



Why company valuations now rest on workforce engagement. And what to do about it

5th November 2020, 10:00am



Housekeeping

About GoToWebinar

You should see something that looks like this on your own computer desktop in the upper-right corner. You're listening in using your computer's speaker system by default. If you would prefer to join over the phone, just select "Telephone" in the Audio pane and the dial-in information will be displayed.

Asking Questions

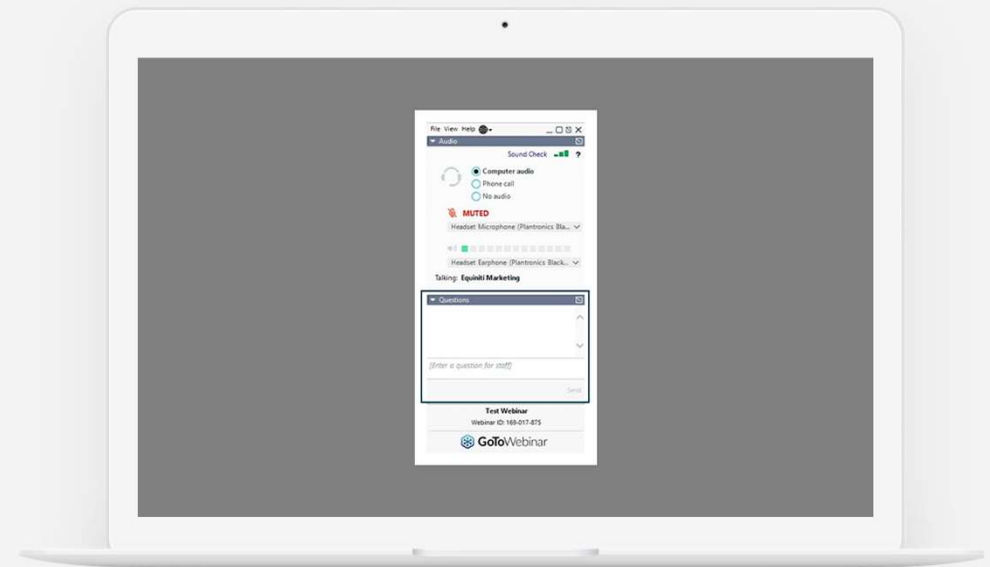
By default all participants are on mute, this is to avoid any background noise. You will have the opportunity to submit text questions to today's presenter by typing your questions into the Questions pane of the control panel.

You may send in your questions at any time during the presentation; we will collect these and address them during the Q&A session at the end of today's presentation.

Online resources

This webinar is being recorded and will be available on demand should you wish to review the presentation.

A copy of the slides will be available to download.



Presenters



Andrew Woolnough
Director,
EQ Solutions



Tim Brook
Head of Engagement &
Platforms, EQ HR Solutions



David Ellis
Consultant, Working with
Organisations on People
and Change



Andrew Heath
Co-Founder,
WeThrive



Suzanne Clarkson
MD, Coach House
Communications

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Conclusions and next steps

When it comes to company valuations and workforce engagement. We help clients do something about it



We manage

137

UK and international SAYE plans for our clients

Outsourced share plan provider for

40 YEARS

1.3 million
Employee accounts

Our clients range from having plans with

15-300,000

ELIGIBLE EMPLOYEES

We operate plans in over

100

Countries worldwide

29 YEARS

average client relationship

£4.1bn

HR & Payroll payments made in 2019

60 YEARS
experience as registrar

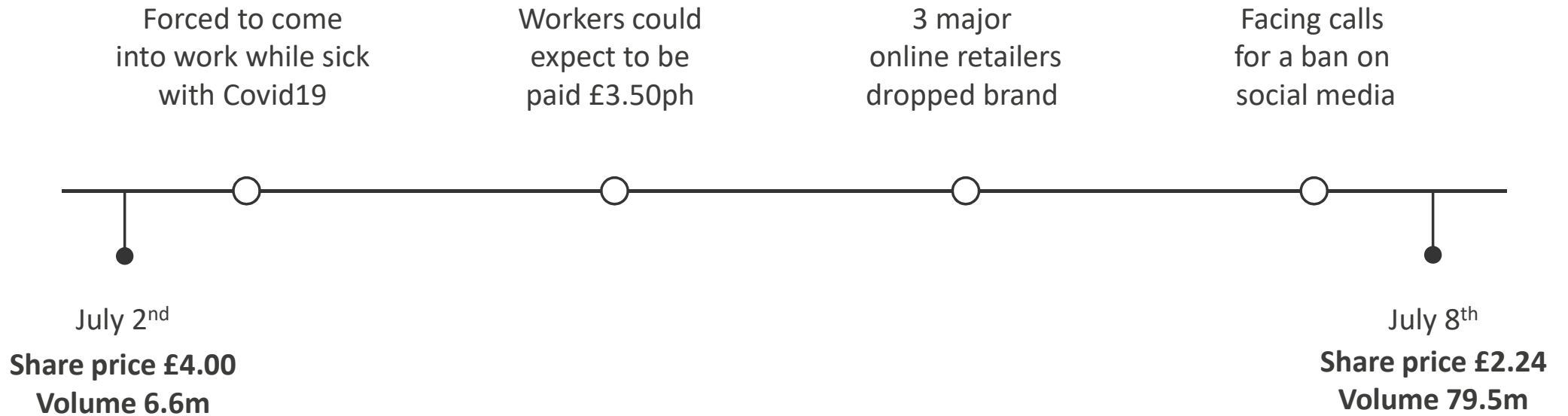


Why company valuations now rest on workforce engagement

David Ellis

Helping Companies with people and change

Trust is a fragile thing...





