

# 2020 COVID-19 Pulse Survey – GB and Western Europe

## GB and Western Europe Respondents

Latest Update: April 10, 2020



# About the survey

996

Employers with operations in Western Europe responded to the survey

36%

For profit, publicly traded

55%

For profit, private

6%

Nonprofit/  
Government

77%

organisations located in multiple countries

## Responsibility of the respondent

Finance (e.g., Treasury, controller, accounting)

2%

Human resources (e.g., benefits, compensation)

95%

Risk management

0%

Other

3%

## Industry

Energy & Utilities 7%

Financial Services 19%

General Services 15%

Health Care 11%

IT & Telecom 17%

Manufacturing 20%

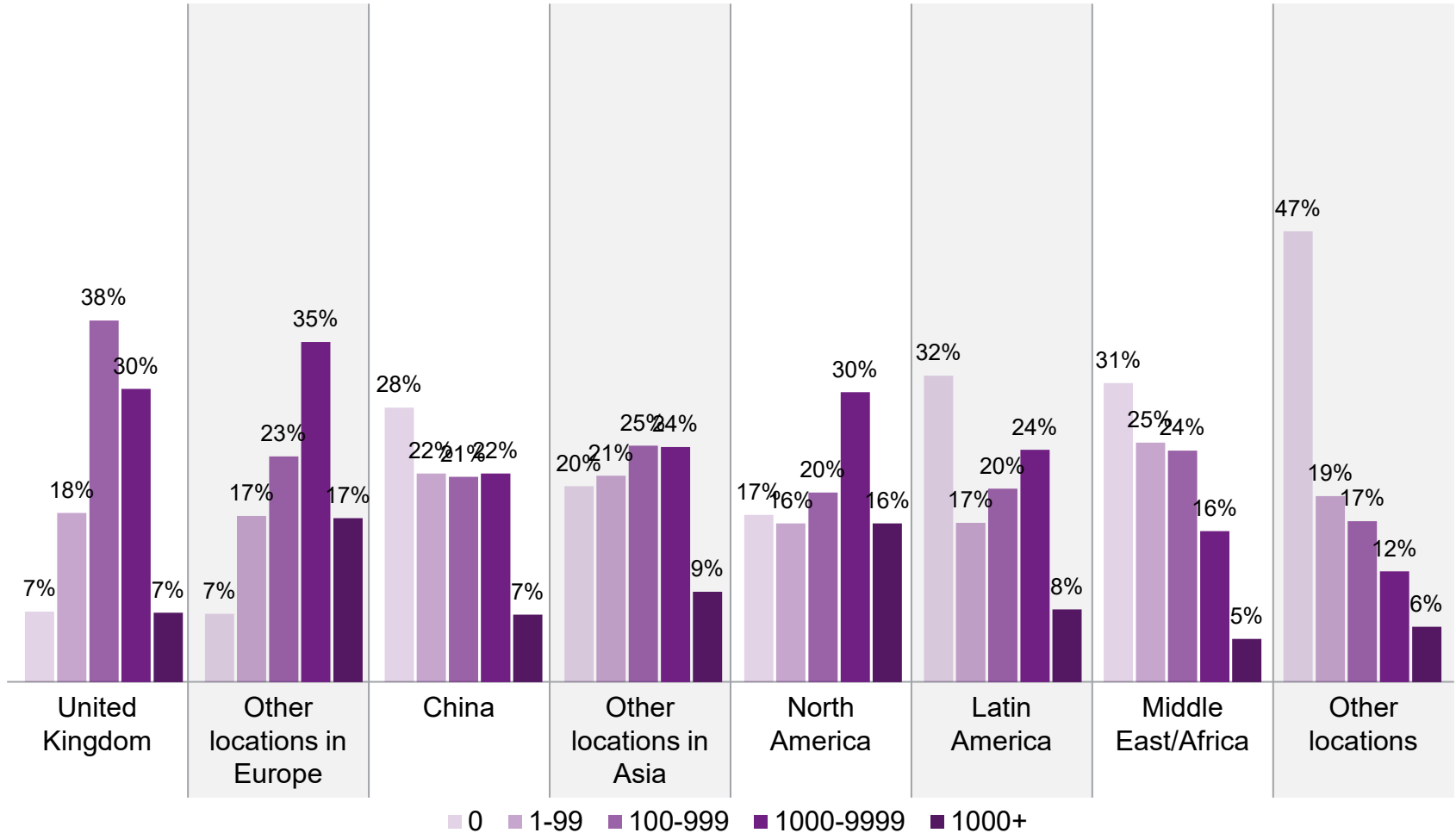
Public Sector & Education 3%

Wholesale & Retail 8%

Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Number of employees by organization in locations

Approximately how many employees does your organization have in the following areas?

