

Navigating the COVID-19 Crisis: The New Normal of the Workforce

Human Capital Guidebook for Leaders
Sharing by Willis Towers Watson for the Malaysia Context

April 2020

Willis Towers Watson has prepared this material for general information purposes as a preliminary response to the unfolding crisis. The contents of this document is based on our point of view on the COVID-19 situation and the implication it has on the workforce. In particular, its contents are not intended by Willis Towers Watson to be construed as the provision of legal, or other professional advice or recommendations of any kind, or to form the basis of any decision to do or to refrain from doing anything. The COVID-19 situation is dynamic, with changes happening on a daily basis. This document thus represents Willis Towers Watson's view at a particular point in time and will be updated from time-to-time as the situation progress. We advise that you make your own assessment as to the appropriate course of action to take using this presentation as a guide. Please take into consideration local laws and guidance, including the most recent advice issued by health authorities before making any decisions.

Covid-19 – The Implications

The Covid-19 pandemic has fundamentally changed the ability for people to work normally, companies to operate effectively and markets to function efficiently. The pandemic has demonstrated the material value of the health and contributions of people to a company's business success.

Some estimated 3 billion of the world's population is under some form of lockdown instituted by governments around the world in response to the pandemic. In Malaysia, the government has implemented the Movement Control Order (MCO) starting from 18th March along with financial stimuli to protect the economy.

Concurrently, all companies are likely to suffer on several fronts such as supply chain disruption, increased commercial and human capital risks, financial impact, reduction in workforce productivity and shifts in types of work. While companies in different geographies are impacted at different times and industries in different ways, a set of common characteristics and effective responses has emerged.

This document is meant to support senior leaders in responding to the Covid-19 pandemic by outlining its impact to the workforce, the potential scenarios arising from the pandemic and leadership actions that can be taken.

Content covered to guide CEOs and CHROs

- **Challenges in managing a dispersed workforce**
- **Potential scenarios to inform action planning**
- **Guide and action items for senior leaders to consider**
- **Ideas in brief for medium and long-term planning**
- **Guiding principles and framework to manage work from home**

Executive Summary

The Covid-19 pandemic situation and its impact to the workforce provides a defining leadership moment for CEOs and Chief Human Capital Officers to navigate the crisis by underwriting the organization and people risks to safeguard the business for now and the future.

Now more than ever, in this time of uncertainty and ambiguity it is critical to make decisions and take actions to address immediate and short-term priorities as well as medium-term needs and longer-term business objectives.

We present leadership actions that can be taken across three distinct stages, the key scenarios and its priorities to address the current realities and prepare for the journey forward to protect, preserve and create human capital value.

Addressing these priorities, alongside a focus on the intersection of employee and company wellbeing and adopting an agile and continuous learning mindset will be key to get through this difficult time and be ahead of the curve in the 'new normal' post the Covid-19 situation.