What are we dealing with here?



Relevant principle (Apply and Explain)

In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.

Relevant principle (Comply and Explain)

For engagement with the workforce, one or a combination of the following methods should be used:

- a director appointed from the workforce;
- a formal workforce advisory panel;
- a designated non executive director.

If the board has not chosen one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective.

And what have we learned so far?

If you set a governance requirement, organisations will make sure they tick the boxes to meet the standard



KICK THE CAN
DOWN THE
ROAD

“consider how to build on the activities in place and decide whether to introduce further methods”

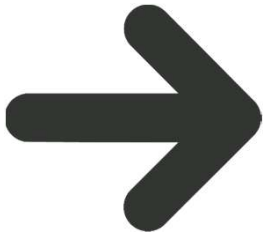
DENIAL

“our current methods are strong and we will be continuing with them”

LIP SERVICE

“we have selected our preferred method”

Why is this so important?



LONG TERM VALUE

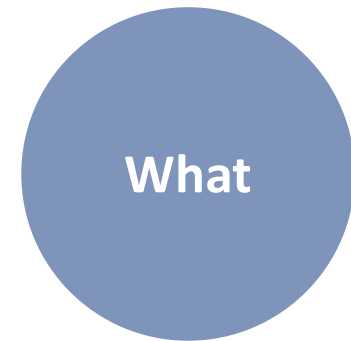
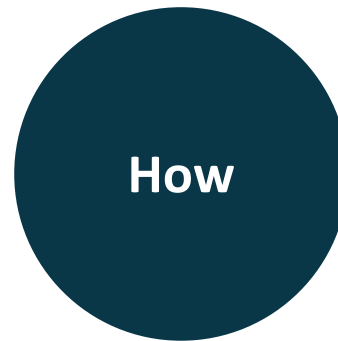
- There is an ongoing shift from the view that the primary purpose of companies is to enhance shareholder value (shareholder capitalism)
- To the view that corporations are better able to deliver long-term value to shareholders when they understand and address the needs of their key stakeholders (stakeholder capitalism)



Purpose has moved centre stage



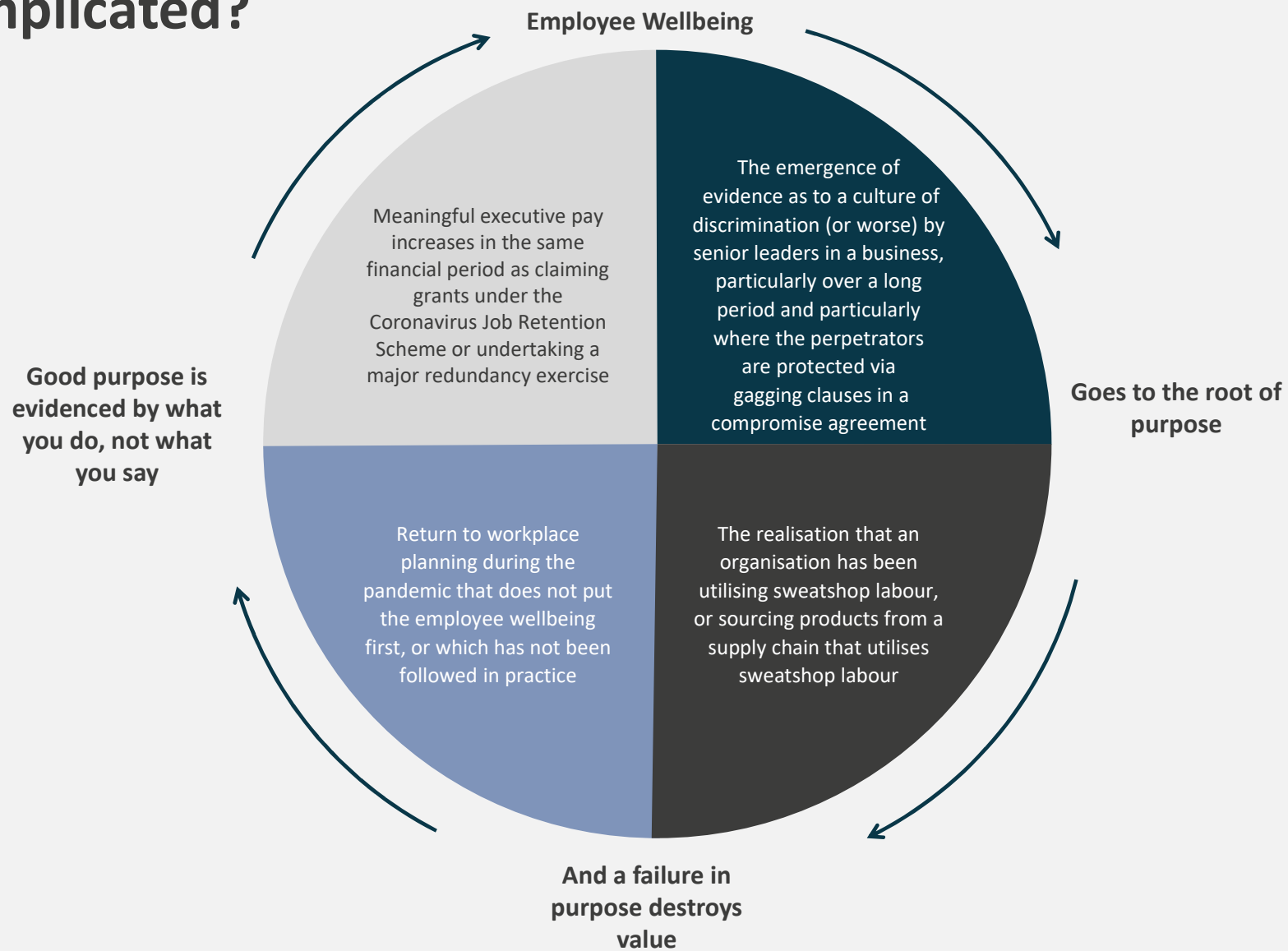
What is purpose driven leadership?