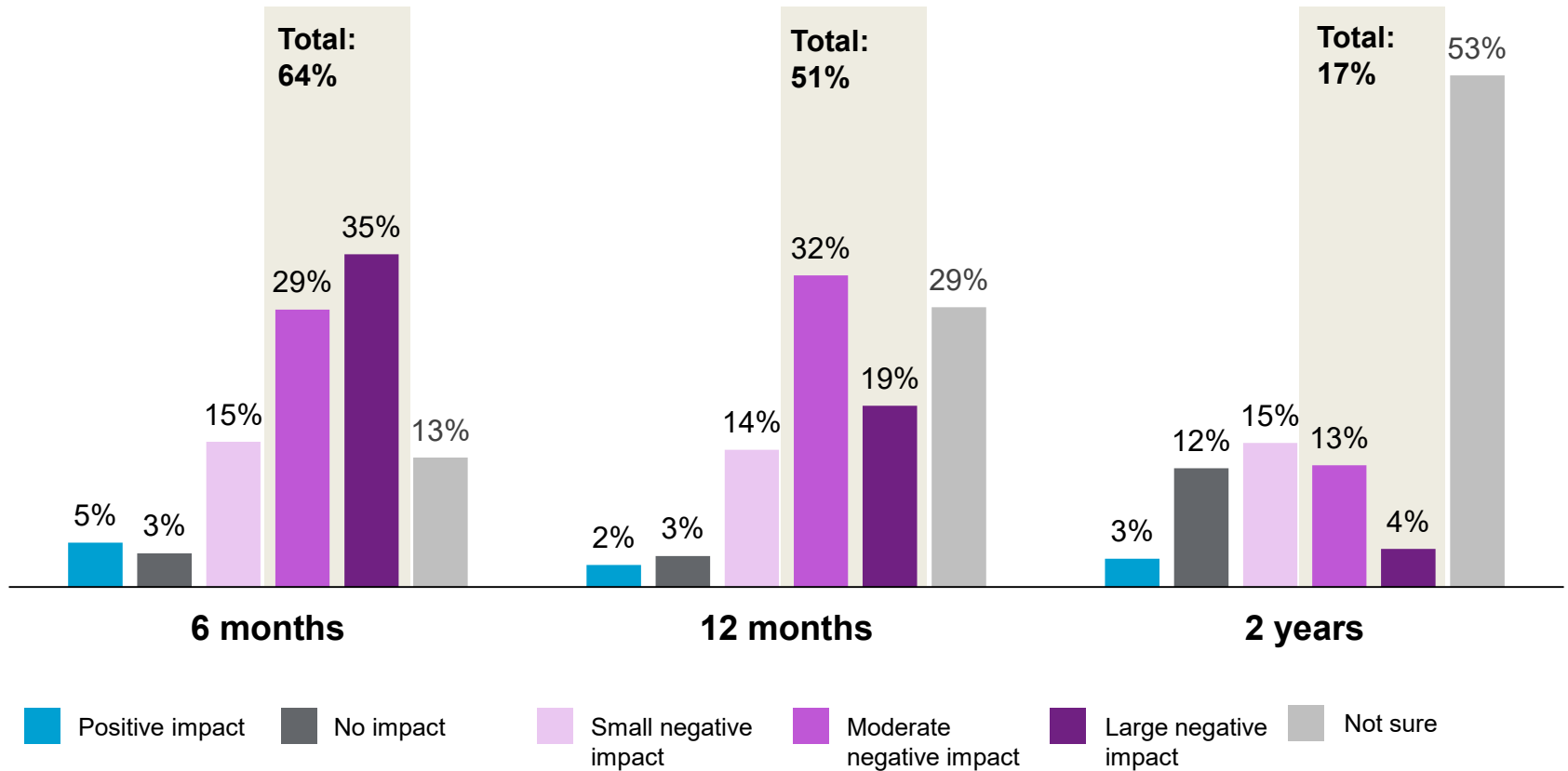


Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Half of employers think COVID-19 will have negative impact on their business for the next year

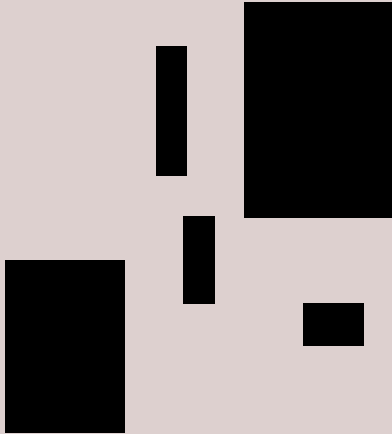
And half are uncertain of the impact over the next 2 years

What impact will COVID-19 have on your business results over the next 6 months? 12 months? 2 years?



