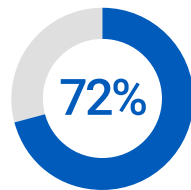


## HOW EQUITY PLANS CAN CREATE AN ENGAGED WORKFORCE (AND IMPROVE YOUR BUSINESS)

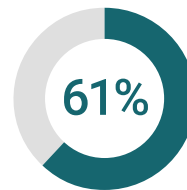


The importance of employee engagement cannot be understated. Talent is what drives the success of your business, and an engaged workforce that cares about the company is more likely to do more to see it succeed. The question is how to create that engagement. One particularly effective tool is to offer employee equity plans as part of your total rewards program. It's common to include equity as part of an executive's compensation, but the reality is that equity compensation is valued by employees at all levels.

### DID YOU KNOW?



72% of employees prefer to work for a company where they can have an ownership stake<sup>1</sup>



61% of job seekers choose to work at companies with ownership opportunities over those that do not<sup>1</sup>

That's right. The proof is in the numbers. Employees want ownership and when the option to participate in an equity plan is available, they will choose the company that's offering it. It's a huge benefit to you to be able to offer a competitive equity plan program. Not only is it what employees want but it will help you achieve your ultimate goal of attracting and retaining top talent.

Beyond this, when employees are owners, when employee equity plans are a part of their total rewards package, it actually correlates with positive

employee behavior that demonstrates employee engagement and can benefit the company.

### And, NO, we're not making this up!

According to a recent study by the London School of Economics<sup>2</sup>, employees who participate in broad-based contributory plans (for instance, an employee stock purchase plan) display quantifiably better employee behavior, the kind of behavior associated with engaged employees who think of their jobs as more than just a paycheck.

### Here's where you benefit the most with engaged, participating employees:



#### Fewer employee absences

The more often an employee comes to work rather than taking a day off or calling in sick, the more likely they want to be there and are committed to contributing to the company's success.



### Greater productivity and more commitment to work

Your participating employees tend to work longer hours, putting in the time needed to ensure company success.



### Better employee retention rates

Employees that participate in these plans - employees with real ownership in the company - are less likely to quit, supporting your retention efforts, creating stability in your workforce, and minimizing disruptions in your corporate output.



### More employee recommendations

Participating employees want the best co-workers by their side. So much, in fact, that they are more likely to recommend working at the company to others. Chances are those recommendations will be for talent with the same quality of employee behavior.

And while this study was for participants in contributory plans, it is likely employees who receive an equity award or equity as part of their overall compensation would display the same engaged employee behaviors.

These are huge benefits that align well with your talent strategy. After all, you need to keep your eyes on the prize and focus on attracting and retaining top talent. Let your equity plan help you achieve these goals!

### So what's next?

Unfortunately, it's not enough to simply offer employee equity plans as part of your total rewards program. For starters, you'll likely have different types of plans that you offer senior executives versus the rest of the employee base. To be effective, the plans you offer need to be the right ones, reflecting best practices in the industry and properly benchmarked against your competitors.

You'll also need to communicate these plans properly to employees. This is especially important if you offer a broad-based contributory plan like an employee stock purchase plan because without proper communication, employees won't understand the value of what is being offered and therefore won't participate. And without that participation, you don't get all the benefits described above. But it is just as important for compensatory or award plans such as performance, restricted stock and stock options. If your executives don't understand the plans offered to them, they won't value them, and once again you lose the value employee equity plans offer in creating more engaged employees.

If you're currently managing your plans in-house, you may lack the bandwidth to ensure your plans support employee engagement. If you outsource but your current provider offers little to no support to help you easily engage employees, you've got another problem. But you're not alone. Computershare offers trusted solutions to help you deliver the right plans with the right communications to engage with your employees.

**To learn more visit [computershare.com/EmployeePlans](https://computershare.com/EmployeePlans)**

<sup>1</sup> General Social Survey, 2018 and 2014. Analysis by Douglas Kruse and Joseph Blasi, Institute for the Study of Employee Ownership and Profit Sharing, Rutgers University School of Management and Labor Relations, May 2019.

<sup>2</sup> Computershare employee share plan survey (conducted by the London School of Economics), 2014.