And what it isn't

- A 30 page glossy insert in your annual report and accounts listing out all the good things you do
- A fancy mission statement

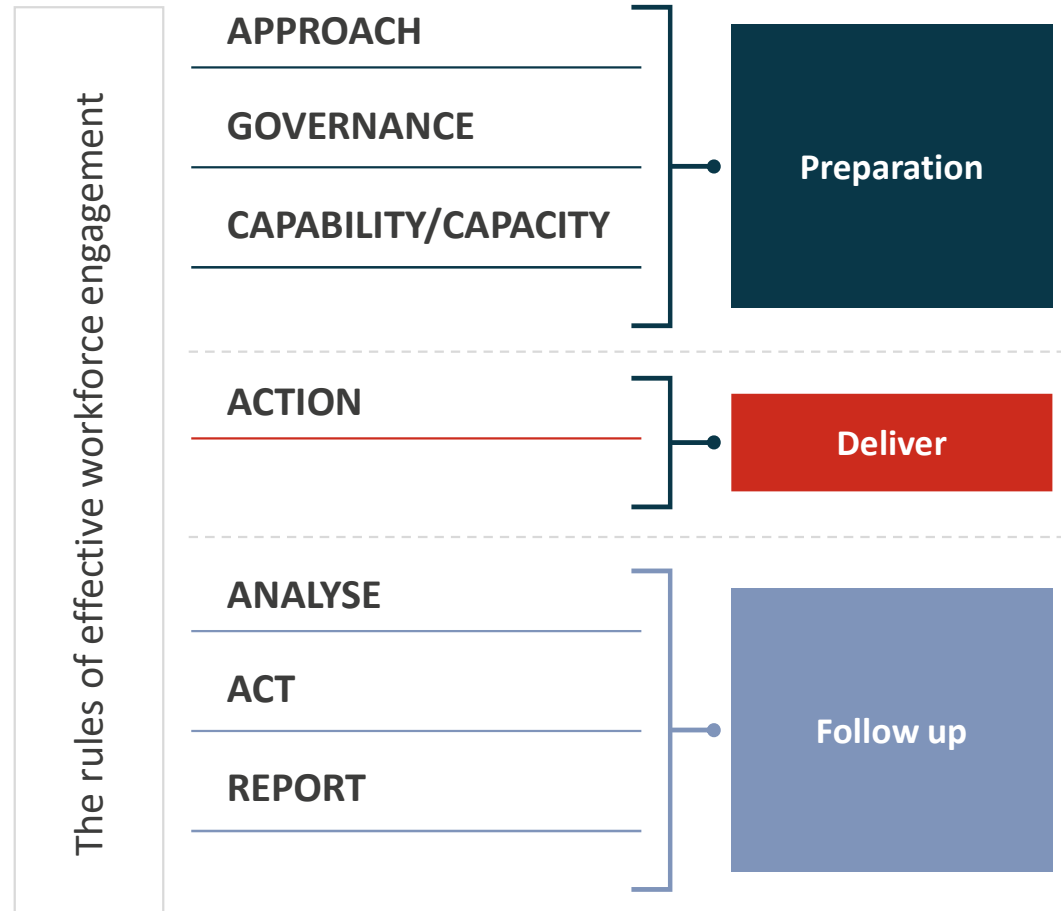
Too complicated?