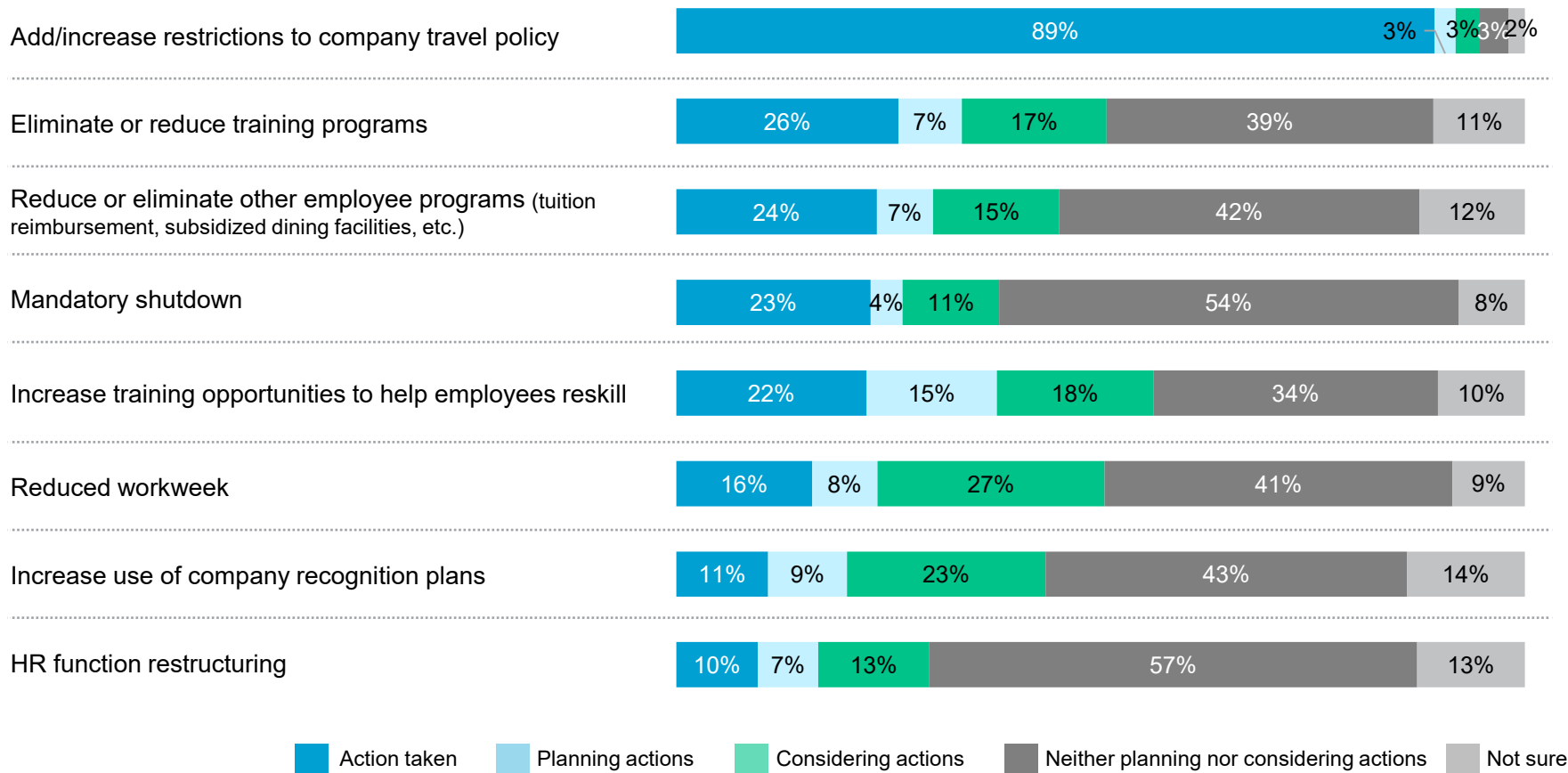
Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Talent Implications



# Organisations have taken different actions in response to the COVID-19 pandemic

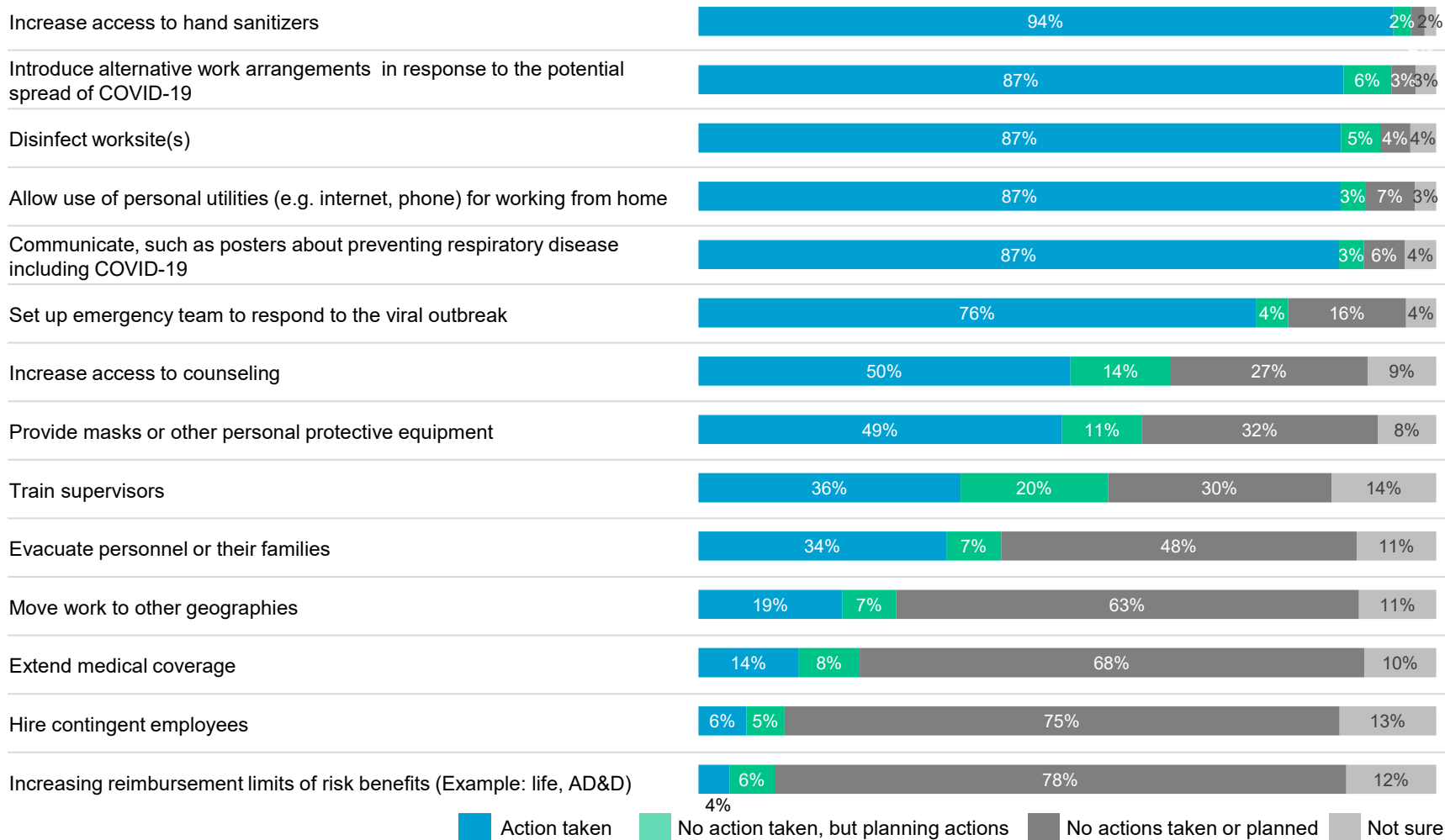
Please indicate what action items your company has already completed in response to COVID-19, and what your company may be planning or considering going forward for the balance of fiscal 2020.



Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Employers are planning to take further actions

What actions has your organisation taken or plan to take for your employees, as a result of the COVID-19 epidemic?

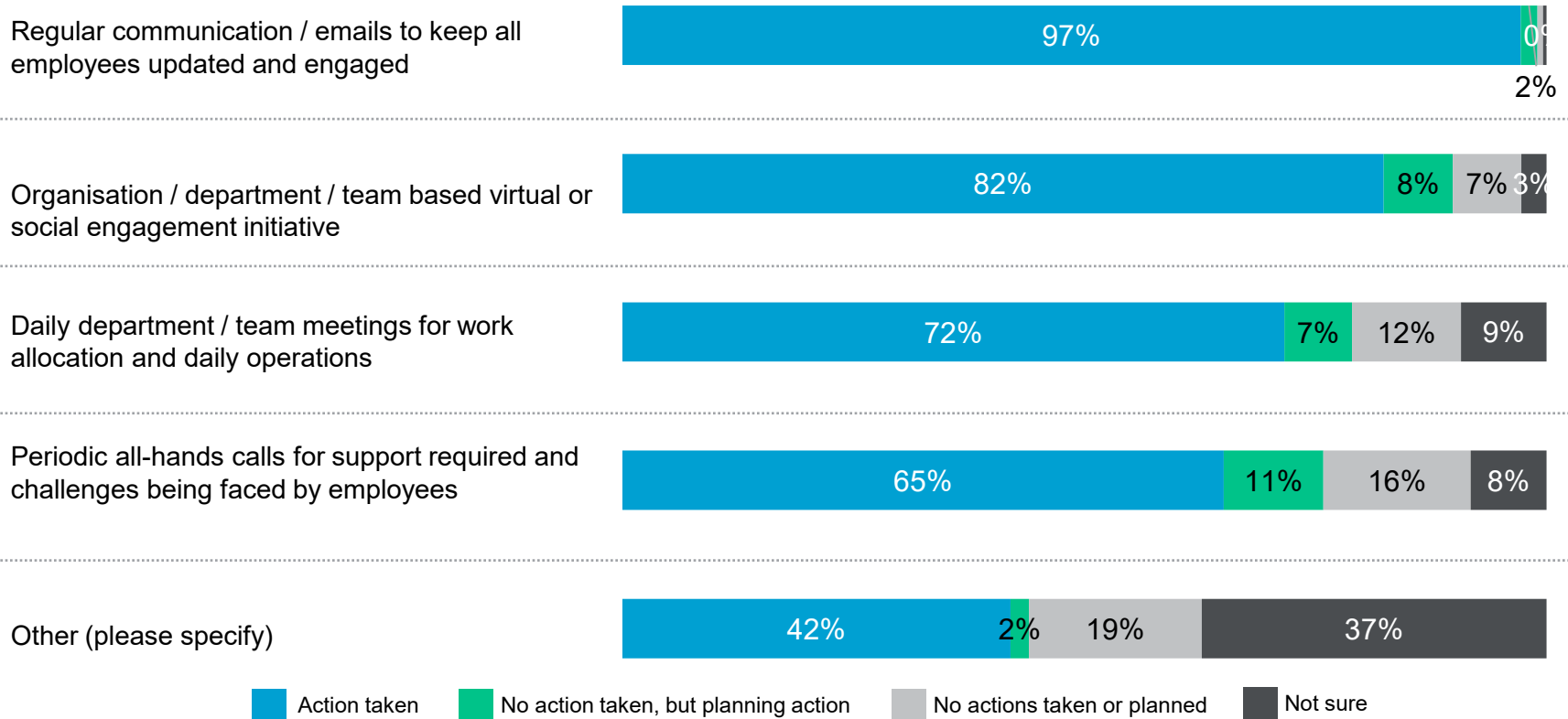


Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Organizations are taking many actions to keep all employees updated and engaged

What measures has your organisation taken to keep employees engaged in light of the new working arrangements?



Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Great Britain and Western Europe Survey.



# Three quarters of employers provide further support guidance for working from home

What sort of communications have you initiated to employees during the first month of the COVID-19 crisis, to keep them well informed about the new working policies?

General communications to explain the new working policies around working from home

General communications to explain the new working policies and **provide further support guidance for working from home**

General communications to explain the new working policies and to **introduce additional new peer to peer working support model or other similar mentoring scheme**

12%

75%

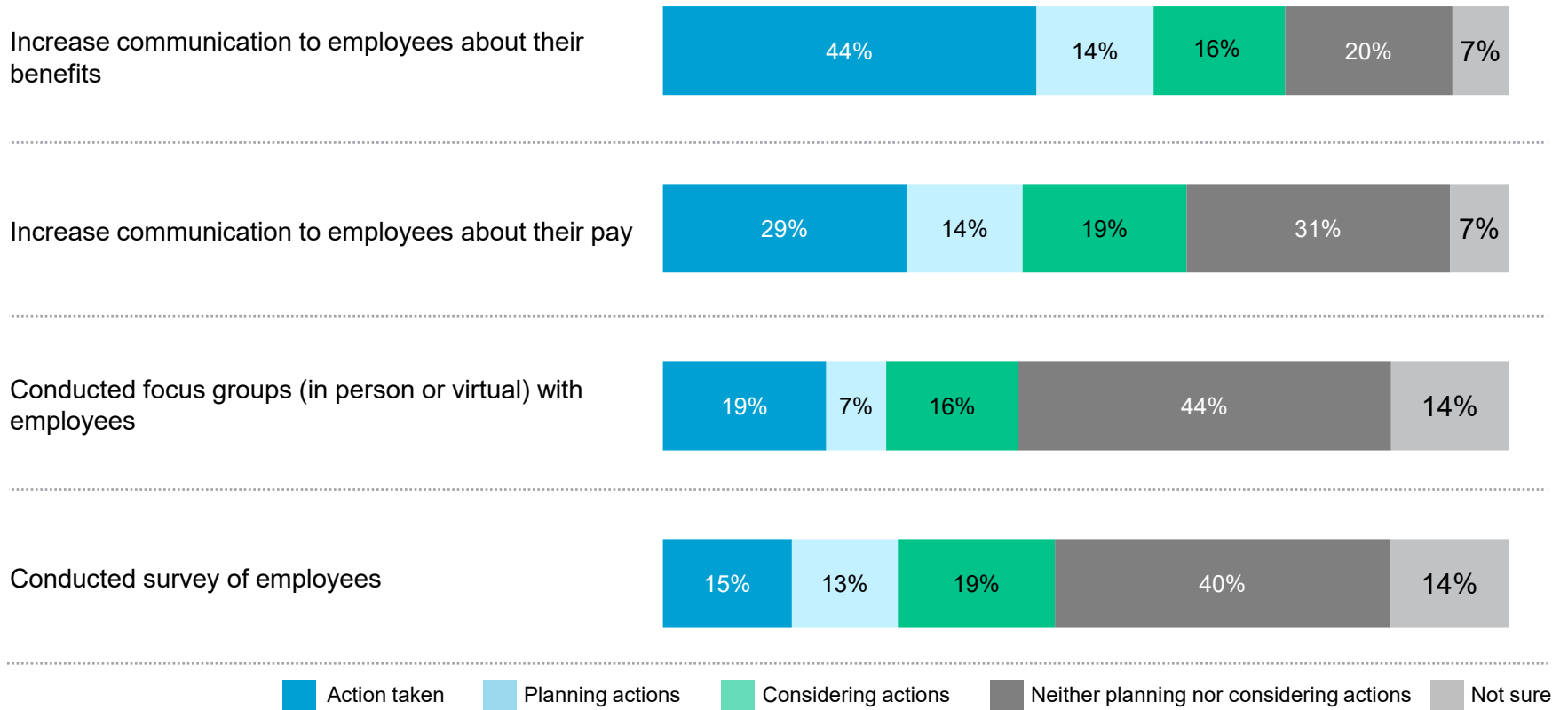
11%

Note: Another 2% of responses are "other".  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Fewer than half of employers have increased communication about benefits and pay

## The opportunity to increase their listening strategy remains

Please indicate what action items your company has already completed in response to COVID-19, and what your company may be planning or considering going forward for the balance of fiscal 2020.



Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Most employers are making good use of social communication channels



81%

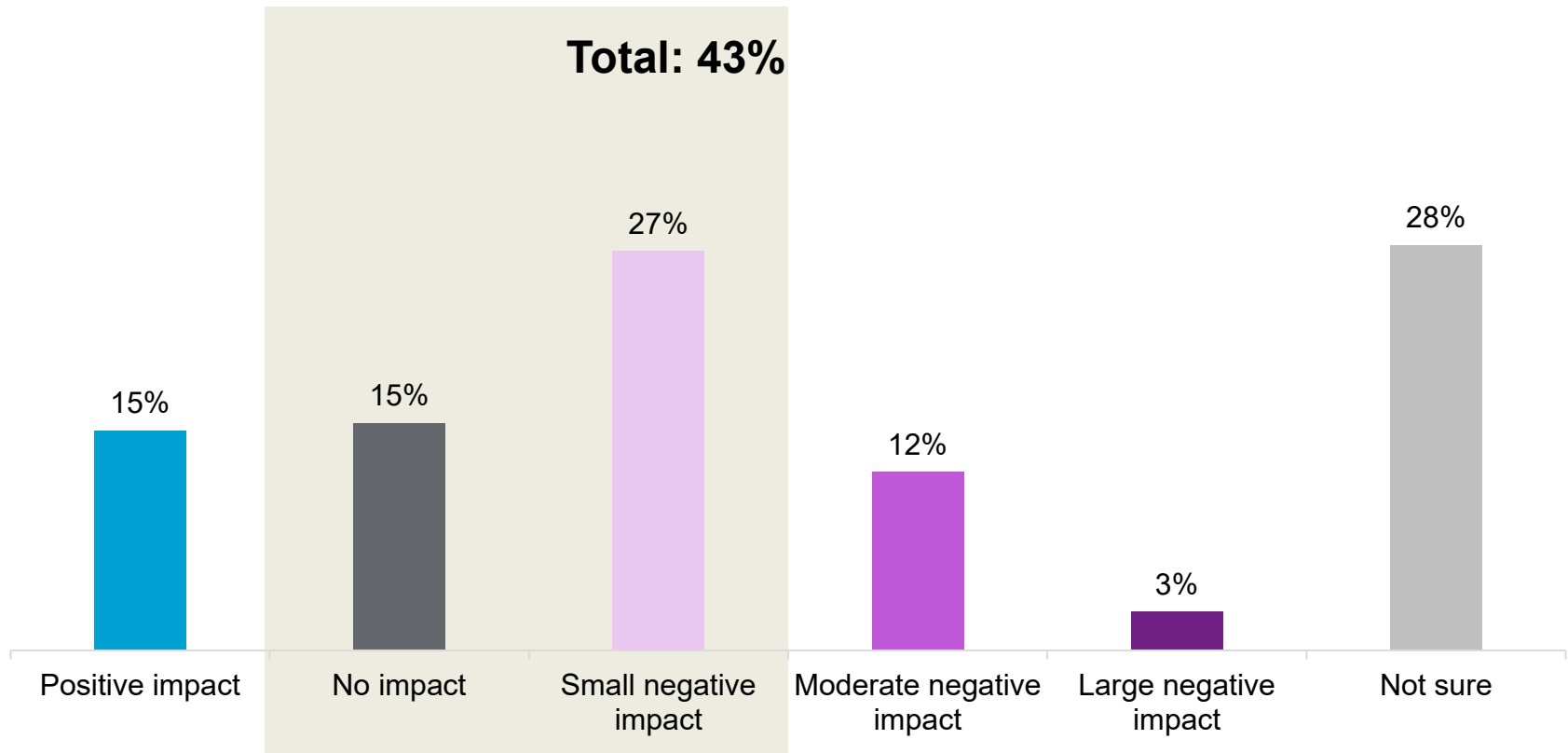
Of employers are making good use of social communication channels (Slack, Teams, Whatsapp).

Note: Percentages indicate “Agree” or “Strongly agree”.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Organizations are working to minimize the negative impact of the new working conditions on employee productivity

Amidst uncertainty on impact, many think there has been no impact or a small negative one

What is the impact on the productivity of employees due to the new working arrangements?