Three distinct stages

1 | Managing through the crisis
Protect and Preserve Human Capital Value

2 | Restoring stability
Regenerate Human Capital Value

3 | Operating post-crisis
Sustain Human Capital Value

Key scenarios and priorities

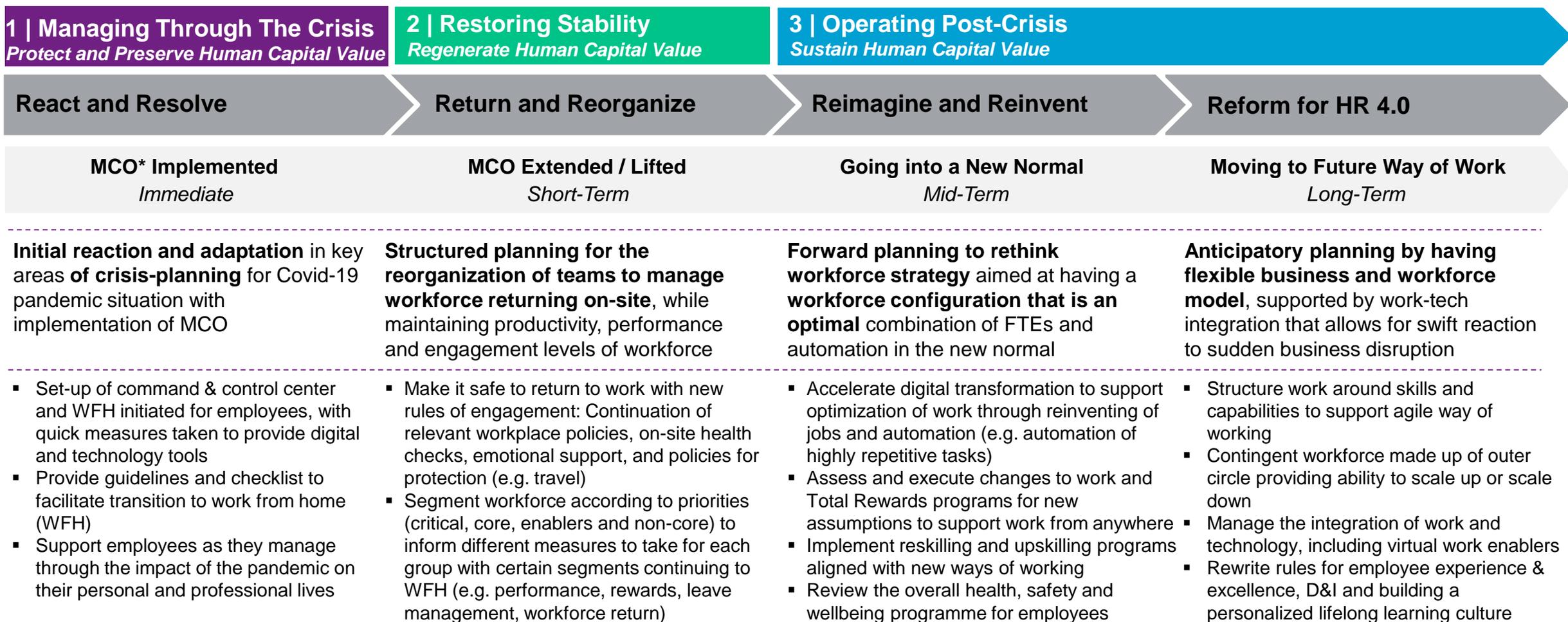
Reacting and Resolving the sudden transition of work from home for employees by ensuring critical enablers are in place

Returning and Reorganizing the workforce to restore stability and enhancing HR programs to further support a dispersed workforce working from anywhere

Reimagining and Reinventing the way work is done by looking at different work alternatives vis-à-vis the performance and value delivered

Reforming for HR4.0 to enable a positive transition to the future way of work by defining how work is experienced, how it is done and how the workforce evolves to be a combination of full-time employees, contingent workforce and automation

Three distinct stages and key scenarios that will impact the workforce and inform immediate, short-term and mid- to long-term actions to underwrite organization and people risks



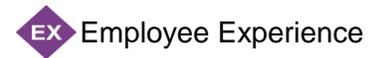
Actions are underpinned by the way people work and are rewarded while managing employees' experience and their wellbeing

*Movement Control Order - MCO

React and Resolve – Guide and action items to focus on



Work



Employee Experience



Total Rewards



Wellbeing

1 | Managing Through The Crisis

Protect and Preserve Human Capital Value

React and Resolve

MCO Implemented

Immediate

Initial reaction and adaptation in key areas of **crisis-planning** for Covid-19 pandemic situation with implementation of MCO

- Set-up of command & control center and WFH initiated for employees, with quick measures taken to provide digital and technology tools
- Provide guidelines and checklist to facilitate transition to work from home (WFH)
- Support employees as they manage through the impact of the pandemic on their personal and professional lives

Move to remote work

- **Implement work from home arrangement** and provide necessary digital and technology tools & enablers (e.g. laptop pool, BYOD, video conference facilities, file sharing etc.)
- **Establish guidelines** for tracking and monitoring employees' performance and productivity (e.g. templates for managers / individuals)

Revise critical SOPs

- **Review and revise SOPs** that are important and impacted (e.g. WFH policy, leave management, sick leave, health & safety SOPs, performance management, temporary pay and benefits)
- **Eliminate 'hierarchical layers of approval'** to focus on critical approvals only

Shift benefits / assistance allowances

- **Shift portion of benefits / allowances** to cover critical items that are work and crisis related (e.g. laptop, Wi-Fi, headsets etc.)
- **Review claims management** to support employees making own purchases to have work capabilities at home