The role of workforce engagement

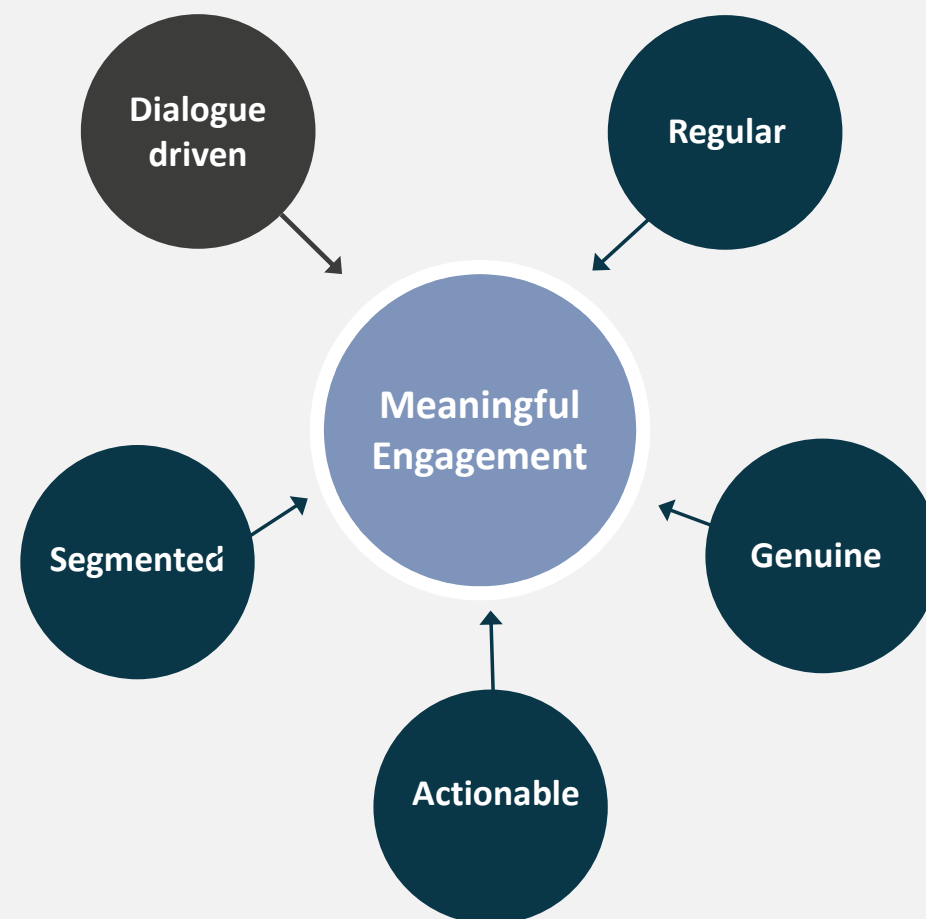
NO business can afford a failure in purpose. Workforce engagement, if done well, is a key risk management exercise.

- It is not a **“nice”** thing to do.
- It is not a **“HR initiative”**.
- It can be used to pick up early indicators of trouble – particularly when related to employee well being
- Every business should be doing more of it. And doing it well. It is that simple.



How to do it well

- **Disparate data sources** – one dimensional approaches to workforce engagement deliver misinformation. When a designated NED speaks to 12 employees at a round table, it is most unlikely that the conversational flow will offer value. You need much, much more.
- **Qualitative versus quantitative** – you need to place your quantitative evidence alongside your qualitative findings. Numbers without context are as dangerous as opinions without facts.
- **Pick your questions carefully** – a binary question gives you an answer – but not a very useful one. You wish to understand employee preferences. This requires them to make a choice, not answer a closed question. If you ask an employee “are you happy with what you are paid?”, they will all say “no”. This is not a useful data point.
- **Hypothesise** – use the outputs from your workforce engagement to form hypothesis. With no hypothesis you have nothing to test and nothing to use to inform your decision making.
- **Create a dashboard** – this is not a once a year thing. The board needs trends, shifts, incremental changes in pattern. Anything that lists out all the engagement efforts you have done for the board to sign off on each year, is a waste of time. The board should be seeing this at every meeting.
- **Know your place** – accept that the board is looking to agree the strategy for the management to implement. Your workforce engagement needs to be limited to achieving that outcome. You are not a new member of the management team....