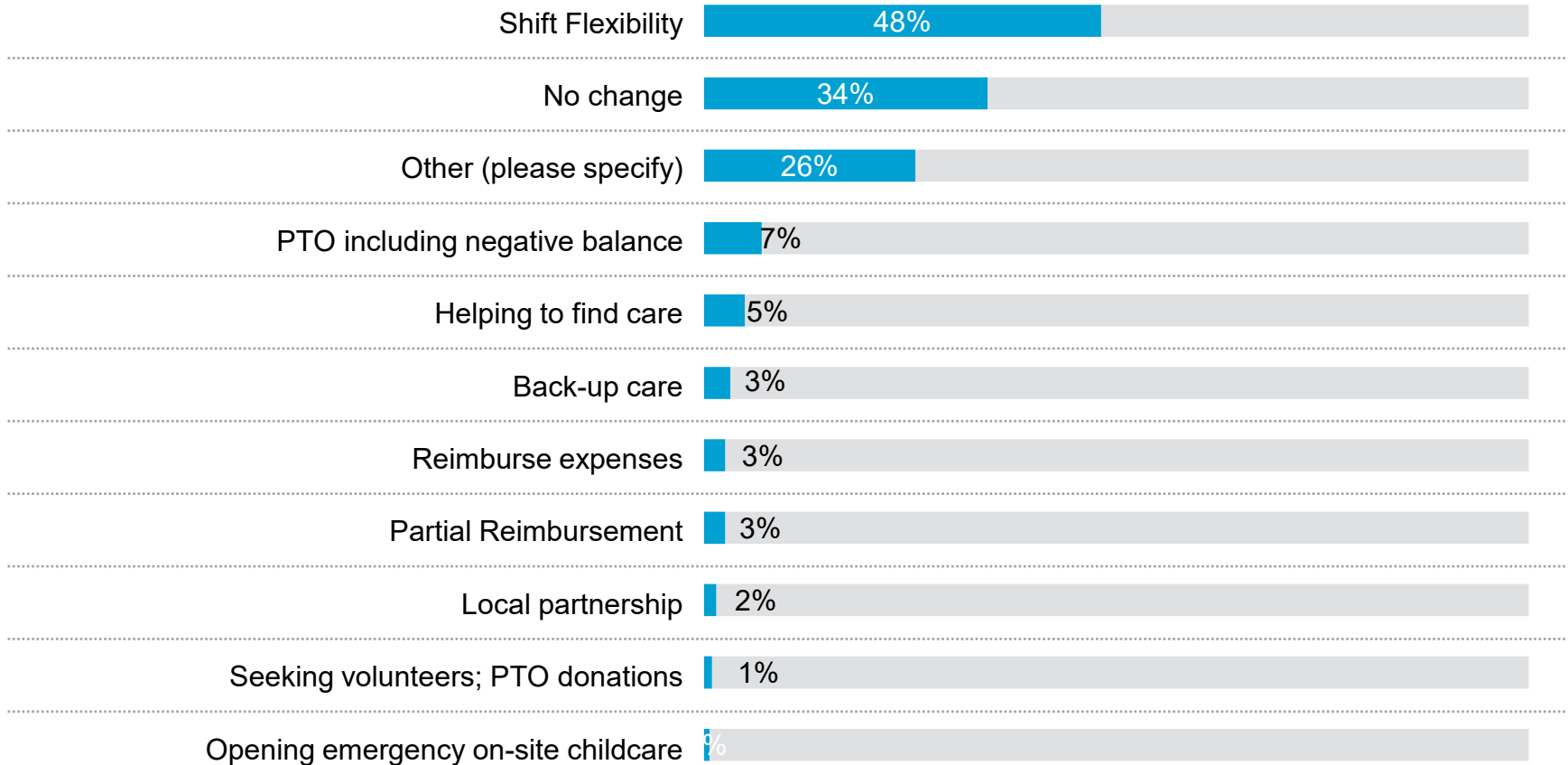


Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Nearly half of employers choose shift flexibility to support employees with a new need for child care coverage

## One third of organizations have made no changes

How are you supporting employees with a new need for child care coverage (due to school closures, quarantine)?