Overcommunicate

- **Ensure on-going communication** to all stakeholders on preventive measures (e.g. BODs, leadership team, managers, employees, customers, vendors etc.)
- **Provide FAQs for employees** to refer to that is updated on regular basis (e.g. do's and don'ts, emergency response protocols, health & safety awareness, WFH tips)
- **Establish an 'open line' for employees** to reach out on any concerns they may have (e.g. weekly chat session with leadership team)

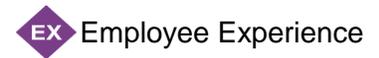
Protect physical health

- **Identify high-risk population** (on-site and older employees) and implement health, safety and well-being protocols. Exclude workers or visitors at high risk (e.g. workplace cleaning, temp. checks)
- **Distribute and provide health, safety and well-being guidelines** that covers home situations
- **Provide access to telemedicine** for employees to reach out for support, including family wellbeing support

Return and Reorganize – Guide and action items to focus on



Work



Employee Experience



Total Rewards



Wellbeing

2 | Restoring Stability

Regenerate Human Capital Value

Return and Reorganize

MCO Extended / Lifted
Short-Term

Structured planning for the reorganization of teams to manage workforce returning on-site, while maintaining productivity, performance and engagement levels of workforce

- Make it safe to return to work with new rules of engagement: Continuation of relevant workplace policies, on-site health checks, emotional support, and policies for protection (e.g. travel)
- Segment workforce according to priorities (critical, core, enablers and non-core) to inform different measures to take for each group with certain segments continuing to WFH (e.g. performance, rewards, leave management, workforce return)

Plan for return to work

- Segment workforce** to determine priority groups to return to work – what roles are truly pivotal?
- Reset and reorganize the workforce** under new assumptions, protocols, focus areas and pace to help bring people back to work
- Invest in the infrastructure** required for the “new normal” with a focus on health, safety and wellbeing (e.g. separate lunch time / site, providing masks etc.)
- Leaders to establish and lead the way** in new ‘rules of engagement’ (e.g. work protocols, maintaining safety distance, close contact etc.)
- Seize opportunity to redeploy talent** to support business priorities (e.g. parts of business with higher impact)

Train & empower leaders

- Ensure visibility and enablement of leaders and managers** to lead through change, restoring stability
- Provide supervisor training** on preventing spread of Covid-19, exclusion of workers with symptoms, avoiding stigma, managing out-of-sight out-of-mind biasness, showing empathy etc.

Review implications to PM & Total Rewards

- Readjust performance goal and rewards** to reflect current conditions and future outlook
- Protect key elements of Total Rewards** (e.g. moving part of variable and/or senior compensation to cover base salaries and benefits)
- Develop retention programs or special pay premiums** for select workers (e.g. frontline)

Protect emotional health & financial security

- Implement active listening strategy** to understand emotional, physical and financial concerns and stress points
- Execute wellbeing strategy** as employees return to work covering on-going hygiene, workplace safety and mobility and travel policies
- Review benefits programs** to extend and cover emotional health
- Focus on the financial wellbeing** of your most vulnerable employees (e.g. employees below min. wage, OT reliance, combined household income)
- Support employee access** to available government programs

Reimagine and Reinvent – Guide and action items to focus on



Work



Employee Experience



Total Rewards



Wellbeing

3 | Operating Post-Crisis Sustain Human Capital Value

Reimagine and Reinvent

Going into a New Normal Mid-Term

Forward planning to rethink workforce strategy aimed at having a **workforce configuration that is an optimal** combination of FTEs and automation in the new normal

- Accelerate digital transformation to support optimization of work through reinventing of jobs and automation (e.g. automation of highly repetitive tasks)
- Assess and execute changes to work and Total Rewards programs for new assumptions to support work from anywhere
- Implement reskilling and upskilling programs aligned with new ways of working
- Review the overall health, safety and wellbeing programme for employees

Review workforce strategy and configuration



- Review options for new ways of working**, reinventing jobs based on ROIP, automation and technology, to support workforce planning and scaling strategy
- Develop workforce solution roadmap** to move towards optimal workforce configuration, supported by automation and digitization
- Identify and implement reskilling and upskilling pathways** for talent whose work is being transformed by automation