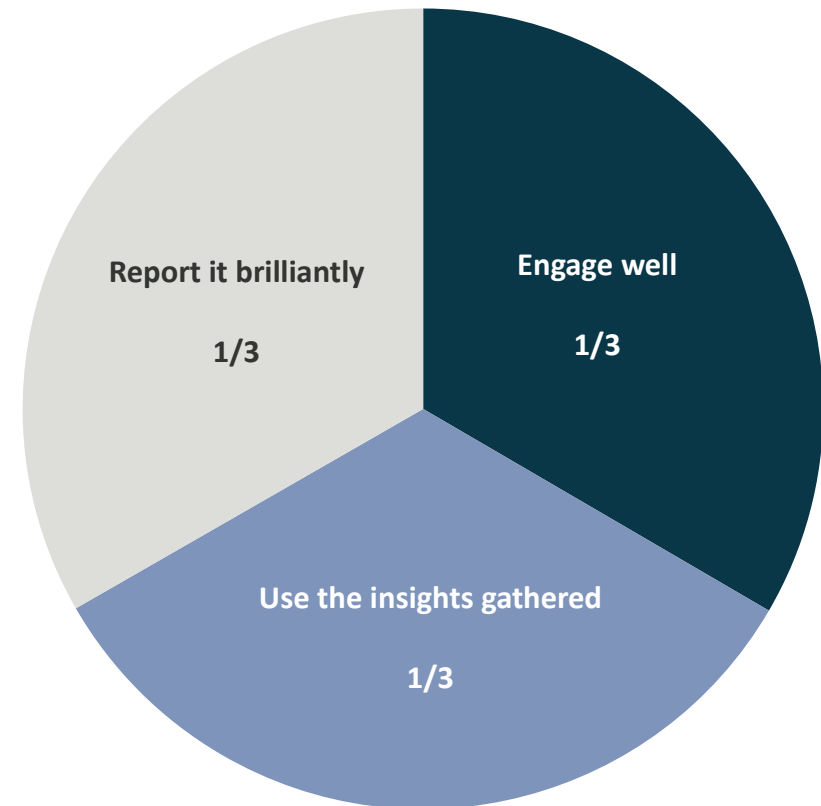


And the real lesson?



Balance your effort:

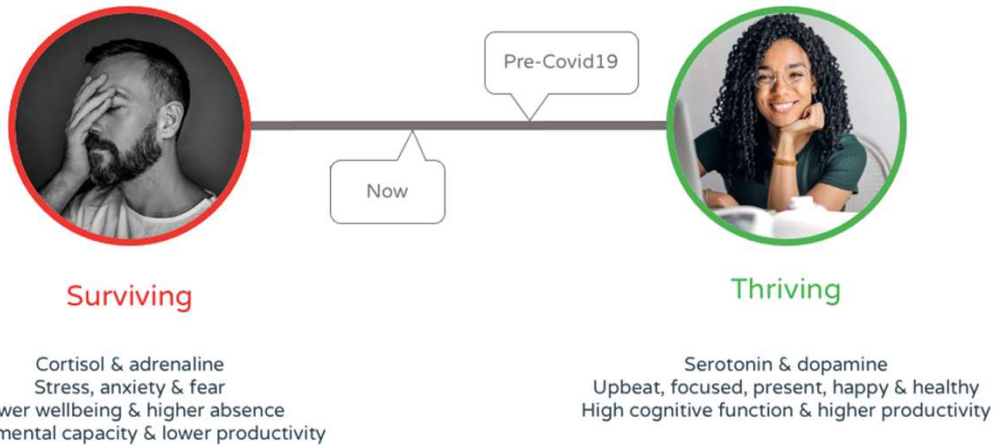
- You cannot engage well when employees know that you do not use the insights you gather
- You cannot use the insights gathered from poor engagement
- You cannot win a prize for the brilliant reporting of workforce engagement that you take no action from





Why listening to employees has to shift from ‘once a year tick box’ to a core element of your strategy to build wellbeing, trust and reputation.

Andrew Heath



Why regular listening is essential (now more than ever)

- Now a priority for 90% of UK CEOs (PwC)
- Covid-19 and its impact on our wellbeing
- Moving from surviving to thriving
- How poor wellbeing impacts the bottom line



5 key elements of a successful listening strategy

- Genuine – why are we doing this, why you should take part, what will be different?
- Dialogue – aim for a quality two way conversation
- Regular – once a year doesn't cut it
- Segmented – tailor your interventions to specific groups & their needs
- Actionable – you **MUST** do something



Building a long term sustainable culture of trust



- Make a robust listening strategy a board level priority
- Aim for 3 cycles of feedback per annum
- Hold exec accountable for the actions in their divisions and make it a KPI
- ... meet or exceed your compliance requirements & have happy, well and productive people



Discover how to maximise your company's existing programmes to support wellbeing and engagement, zooming in on reward and benefits.

