

Encouraging take-up of benefits options at Baker Hughes

How Baker Hughes used a multi-channel communication campaign, including interactive dialogue tools as part of an email campaign, to engage and educate 35,000 employees about the benefits of its employee stock purchase program.

by Ila Owers, senior compensation specialist, Baker Hughes

Baker Hughes, an oilfield services company with employees stationed across 90 countries, noticed that employees were displaying a knowledge gap regarding the benefits of its employee stock purchase program (ESPP).

Furthermore, the cumulative average growth rate regarding new employee sign-ups and current employee contributions had been relatively stagnant since 2002. With the 2008 enrolment deadline fast approaching, Baker Hughes' HR Communication team was charged with creating an effective communication program to significantly increase ESPP participants and boost current employee contributions.

Aligning benefits to values

Baker Hughes' "Core Values" and "Keys to Success" are the basis for establishing a common culture for the organization, and it's critical for our benefits programs, including the ESPP, to align accordingly. Our Core Values are:

- Integrity
- Teamwork
- Performance
- Learning

Our Keys to Success are four priorities that guide our decision-making process:

1. Engage people
2. Deliver value
3. Be cost efficient
4. Resource effectively

How performance contributes to share price

In keeping with the culture at Baker Hughes,

the ESPP aligns employee performance with shareholder values (return, profitability and viability). If employees are also shareholders there can be a greater connection regarding how performance can contribute to share price. Employees who feel a degree of ownership in the company will generally work hard to ensure a shareholder return and increased company profitability.

The ESPP is part of the overall compensation package and helps support employee retention and engagement efforts. It allows employees to invest in their future and participate in the ownership of the company by purchasing Baker Hughes common stock at a discounted rate. Employees can choose to contribute up to 10 percent of their base salary, starting in January and continuing through until November each year.

Working effectively with other functions

Baker Hughes operates a centralized global HR function, which coordinates programs with all business units and regional divisions. Baker Hughes' Total Rewards group is under the umbrella of Corporate HR and interfaces with cross-functional partners to manage ESPP sign-ups.

To significantly increase ESPP enrolments in 2008, the Total Rewards group worked with the HR functions (benefits, local HR teams and payroll), corporate marketing and IT to help execute its multi-channel ESPP communication campaign. The various HR teams would take part in online meetings and go through demonstrations of how to enrol in the plan. These HR employees



would then do the same demonstration to groups of 15-20 employees at a time.

Paying attention to language

Within a tight three-week window of opportunity in November 2008, Baker Hughes launched a multi-channel and multi-language communication campaign to increase global enrolments before the 2008 deadline expired. Taking into account delays caused by Hurricane Ike which struck Houston, Texas (where Baker Hughes' headquarters are based) in September 2008, we had to limit our focus on translating the communication and engaging employees in our seven regions with the greatest amount of employees.

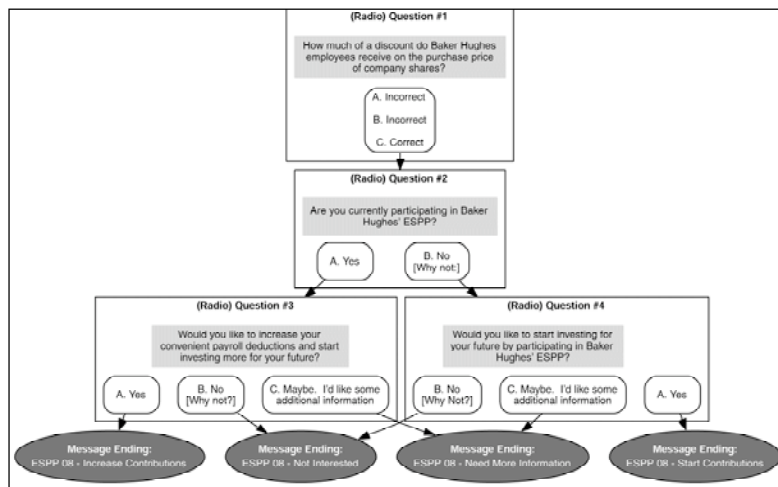
The language groups consisted of: English, Spanish, German, Arabic, Russian, Portuguese and Norwegian. Spending the time and resources to communicate the ESPP to employees in multiple languages communicates that the company values their participation and also results in a greater likelihood of domestic and international sign-ups.

"my espp"

The Total Rewards group created a new ESPP brochure and translated it into six languages. We decided to completely update the format, design and language. (See online version of this article for examples of the brochure for 2008, and the updated version for 2009.)

The goal was to make the brochure, as the key educational channel that would communicate the value of the program, clearly understandable and action oriented. The group also wanted to create consistency and match the design elements of branding with the other benefit programs at Baker Hughes (these include health and welfare

Figure 1. The four-question poll used at Baker Hughes



and retirement plans). A major shift in positioning was the focus on the word “My”, as in “my esp”. The new branding is meant to encourage employees to take more ownership and accountability in learning about and selecting their benefits; employees are in control of their future retirement plans and investment needs.

Ensuring understanding using face-to-face communication

In an effort to speed up access to information about the ESPP plan and support environmental initiatives (reduce print and transport expenses), the brochure was available in PDF format and promoted via emails and on the intranet. The focus on electronic versus print communication resulted in cost savings of approximately \$20,000. Employees without regular email or online access (approximately 20 percent of the Baker Hughes workforce) were informed of the ESPP plan by their local or on-site HR representatives. For these employees the redesigned PDF was printed.

To ensure that the ESPP brochure was not only being read by employees, but more importantly understood, the Total Rewards team also organized face-to-face meetings between employees and local HR teams. These intimate groups discussed the enrollment process and answered related questions. The Total Rewards team also distributed weekly email reminders that were translated and targeted at each division, to ensure message frequency and consistency.

Interactive poll

In an effort to increase ESPP enrolment

solutions provider, PollStream.

A total of 35,600 global employees were sent the interactive poll via an HTML email. To satisfy the language requirements of its global employees, Baker Hughes emailed the poll to 9,650 global employees in six languages other than English. The poll was carefully designed with multiple “branches” and “endings” to help engage, educate and inform employees in a measurable two-way dialogue, designed to be a rewarding exchange that drove employee action (see Figure 1, above).

Measuring employee take-up

As a result of the multi-channel campaign, 1,700 new employees (an increase of 16.4 percent from the previous year) signed up for the ESPP program and 925 previous participants decided to increase their contributions.

By distributing communication in seven different languages, the company experienced an international (non-US English speaking) increase of 13.9 percent. In terms of the

during the last week of the campaign, for a final push the Total Rewards team used a poll-in-email solution from interactive engagement and community building

CONTACT

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campaign’s final push, over 1,400 employees interacted with the four-question poll and 444 of those employees declared that they either wanted to increase contributions or start participating with the ESPP. Specific employee declarations prompted the poll to serve up relevant content to educate employees about the best method to increase their contributions. The purpose of the poll was not to obtain insight, it was to drive action (employee sign-ups) and influence behavior.

Using PollStream’s prompt for comment feature, employees provided more than 300 comments to help the HR Communication department better understand general perceptions of the ESPP (why employees aren’t contributing or increasing their contributions), allowing them to better position the program in the future. Employee feedback provided from the prompt for comment feature told us that employees who lived “paycheck to paycheck” found it difficult to sacrifice even part of their earnings to the savings program.

In response, we’re planning a communication program around how employees can save money in general.

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