

Share Plan Survey – Key Results

Why have a share plan?

The results from the Computershare Share Plan Survey clearly highlight the major benefits to a company of providing an employee share plan. They show that Plan members work harder, stay with a company longer and take a greater interest in the finances of the company. The evidence for this is shown below, with the key results broken down by region.

1. PLAN MEMBERS WORK HARDER

THE SURVEY FOUND PLAN MEMBERS WERE <u>MORE</u> LIKELY TO:	Australia	South Africa	UK & Ireland	USA
Think the Plan had a motivational impact on them	Yes	Yes	Yes	Yes
Say they worked harder than non-members	Yes		Yes	
Rate themselves above the hard work rate they gave others	Yes	Yes	Yes	
Say that they went the extra mile in their job every day			Yes	
Work beyond their contractual hours	Yes		Yes	Yes
Monitor colleagues' work and flag it up if they think they're not doing a good job			Yes	Yes

- In Australia, the UK and Ireland a significant percentage of members work harder than non-members
- In the UK and Ireland 82% of members are likely to speak to a supervisor if they think a colleague is not doing a good job, versus 49% of non members
- In Australia and South Africa 62% of members rated themselves as working harder than others at their workplace, compared to 47% of non-members
- In the USA 57% of members work overtime in a given week, versus 41% of non-members.

2. PLAN MEMBERS STAY WITH A COMPANY LONGER

THE SURVEY FOUND PLAN MEMBERS WERE <u>LESS</u> LIKELY TO:	Australia	South Africa	UK & Ireland	USA
Be actively looking for another job in the coming 12 months		Yes	Yes	Yes
Be absent from work		Yes	Yes	Yes

- In Australia Plan participation reduced the likelihood of quitting among those making higher monthly contributions; this was also evident in South Africa
- In the UK and Ireland Plan participation reduced the likelihood of quitting regardless of the contributions made to the Plan and the size of the shareholding
- For the USA, the probability of quitting was reduced by 11 percentage points if people were in the Plan.

3. PLAN MEMBERS TAKE A GREATER INTEREST IN THE FINANCES OF A COMPANY

THE SURVEY FOUND PLAN MEMBERS WERE <u>MORE</u> LIKELY TO:	Australia	South Africa	UK & Ireland	USA
Be more concerned about the financial fortunes of the firm	Yes	Yes	Yes	Yes
Have greater organisational loyalty		Yes	Yes	
Share the company's values			Yes	
Have more positive attitudes regarding the company being a good place to work			Yes	Yes

The percentage of Plan members that took an interest in the company's financial performance on a weekly or more regular basis:

- Australia 91% (compared to 70% of non-members).
- USA 89% (compared to 50% of non-members)
- South Africa 68% (compared to 49% of non-members)
- UK and Ireland 45% (compared to 18% of non-members)

Increasing Participation and Depth of Ownership

The survey also demonstrated that Plan effects were larger among those members with greater contributions and share holdings (depth of ownership).

The benefits shown below increase with depth of ownership:

- **UK and Ireland** – going the extra mile in their job every day, working above their contractual hours, increasing workers' own motivation, reducing absence rates, increasing sense of co-ownership and organisational loyalty
- **USA** – working above their contractual hours, increasing workers' own motivation, reducing the probability of quitting, reducing absence rates and increasing the sense of co-ownership
- **South Africa** – working harder than others and reducing absence rates
- **Australia** – working above their contractual hours, acting to reduce co-workers shirking, reducing the probability of quitting, increasing sense of co-ownership and organisational loyalty.

HOW CAN COMPANIES INCREASE THE SPREAD OF PLAN UPTAKE?

- **Educate employees**

Joining a plan is a conscious decision - the percentage that join automatically is 17% in the USA, 15% in Australia, 10% in South Africa and 5% in the UK and Ireland

- **Get colleagues to act as advocates**

In all regions employees were likely to discuss Plan membership with fellow employees - these discussions were perceived to be the most important ones in deciding whether or not to join

- **Improve your plan documentation with 'case studies' and testimonials, particularly around the investment opportunity**

Most employees will review the options and then consciously decide whether to join - the investment opportunity was the main reason given for joining a plan in all regions

- **Test your documentation to ensure that people understand what you're offering**

Not understanding the Plan was given as a reason for not joining - by 19% in Australia, 14% in South Africa and USA and 10% in the UK and Ireland

- **Do regular follow-ups at appropriate times, don't just leave it to the induction and the company handout**

Many employees were found to be thinking of joining the Plan - 40% in South Africa, 34% in Australia, 17% in the USA, UK and Ireland, these just needed tipping over the edge.

HOW CAN COMPANIES INCREASE DEPTH OF OWNERSHIP?

- **Work on a mechanism to get people to regularly review their contribution**

Most Plan members said they had never reviewed their contribution level - 72% in Australia, 67% in South Africa, 60% in the UK and Ireland and 59% in the USA

- **Increase understanding of Plan mechanisms to get greater involvement**

The majority of employees said they didn't understand one or more aspects of Plan membership - 87% in Australia, 80% in USA, 78% in South Africa and 74% in the UK and Ireland

- **Devise ways to facilitate long term ownership, rather than allowing people to clear out after 3 years**

In all regions depth of ownership maximised plan effects.

CONCLUSIONS

The Share Plan Survey results provide robust proof of the link between plan membership and employee behaviour. It offers pointers for Plan design and key indicators for Plan communication.