

A photograph of a man with a beard, wearing a dark blue sweater, holding a baby in his arms. They are in an office environment with a laptop and a stack of papers visible in the background. The man is looking down at the baby with a gentle expression. The baby is wearing a light-colored long-sleeved shirt and dark pants. The overall scene conveys a sense of care and stability in a professional setting.

Restoring Stability: Emerging Principles and Priorities

Recap of May 15, 2020 webcast

The COVID-19 pandemic underscores the material value of the health and contributions of people to business success. Unlike previous crises that may have been spurred by climate factors, or political, or financial factors, this crisis was driven by the inability of people to work normally, consume normally and operate in society normally. Consequently, to restore stability we need to revisit our operations, programs and policies, reimagining many of them for flexibility, resiliency and efficiency.

In our previous webcasts, we outlined three stages of actions: managing through the crisis, restoring stability and operating post-crisis. Most companies in North America are either at the end of the first stage or deep into stage two. Stage one involved a constant cycle of reacting, adapting and sustaining. While most companies were caught off-guard by the pandemic and took a reactive approach to stage one, employers can plan for stage two and the reopening of our workplaces. This period of restoring stability is going to last until we have immunity to the virus either through a vaccine, herd immunity or a therapeutic treatment. Therefore, employers must learn to operate in the face of this uncertainty.

Health and wellbeing programs

During the first stage of the pandemic response, employers were focused on immediate actions needed to protect the safety and wellbeing of employees. As companies enter the

next stage focused on restoring stability, they face a different set of challenges including supporting employees in three different situations: those who will continue to work remotely, those who are returning to work in an office environment and those who never left the physical workplace. To help ensure their long-term success, many companies will need to reset their benefits and wellbeing programs to meet changing needs of their business and their workforce.

In a recent COVID-19 benefit survey, U.S. employers cited the following as their top three benefit priorities over the next six months:

- Communicating on benefits and wellbeing programs that might be important to employees at this time. As most companies are very focused on containing cost, getting the most value out of an existing program is a top priority.
- Enhancing mental health services and stress/resilience management.
- Revisiting (likely to) their health care strategy for 2021 as a result of COVID-19 (to a moderate or great extent).

From a wellbeing perspective, it will also be important for employers to focus on and promote emotional wellbeing programs such as add-on EAPs. In addition, they should develop a comprehensive safe return to the workplace plan as well as leader and manager wellbeing toolkits.

Retirement and financial wellbeing

Actions that employers have taken in this area have varied significantly based on individual company circumstances. It is critical for employers to execute their short-term financial management strategy. In the U.S., two-thirds of employers have taken steps to increase employee access to retirement savings during the pandemic through loans and in-service withdrawals from savings plan.

Other steps employers should consider taking include: measuring and assessing the impact of the economic downturn and participant behavior on savings; modelling the impact of cost management actions, changes to economic and workforce projections; and, evaluating the effect of the crisis, and identifying desired program design, financing, and governance options.

Lastly from a financial wellbeing perspective, our recent COVID-18 benefit survey indicates that assessing and addressing employee's affordability and financial wellbeing is a key concern.

Impact of changes in work, rewards and employee experience

Our research indicates that 57% of employers have shifted or will shift how and where work is done due to the pandemic. Moreover, there's been an uptick in organizations increasing the use of automation. For example, in financial services, firms have implemented robotic process automation and use chat bots to help process loan requests. This is prompting organizations to think about the optimal combinations of human talent and automation, and to address the need for reskilling and upskilling to ensure the continued relevance of the workforce.

Employers are re-assessing and adjusting rewards to align with new ways of working and emerging priorities. They are also focused on cost containment, with 23% having completed salary reductions. It's not surprising that nearly 45 percent of organizations are assessing, adjusting and rebalancing their Total Rewards programs and budget in next three to six month. Organizations need to be flexible in the face of changing conditions and to strike a balance between cost containment and ensuring a strong value proposition for critical roles.

The pandemic has significantly altered the employee experience as we knew it. For example, nearly 60% of organizations say their work-from-home policies will remain post pandemic. This will impact how employers must shape the employee experience – in particular how they manage, develop and support employees, and how they communicate with them. This will require listening to employees and involving them in the redesign of the employee experience. Employers recognize the importance of understanding the employee perspective as they plan to reset their operations. In fact, 69% of organizations have increased their listening efforts during the pandemic.

