

Best Reward and Recognition Strategy

Winner

Howdens Joinery

In the summer of 2021, Howdens Joinery wanted to give something back to employees that would not only benefit them financially, but encourage them to really put their weight behind the firm – it wanted employees to ‘buy in.’

Howdens is no stranger to employees owning shares, having granted free shares to employees for many years. But seeing significant interest among employees, the joinery firm decided to launch a buy as you earn (BAYE) tax-advantaged share incentive plan (SIP) for 10,500 employees across the UK.

At its core, the SIP reflected the firm’s ethos, inherited from its founder, of sharing in success with the staff who made it. At the time, Howdens’ stock was soaring after the Covid redecoration boom, and with inflation starting to bite it was a good time to strengthen its benefits package. Howdens assembled a project team from across the HR disciplines and got to work.

From the outset, the team knew the scheme had hurdles to clear. SIPs are notoriously complex, and Howdens has an extremely diverse workforce, from factory operatives to kitchen designers. Accessibility would be key.

The team opted for maximum flexibility. Employees would be able to enter the scheme from day one of employment, and opt in or out at any time, meaning they can put money aside when times are good, or reduce the amount they’re saving without penalty in a pinch.

Given that shares are bought as a deduction from gross pay, the scheme would, without care, favour higher earners.

Howdens decided, therefore, to put its share-matching budget of £513,000 towards a more generous match on the first £600 worth of shares, rather than matching the full annual limit of £1,800. Those who could not afford to contribute more than £50 per



month would now not miss out on any matching shares.

It’s not just financial complications that put people off SIPs however. For many the whole idea might seem too complicated.

Howdens’ internal comms team therefore put together a comprehensive internal push to educate employees and encourage uptake

of the scheme. This included videos from both the CEO and company secretary – for which employees were encouraged to provide written feedback.

A new microsite, brochure, email, paper invitations and messaging through the intranet and email systems, alongside in-person briefings, all built on these efforts.

The campaign was a success. Within three weeks of launch, 22% of eligible employees applied to join the BAYE plan, beating industry benchmarks.

This proportion has only grown – to 23.5% by July 2022 – and this despite a 22% total increase in the number of employees eligible to join the scheme, as 2,300 new employees joined the business.

In that period, contributions totalled nearly £2.1 million.

The judges were impressed with the strategy’s return on investment (at £48 per head) and clear alignment with incentivising productivity, alongside the strategy’s “innovative ideas in the design and means of communication.” **HR**

Shortlisted

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Ocado Group in partnership with Benefex

E.ON in partnership with Edenred

Suez Recycling and Recovery UK

The Institute of Export and International Trade

University of Lincoln