Tim Brook

It continues with Data Insights

Historic challenges and Flaws

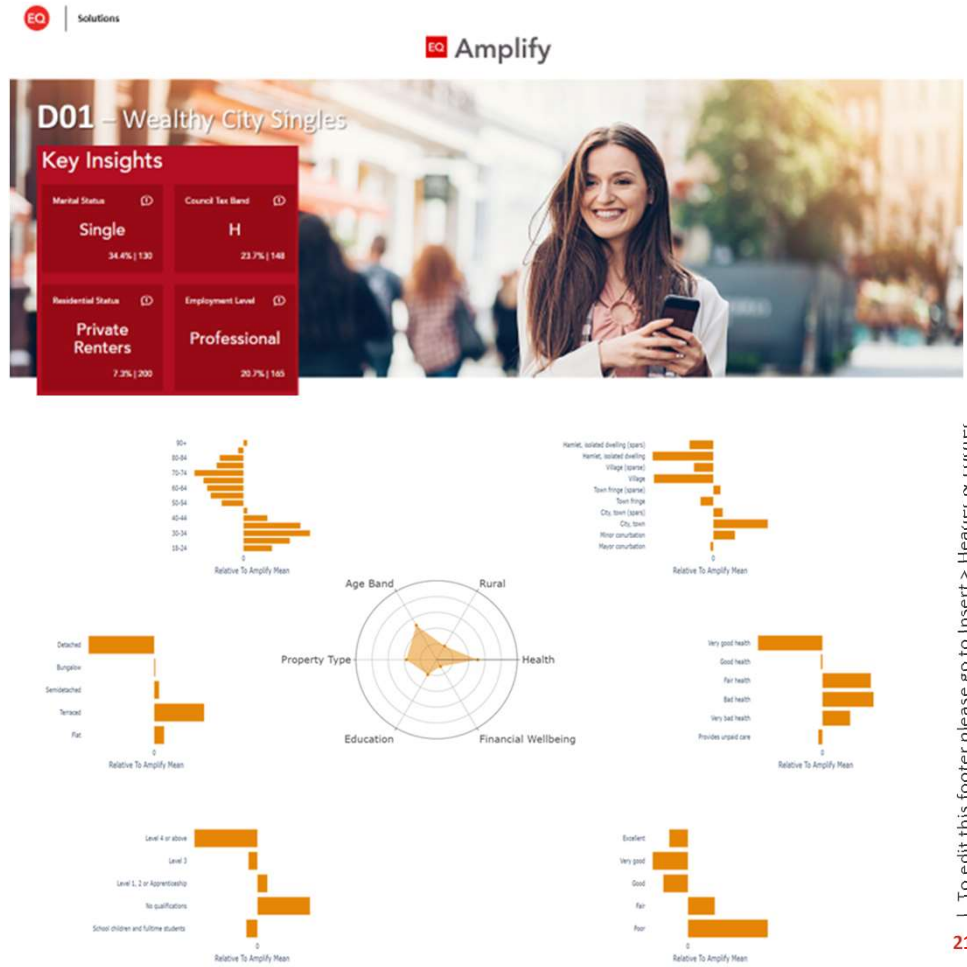
The role of Geodemographics
Challenges?

Understanding their personal situation enables you to talk about the reward package in the context of their circumstances.

- Where do you go to get this insight?
- How do you navigate GDPR to remain compliant?

TIP

Analyse the profile, benefit preferences and motivations of your colleagues by segmenting your workforce across the range of cohorts to understand what makes them tick