Workplace safety

There are four key questions that organizations should examine during the reopening or restoring stability process:

- **When should we reopen the workplace?** The answer will vary depending on business conditions. For example, the lack of raw materials due to supply chain disruptions may prevent certain businesses from resuming operations immediately.
- **Who should return to the workplace?** Some workers may continue to work from home given that the remote working model seems to be delivering good results in many organizations. In answering this question, employer will want to determine which positions are really essential to their business operations.
- **How can we best protect workers?** Many businesses are staggering the restarting of their business operations just to make sure that they can do it in a safe and efficient manner. It's important to have a plan and someone who is managing that plan. You will need to ensure that requirements for social distancing will actually work in your particular business environment whether a manufacturing plan or retail operation. It's also critical to provide employees with the necessary personal protective equipment (PPE) and ensuring an adequate supply.
- **What about testing or screening?** Given the challenges of securing high quality testing at the moment, some organizations have turned to screening. Employers need to ensure that they have the right screening equipment and people qualified to do the screening.

There are also Workers Compensation considerations. Some workers may feel uneasy and anxious about returning to the work. It is important to communicate with employees early and often to help allay any of their fears. Employers also need to address worker readiness and tackle issues such as changing sleep cycles, shift changes and in some cases, lack of conditioning for certain physical tasks. It is also vital to address issues around new screening processes and availability of PPE. Additionally, employers should provide training on new process and roles, and on new safety measures.

Key elements of a reopening playbook should include: operating protocols, pandemic response team, PPE disinfection and social distancing, pre-return to work communication, facility signage and restarting facility.

Screening and testing

Employers should recognize that screening and testing are just a snapshot in time. For example, you can have a situation where someone tests negative in the morning and then contracts the virus from someone they encounter when they go out to lunch. We are following up on a number of issues related to testing including costs, invasiveness, logistics, effectiveness of the approaches and sustainability.

Screening would include thermal scans or taking a temperature and completing a symptom questionnaire very quickly. Best practice would involve doing these checks on a daily basis.

Key considerations regarding a safe reopening include:

- How should our approaches differ between initial workplace reopening's vs. ongoing operations?
- How should approaches differ in regions that are "hot spots" for the virus?
- How can local health provider testing capabilities be leveraged?
- What tests should be considered at diagnosis? To validate return to workplace?

In addition, it's essential to evaluate geographic differences and social determinants of health, and to enhance wellbeing programs to support an organization's restoring stability strategy.

Communication

Clear, timely and succinct communication will be a critical part of the reset. Employers should have a thoughtful communication strategy that addresses employee concerns, needs and challenges, and communicates what the organization is doing to keep employees safe and support their wellbeing. Communication should be sustained, relevant and segmented, recognizing that personal work situations may vary from one employee to the next.

The role of the manager is especially crucial in communicating with employees and increasing their sense of security in coming back to work. Managers must be able to address the issues of employee fear and safety. Yet only four out of ten employers offer or plan to offer training on topics such as the science of anxiety. Without being able to recognize the signs of anxiety, it's difficult for managers to be able to provide support to employees. Managers also have a strong understanding of the benefits and resources available to support employees' health, finances and emotional wellbeing. And they need to be able to effectively communicate information about these benefits and resources in a timely manner.

Facility considerations

Employers should consider the following points when opening facilities:

- Ensure that fire protection and alarm systems are inspected, tested and maintained as required to be in compliance with local fire codes.
- Restart utilities and equipment that may have been shut down during last 60 to 90 days and check preventative maintenance program status.
- Assess supply chain resiliency. Determine if key suppliers are back in business and if you need buffer inventory.
- With an influx of new inventory, ensure proper storage practices.
- Update business continuity plans and conduct a debrief on return to work that includes lessons learned.

Planning for heightened financial and management liability risk

Directors and officers liability insurance. As organizations move through the crisis and look to restore stability it is worth checking on the status of directors and officers liability insurance (D&O). This is a tool to help protect leaders and companies from claims and other losses that they may incur in leading and managing the business, especially through the crisis to stability. D&O gives directors and officers confidence that their personal assets will be protected and that they will be able to defend themselves in the event of a lawsuit.

Other types of financial lines risk. Given the ongoing level of workplace disruption, employers need to be mindful of cyber threats and increased vulnerability to socially engineered hacks. In addition, it's crucial to take into account heightened exposures to discrimination and harassment liability, and increased risk from workforce or compensation changes.

In the second stage of their pandemic response, employers must lead through change, develop new ways of working and make work safe for all employee segments. In the process, they will restore stability and regenerate human capital value.

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