Redesign PM & Total Rewards



- Review and redesign Performance Management and Total Rewards programs** to support work from anywhere and for sustainability and cost flexibility
- Review 2020 short- and long-term incentive plans** in light of COVID-19, economic conditions and business performance/outlook
- Develop retention program for critical talent** as needed
- Look at options to simplify HR programs** (e.g. performance management, year-end calibration, talent acquisition)

Implement employee listening strategy & purpose-led leadership



- Implement robust and ongoing employee listening strategy** to track the success of return to productivity and business performance
- Go beyond respect (**dignity at work**) to finding meaning and purpose in work (**dignity in work**)
- Develop playbooks and guidelines** to 'purposefully' lead, manage and maintain productivity and performance in future crises, and to ensure business continuity

Enhance wellbeing programs



- Enhance wellbeing programme** to align with work from anywhere situation (e.g. necessity of maintaining personal / social connection, 'difficulty to unplug' when working remotely, motivation etc.)
- Implement comprehensive physical wellbeing programs and preventative measures** to manage chronic conditions, vaccination, and incentives for health risk assessment
- Manage residual wellbeing impact of COVID-19** pandemic through the mid-term (e.g. specialized Covid-19 claims management and/or vocational rehabilitation)

Reform for HR 4.0 – Guide and action items to focus on



Work



Employee Experience



Total Rewards



Wellbeing

3 | Operating Post-Crisis Sustain Human Capital Value

Reform for HR 4.0

Moving to Future Way of Work Long-Term

Anticipatory planning by having flexible business and workforce model, supported by work-tech integration that allows for swift reaction to sudden business disruption

- Structure work around skills and capabilities to support agile way of working
- Contingent workforce made up of outer circle providing ability to scale up or scale down
- Manage the integration of work and technology, including virtual work enablers
- Rewrite rules for employee experience & excellence, D&I and building a personalized lifelong learning culture

Shift to future workforce model and broader workforce ecosystem

- **Formalize future ways of working and workforce model** (e.g. automation and digitization, skills-based workforce deployment, contingent workforce, gig talent choices)
- **Implement process automation and technology** to enable operational efficiencies, long-term value and sustainability
- **Build a talent ecosystem** encompassing alternative work models and employ different methods of finding needed skills (e.g. talent platform, freelance etc.)

Implement non-traditional rewards program

- **Differentiate and optimize rewards** to reflect work and skills (e.g. skill-based pay) and evolving employee expectations and needs (e.g. flexible benefits)
- **Expand total rewards policies and programs** to cover alternative employment relationship (e.g. contingent workforce and gig talent choices)
- **Evaluate benefits portfolio** to prepare for future events (e.g. restoration/continuation of Covid-19 programs)

Leverage work-technology integration

- **Manage integration of work-technology** to enable more efficient, collaborative and innovative ways of working (e.g. technology as a driver of remote and virtual work)
- **Build learning infrastructure** to support self-directed learning (e.g. continuous, digitally-enabled learning)