Total Reward – The Central Engagement Tool

Next Generation

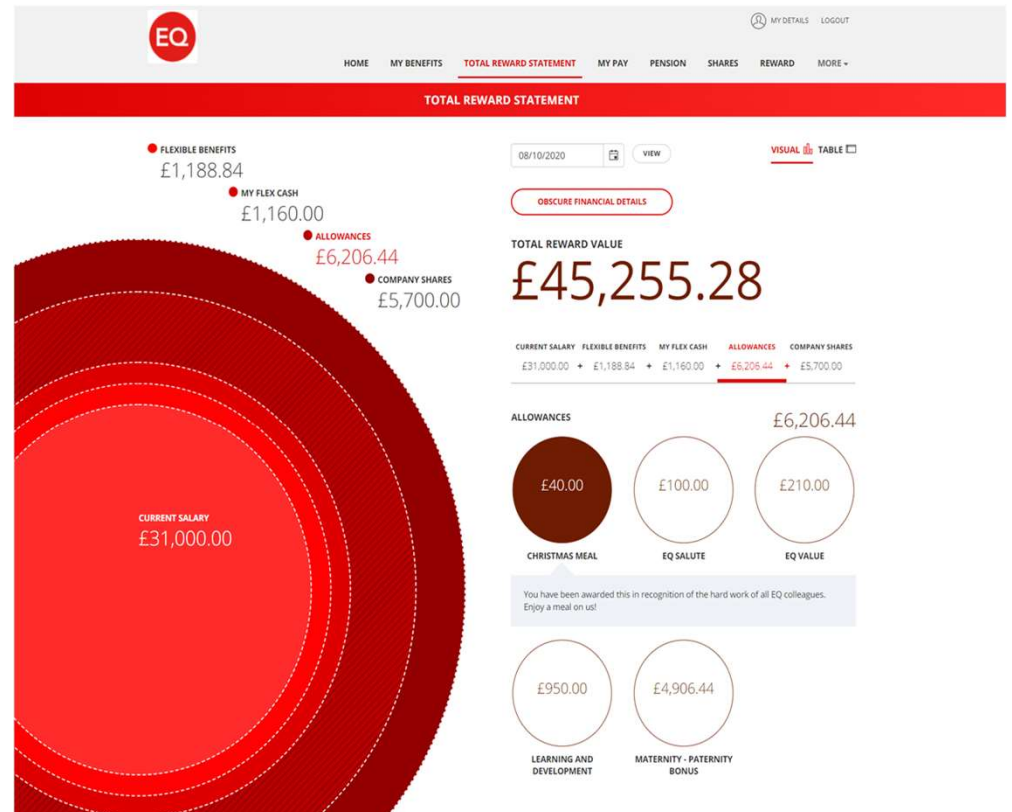
Digitally Responsive

Facilitate Transactions rather than process

- Grow engagement through greater Benefits awareness
- Organisations who provide a clear view of their reward package have the most engaged workforce.

TIP

Behavioural science has put evidence behind the drive to join everything together in one place but unless you present and communicate it well, choice paralysis creeps in.



Turning Insight into Reality

Recognising that the needs of a diverse workforce will drive a broad spectrum of benefits

Modern flex platforms should also be able to communicate to different ways

TIP

If you can emphasise different elements of the benefit to those that value it, you stand a better chance of maximising engagement.

The screenshot shows a user interface for managing benefits. At the top, there's a navigation bar with 'EQ' logo and links for HOME, MY BENEFITS, TOTAL REWARD STATEMENT, MY PAY, PENSION, SHARES, REWARD, and MORE. Below this is a progress indicator for 'STEP 1: SELECT', 'STEP 2: REVIEW', and 'STEP 3: CONFIRM'. The main content is divided into three sections: 'AVAILABLE BENEFITS', 'MY BENEFITS PACKAGE', and 'ADDITIONAL BENEFITS'. The 'AVAILABLE BENEFITS' section lists 20 options in a grid, each with an icon and a 'VIEW / SELECT' link. The 'MY BENEFITS PACKAGE' section shows a summary of selected benefits with 'EXPAND DETAILS' and 'DISPLAY VIEW: MONTHLY' options. The 'ADDITIONAL BENEFITS' section lists 2 more options. At the bottom, there's a table for 'EXISTING BENEFIT SELECTION' and a 'REVIEW & CONFIRM' button.

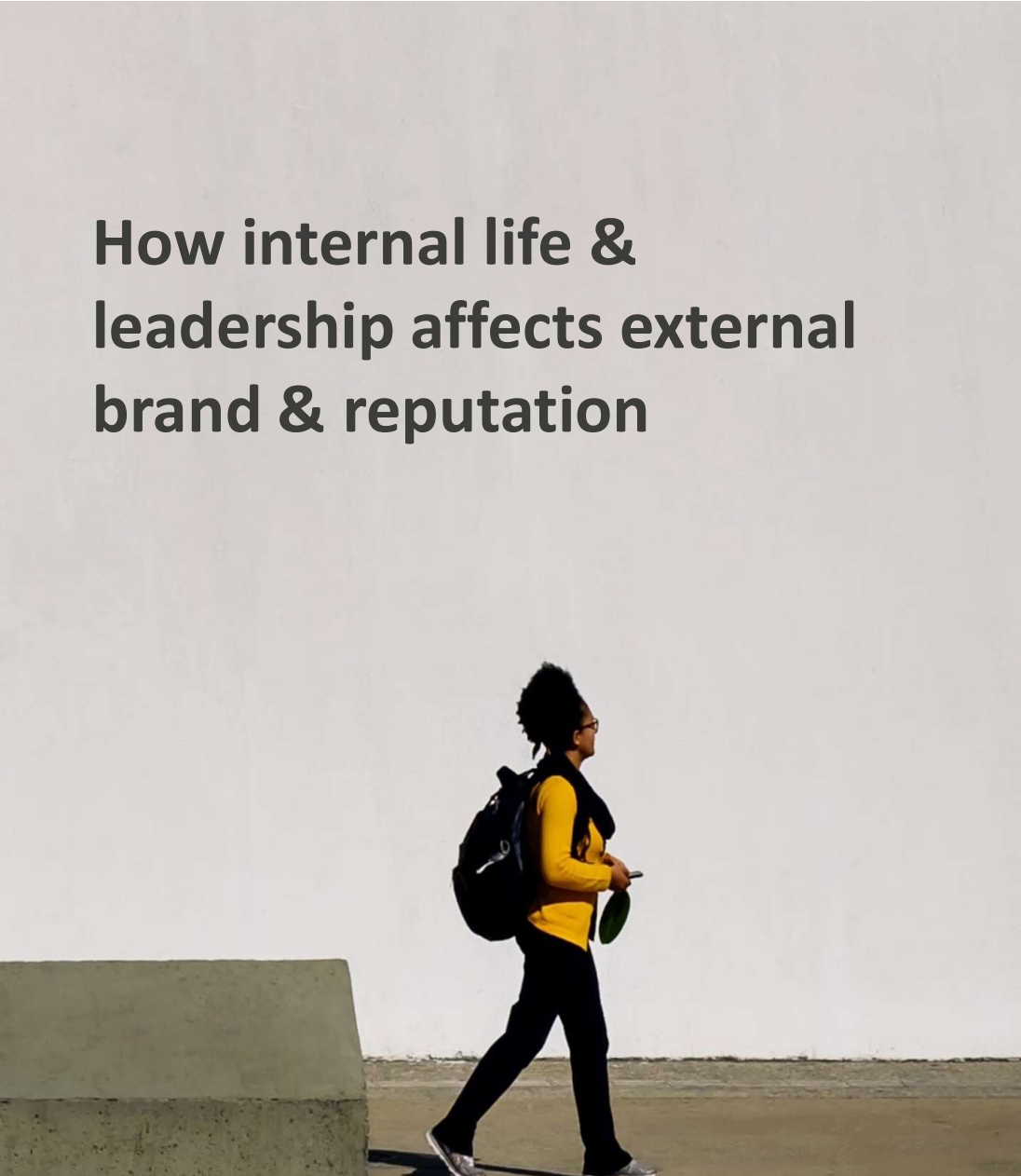
EXISTING BENEFIT SELECTION				
GROSS SALARY	BENEFIT COST (SALARY SACRIFICE)	ESTIMATED TAX & NI	BENEFIT COST (FROM NET PAY)	ESTIMATED TAKE HOME PAY
£2,583.33 / mo	- £172.50 / mo	- £478.82 / mo saving £55.20	- £0.00 / mo	= £1,932.02 / mo
BENEFIT COST TO YOUR EMPLOYER				
£99.07 / mo				



