employees are more likely to consider investment opportunities in the future, like share plans. Here are five top tips to help you get the message out and achieve greater engagement from your people.

Tip-1: Cut the jargon

What do exercise prices, cliff vestings and strike prices have in common? They're all words that deter employees from joining or engaging with company share plans.

If people don't understand, they're likely to switch off and move on to the next thing that's demanding their attention.

At Eximia, we appreciate there are various factors at play – plan design, tax reasons and affordability that may mean employees are not engaging with or joining share plans as much as we would like.

But we think an overarching reason is a lack of awareness and understanding. Your people don't know what they don't know.

And when what they don't know is sandwiched between jargon and technical speak that is only understood by investment experts and finance pros, it's little wonder so many don't engage.

We can design the best plan. But even the greatest plan in the world still needs to be communicated and explained for your people to appreciate the full benefits.
Most employees aren't fluent in the lingo, and when under-resourced internal communications teams are tasked with disseminating the information, they very often don't have the capacity or share plan knowhow for sufficient translation.

The best way of ensuring jargon is kept to a minimum is to imagine you're explaining your share plan to a ten-year-old child. Write your communications and test it – share them across a cross-section of your target audience and see what they say. Adjust and test again until you've got a good balance. Consider the user journey and experience – for those who like detail, include it, but only after the high-level content, so it doesn't overwhelm those who don't like to read every term of the plan rules.

Keeping it simple can work wonders and builds greater understanding and financial literacy.

Tip-2: Empower employees to identify their financials goals

Now that they understand it, try to make them feel it. Are you talking and empowering your colleagues to identify their long-term goals?

Shares and other financial benefits are all very well, but engagement in them stems from engagement with personal future goals – it may be helping to buy a first property, have that dream holiday, or send a child to university.

Whatever the goal, if you can use tools/exercises to assist your people in identifying their future goals and gain an emotional connection to what they're saving for, it can be a powerful motivator.

As Proshare has written about before, share plans make even the lowest income earners an average of £10,900 better off per year. And when analysis shows the UK has the lowest number of savers of G7 countries and a third of British households lack financial resilience, encouraging savings habits through company share plans makes sense.

Building in a phase to your communication plan that helps individuals identify and connect to personal financial goals makes for better share plan communications that are more meaningful to the individual, and also ties in with their financial education and literacy.

Tip-3: Collaborate with your internal communicators

As well as the language, there's another factor exacerbating the difficulties of communicating share plans: the overcrowded post-Covid internal communications space.

The global shift to hybrid working has set different departments clamouring for employees' attention across more communication channels than ever before. They're bombarded with emails, internal blogs and information from management, and many have stopped paying attention.

The pandemic has shifted the focus onto people. A recent report suggested some 85-90% of senior leaders consider their internal communicators as their trusted advisors. This is a 20% rise since the start of the pandemic.

With such influence, collaborating with the people who manage your internal communications can reap rewards. They have a lot of demands on their time, and are the guardians of what gets through.

When your message is instrumental to the financial literacy of your employees, it's essential to get your internal comms team on your side to avoid them cutting a three-phased communication plan down to one for example. Speak to them, understand the bigger picture and see where share plans can perhaps have synergies with other topics to get some air-time.

Tip-4: Use a range of communication channels to cut through the noise

After you've connected with the person responsible for internal communications, it's time to start speaking the same language as your employees across the communication channels they're most likely to use.

This might be video, podcasts, infographics or social channels. Think about using a mix of channels. 'The Rule of 7' marketing principle states people need to 'hear' your message at least seven times before they'll take action. With this in mind, you should consider having various 'touchpoints' across several phases when planning your communications.

Add to this the fact we only have eight precious seconds to grab someone's attention according to research. Why risk the success of your share plan by not investing in a variety of communication channels that best suit your people?

The message is far too important, so get it airtime.

Tip-5: Ongoing action: make Financial Literacy Month every month!

While calendar milestones are a great opportunity to kickstart new plans or breathe life into old ones, why wait for once a year to prioritise your employees' financial education?

It's about being strategic as well as tactical. Don't just offer factual content about a share plan – try providing ongoing support and tools, and reminders along the way. Connect your share plans to the bigger picture – financial education, company strategy, values, DEI and total reward – treat it as a journey and build a relationship with your colleagues along the way.

Doing so will also help your board demonstrate they're meeting objectives on employee financial wellbeing, employee engagement and belonging.

There's no time like the present

Tie your share plans into the conversations around the new tax year. After all, financially resilient colleagues create a ripple effect of positive change on them as an individual, their families, wider community and on the company – so a win-win all round.

Eximia is a strategic employee communications consultancy that specialises in communicating share plans and rewards. For more tips and tricks on how to get your message across this month and beyond, visit our blog: www.eximiacomms.co.uk/insights.