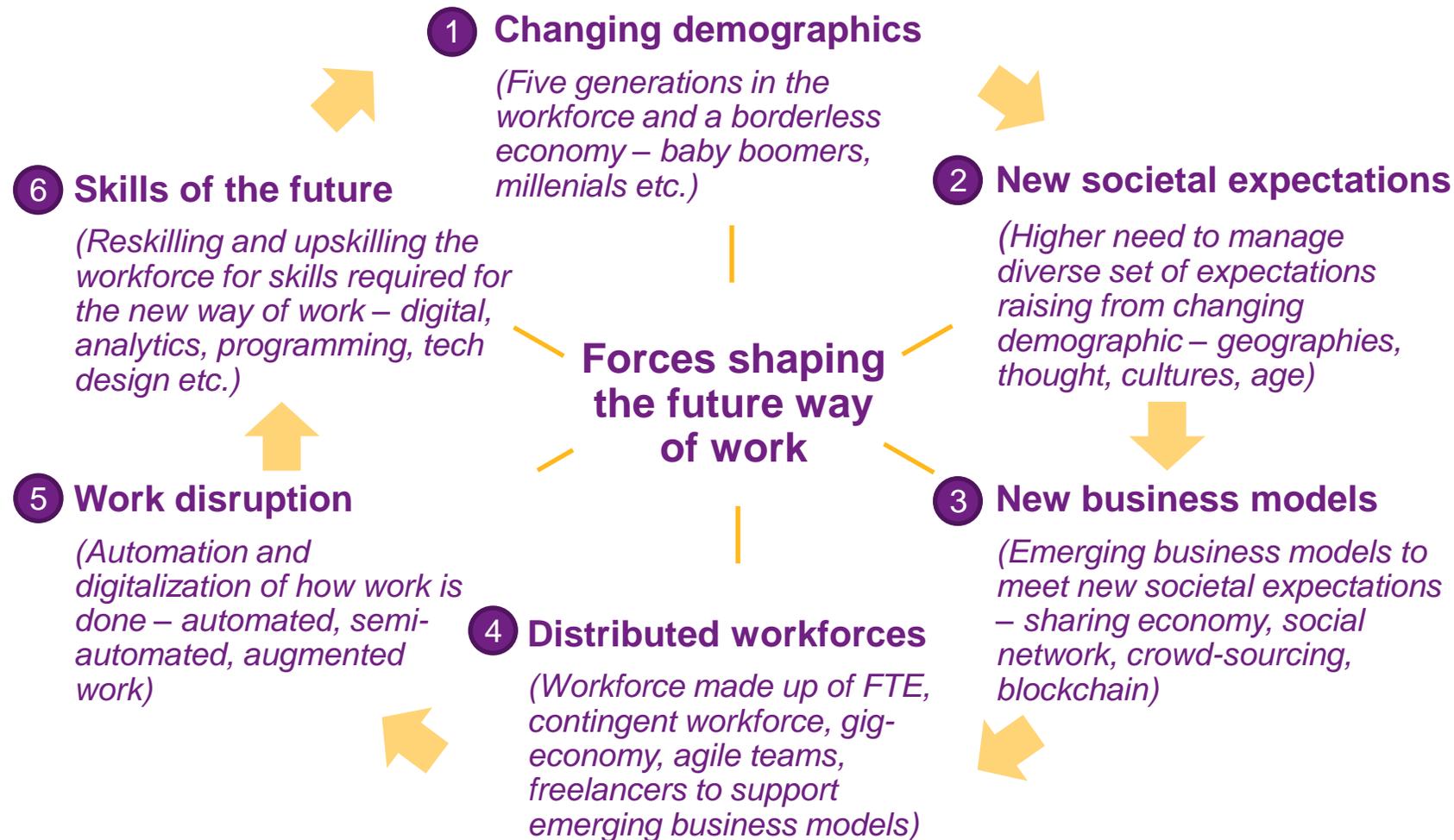
Redefine Employee Experience

- **Rewrite rules for EX and EVP** to accelerate business performance, drive employee engagement and build confidence in future of business (e.g. high-performance employee experience (HPEX))
- **Embed diversity and inclusion** in HR programs to support culture of acceptance, inclusion, dignity, belongingness, and leader enablement

Realign wellbeing strategy for resiliency

- **Continue programs** implemented during the pandemic for 12-24 months
- **Rethink and invest in holistic employee well-being strategy** to improve resilience and sustainability, supported by technology
- **Align spend on wellbeing programs** based on employee needs and values

While engaging in immediate and short-term actions, organizations should start having initial ideas for medium and long-term planning as Covid-19 has accelerated the future way of work



Idea in brief: HR 4.0 will be critical for a positive transition to the future way of work

From current way of work...

Workforce made up of employees, supported by process-driven systems and technology

Administrative, reactive and command & control leadership

Within the organization talent ecosystem based on fixed employment relationship

Fixed-mindset and company-directed periodic training to close gap based on training needs analysis

Employer-employee relationship focusing on being rewarded for the 'job' and provided basic support

Diversity due to compliance and directive to meet targets and quota

To future way of work...