Elevate your business' reputation in annual reporting via a powerful narrative

Suzanne Clarkson

How internal life & leadership affects external brand & reputation



- Brand & reputation used to be created by companies – it's now bestowed upon you by your people
- Your employees are your most important customers: their opinion is everything
- The pandemic has shone a light on all of this like never before
- Build on all that great work, don't lose it



Reputation winners and losers

- The importance of storytelling
- From tick box...NED role with workforce engagement responsibility only
- To top notch...a strong & coherent narrative



Integrating all facets of engagement Including an emphasis on pay fairness, diversity and inclusion



In conclusion

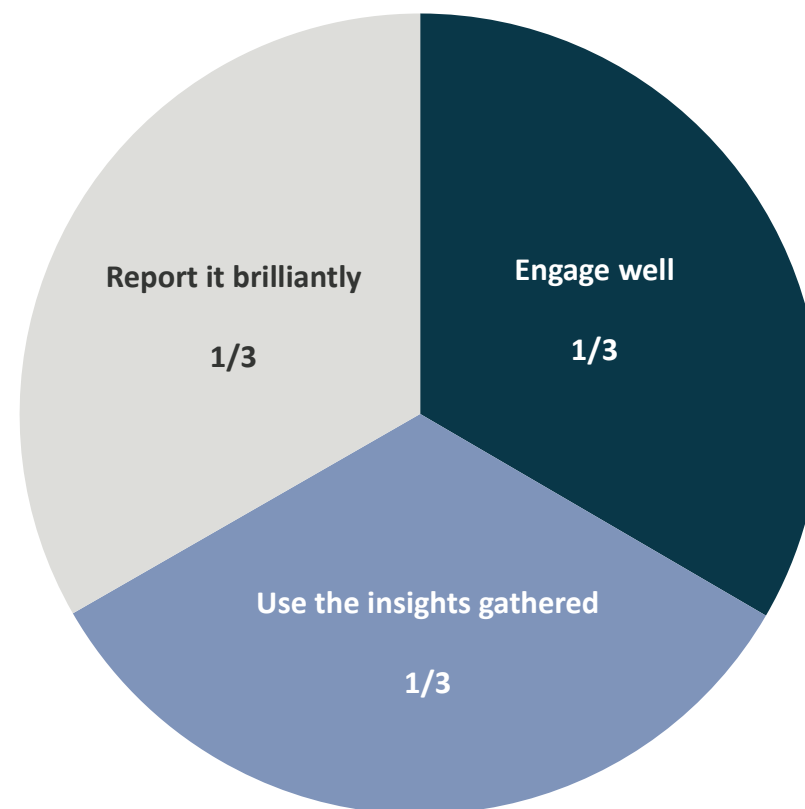


Why company valuations now rest on workforce engagement.



Learnt today that effort needs to be balanced to derive more value from the process

- You cannot use the insights gathered from poor engagement
- You cannot win a prize for the brilliant reporting of workforce engagement that you take no action from
- Enabling an action plan is difficult recognising that the solutions are often disparate
- BUT the move from tick box compliance to meaningful insight is certain





Questions





We will email you links

- Recording link to today's webinar
- Link to slide deck
- Look out for future invite to next Webinar based on what we learnt



Thank You