Workforce made up of optimal combination of employees, contingent workforce and automation

Purpose-driven, adaptive and orchestrator leadership to manage combination of workforce

Beyond organization talent ecosystem with alternative employment relationship (virtual or market relationship)

Growth mindset and self-driven continuous learning with a culture of life long-learning embedded

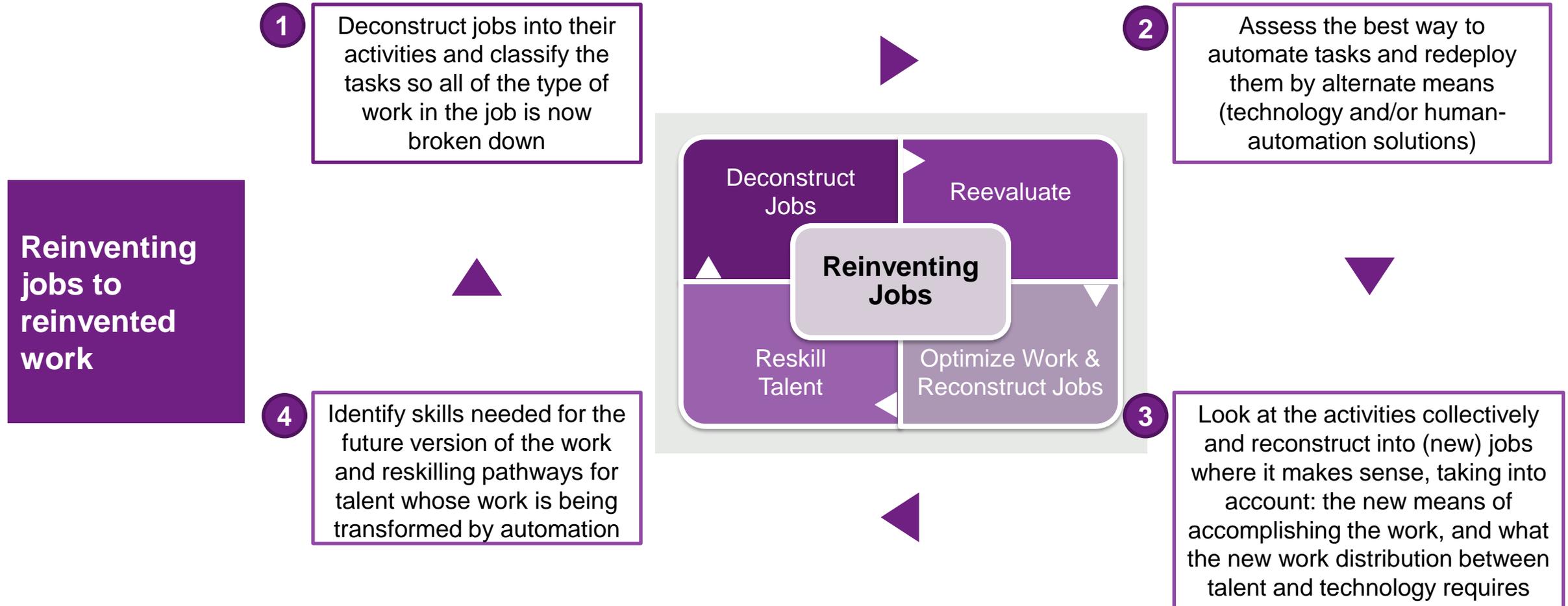
Holistic and purposeful employee experience to connect and contribute to meaningful work

Diversity & inclusion embedded as part of culture and into HR programs

Two key imperatives for HR 4.0:

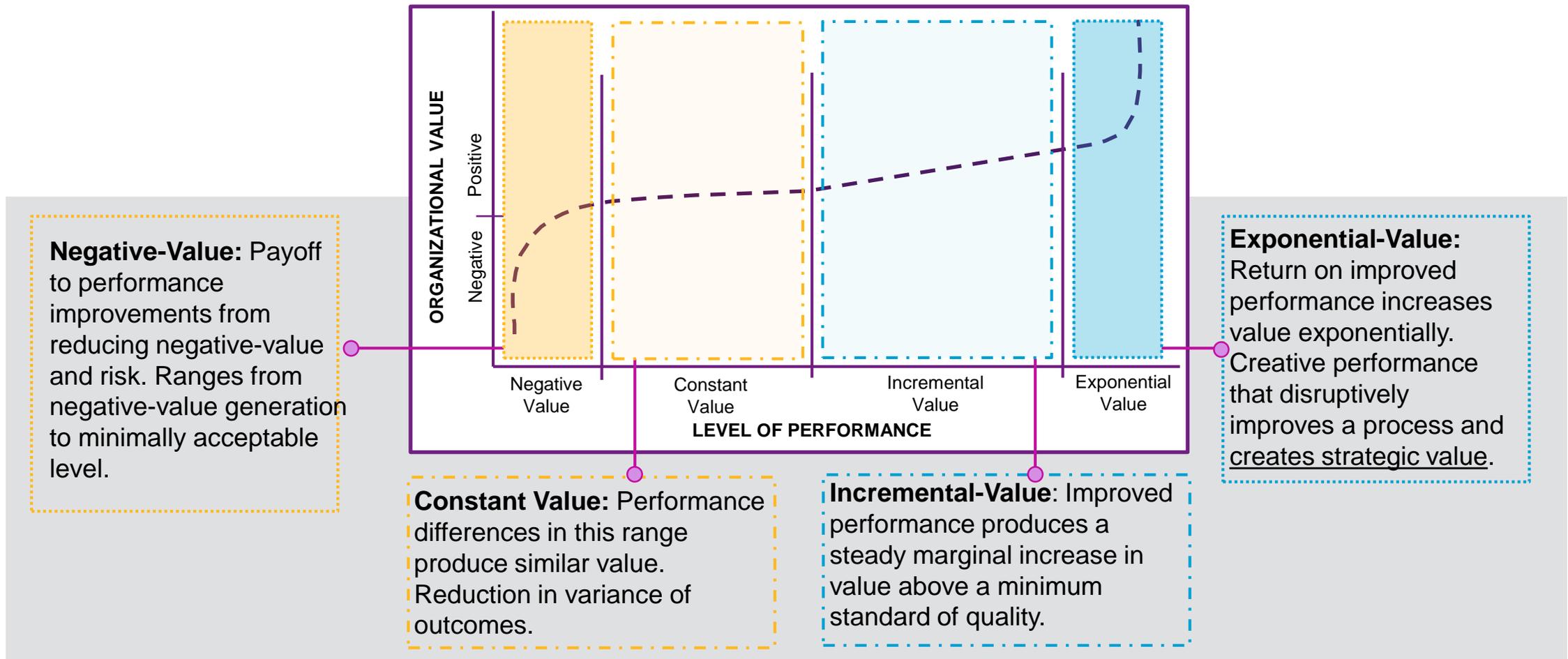
- 1 | Reinventing the workforce for alternative ways of work
- 2 | Determining where improved performance will enhance Strategic Value

Reinventing the workforce through jobs for alternative ways of work looking at which part of the work can be automated, be done by human and augmented to create more value

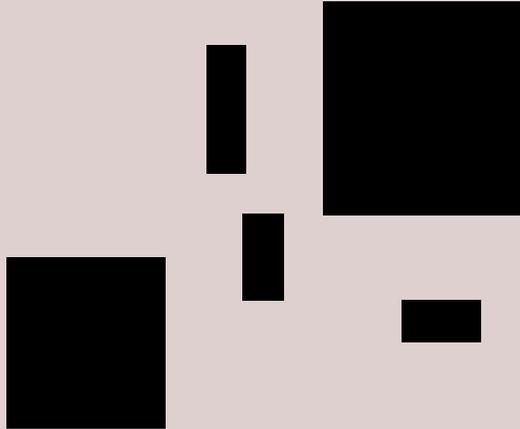


Reinventing jobs must be guided by what will drive value, based on the Return on Improved Performance (ROIP) of different types of work

As we look at the work, where does improving performance enhance Strategic Value? Where does it mitigate risk?



Guiding principles and framework to manage work from home (WFH)



Challenges in managing a dispersed workforce and deploying work from home (WFH) arrangements an uncertain and complex environment

1 | PEOPLE MANAGEMENT & ENGAGEMENT



Lack of work clarity and direction on expected deliverables (e.g. reworks, confusion, misalignment)

Limited team visibility, interaction and engagement (out-of-sight, out-of-mind)

Higher need to actively manage employee wellbeing (e.g. personal stress and concerns)

‘Everyone’ is on WFH and SFH* mode – needing to juggle work and home responsibilities (e.g. space sharing, home schooling for children)

*SFH: Study from home

2 | POLICIES & PROCESSES



Compliance to regulations and eligibility of employee coverage (e.g. SOCSO, letter to travel to office)

Work policies not in place to support WFH arrangements (e.g. OSHE, social media, bring your own device (BYOD))

3 | TECHNOLOGY & ENABLERS



Insufficient work tools and peripherals for effective WFH (e.g. laptop, Wi-Fi, virtual platform, cloud resources)

Not all employees are familiar with digital and technology tools (e.g. insufficient time to on-board employees for WFH)

Home set-up may not be a conducive work environment (e.g. desk, chair, lighting, ventilation)

Overarching guiding principles to guide the various elements for WFH

1 | Business Continuity Planning / Directives from Authorities

- Compliance to overall directives and guidelines formally issued by the authorities
- Adherence to the overall process and governance as per the organization's BCP to enable ongoing operations before and during execution of disaster recovery

2 | WFH Policies & Protocols

- Establish WFH policies and guidelines and provide appropriate technological infrastructure support
- Review and implement protocols to facilitate empowerment and distribution of authority for decision-making
- Provide guidance for line managers on how to effectively manage teams in WFH conditions – guidance should cover wellbeing of employees

3 | Objectives & Key Results

- Review target setting implications and tracking mechanism
- Start thinking about compensation implications in times of uncertainty
- Provide guidance to line managers to effectively track team performance based on the type of work done

4 | Health & Safety

- Establish health & safety protocols and checks for onsite/offsite operations (e.g. A-team/B-team splits, onsite workplace cleaning protocols etc.)
- Educate & create awareness of good behavior protocols and social distancing measures
- Establish health & safety reporting and escalation process
- Provide avenue for employees to call-in / reach out for any immediate concerns (e.g. well-being helpline or chat groups)

5 | Listening Strategy & Communication Approach

- Consider having an active listening strategy to monitor current state of organization and employees – proactive identification of people risks that has to be address
- Emphasize on internal communications and external policy to govern the clear and consistent flow of information especially during crisis (e.g. single source of truth)
- Establish a rhythm of updates, briefings and targeted content for employees/employee groups

Framework towards supporting WFH to maintain productivity and performance

Key elements to address for WFH

1 | Work Process

What is the nature of work and expected outcomes?

1. Nature of Work and Tasks

- Review the nature of work, tasks and expected outcomes (e.g. BAU, project basis, operational, deliverables etc.)

2. Measures and Targets

- Determine appropriate type of measures and targets (e.g. mix of KPIs and OKR) and frequency (e.g. daily / weekly)

3. Level of 'Work Cadence'

- Establish the 'work cadence' required to set the pace and put in place sequence of team events with clear agenda (e.g. check-ins, briefings, progress updates)

2 | Structuring Teams

What is the team structure required to support delivery of work process?

1. Organization of Teams

- Determine the segmentation of teams delivering on work outcomes, including categorizing by static vs. agile teams (Leadership Team, Bus. Enablers, Operations, Support Functions, COVID-Response Team, Org. Projects, Employee Levels etc.)

2. Clarity of Roles and Responsibility

- Ensure each team is clear of respective roles and responsibility, the priorities and deliverables, milestones and reporting mechanisms

3. Degree of Interdependencies

- Review the degree of interdependencies and the key touch points (i.e. Interaction vs. Collaboration)

3 | Leadership & People

What is the role of leaders to achieve business outcomes and manage employee well-being?

1. Communication & Engagement

- Communicate proactively about all aspects of the business and efforts undertaken
- Balance between projecting confidence and painting a 'true' picture
- Find ways to motivate and engage employees, reinforcing purpose and values

2. Decision-Making

- Establish clear decision and escalation paths

3. Empowerment & Enabled Teams

- Provide empowerment and discretionary authority to teams to make decisions for specific priorities / deliverables

4 | Technology & Enablers

What technology infrastructure and platform is needed to support a flexible and remote work arrangement?

1. Technology Infrastructure & Tools

- Equip teams with necessary technology and tools for remote work and collaboration (e.g. home setup, remote access, team discussion facilities, file share)
- Implement strong and practical security standards and practices

2. Reporting & Dashboard

- Set-up targeted reporting & dashboard covering key areas that should be monitored and tracked

3. Data Security & Management

- Establish clear data governance protocol to ensure no data leak or breach

Thank you

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