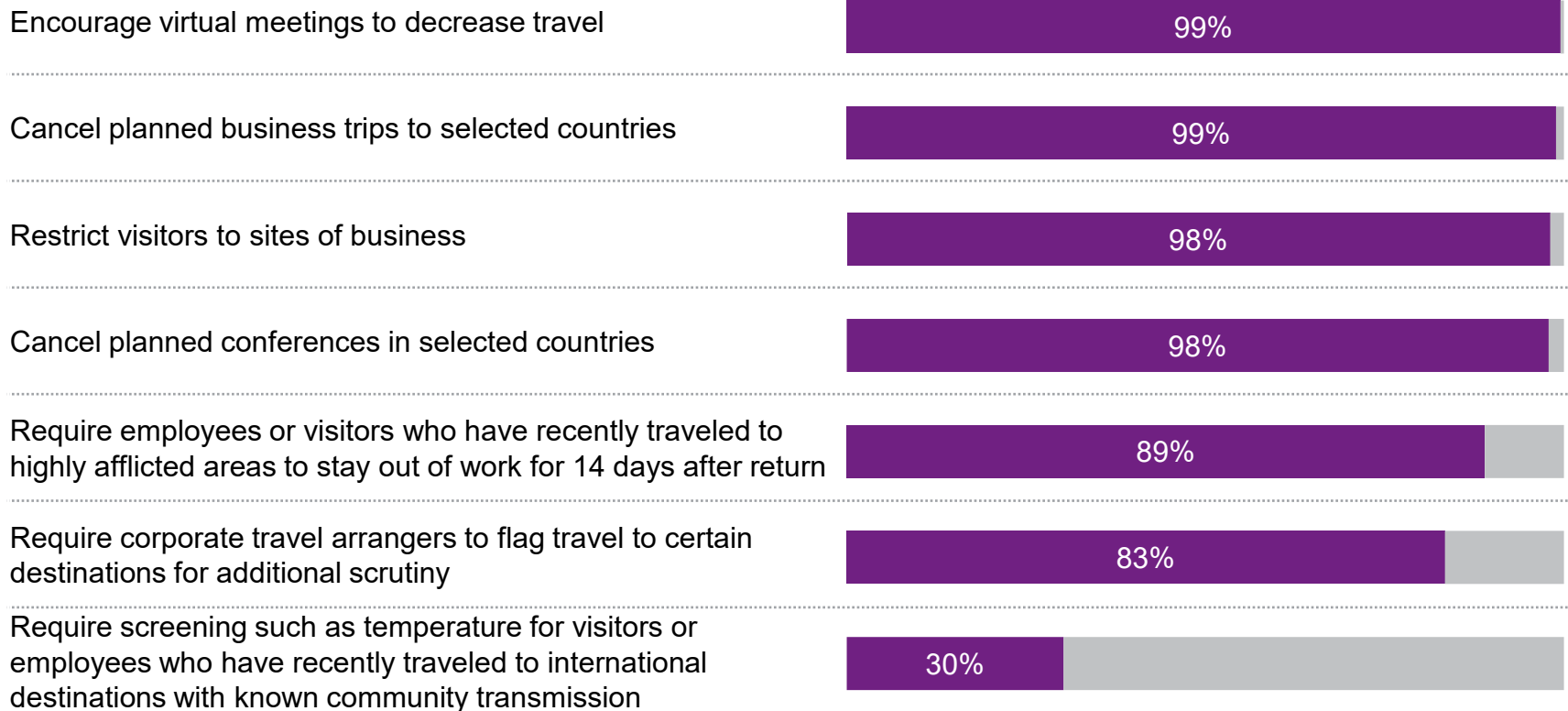


Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Employers are taking a variety of actions to keep their employees healthy and safe

Yet, there is room to improve particularly in terms of screening

What are the measures taken by your organisation to keep health and safety as a top priority for employees and clients?



Note: Percentages indicate "Yes".

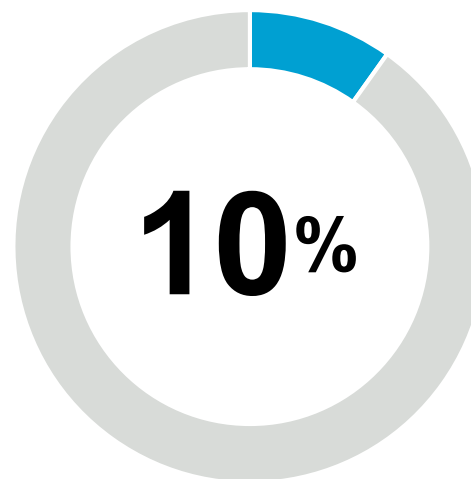
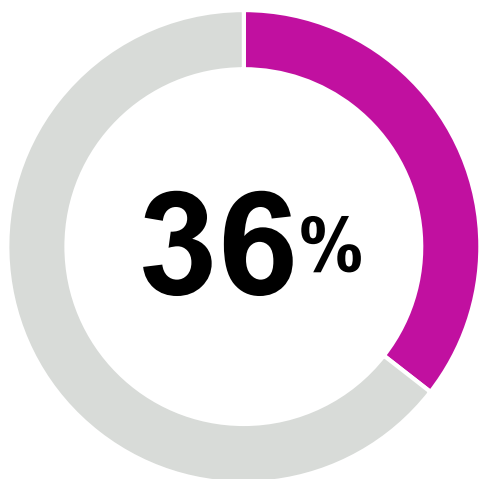
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Nearly two fifths of employers made changes in the onboarding strategy but few changed the performance management strategy

To what extent have you made changes to your:

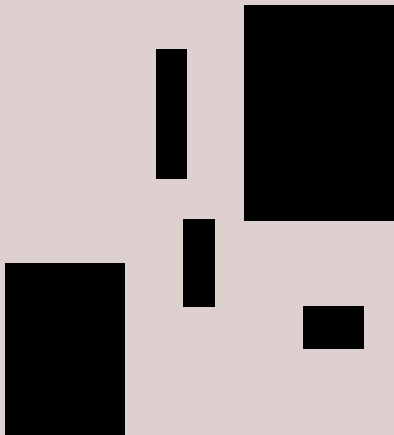
**Onboarding strategy**

**Performance management strategy**



Note: Percentages indicate “To a great extent” or “To a very great extent”.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Flexible working





# Office staff are working from home and using flexible work arrangements in response to the potential spread of COVID-19

Does your organisation employ the following types of employees?

Office staff **98%**

Retail/Store Staff **22%**

Production/Manufacturing Staff **44%**

Has your organisation introduced any of the following alternative working arrangement in response to the potential spread of COVID-19 to the following groups of employees?

Mandatory working from home for all employees **88%**

Flexible work arrangements **84%**

Alternate work teams in office or split-team arrangement **47%**

Compulsory non-paid leave **9%**

Business is suspended temporarily **7%**

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Most organizations are using flexible work arrangements for retail/store staff

Four out of ten organizations with retail/store staff have experienced temporary business suspensions

## Does your organisation employ the following types of employees?

Office staff **98%**

Retail/Store Staff **22%**

Production/Manufacturing Staff **44%**

Has your organisation introduced any of the following alternative working arrangement in response to the potential spread of COVID-19 to the following groups of employees?

Flexible work arrangements **62%**

Alternate work teams in office or split-team arrangement **55%**

Business is suspended temporarily **41%**

Mandatory working from home for all employees **30%**

Compulsory non-paid leave **9%**

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Organizations are relying on alternative work teams and flexible work arrangements with their production/manufacturing staff

Does your organisation employ the following types of employees?

Office staff **98%**

Retail/Store Staff **22%**

Production/Manufacturing Staff **44%**

Has your organisation introduced any of the following alternative working arrangement in response to the potential spread of COVID-19 to the following groups of employees?

Alternate work teams in office or split-team arrangement **68%**

Flexible work arrangements **59%**

Business is suspended temporarily **27%**

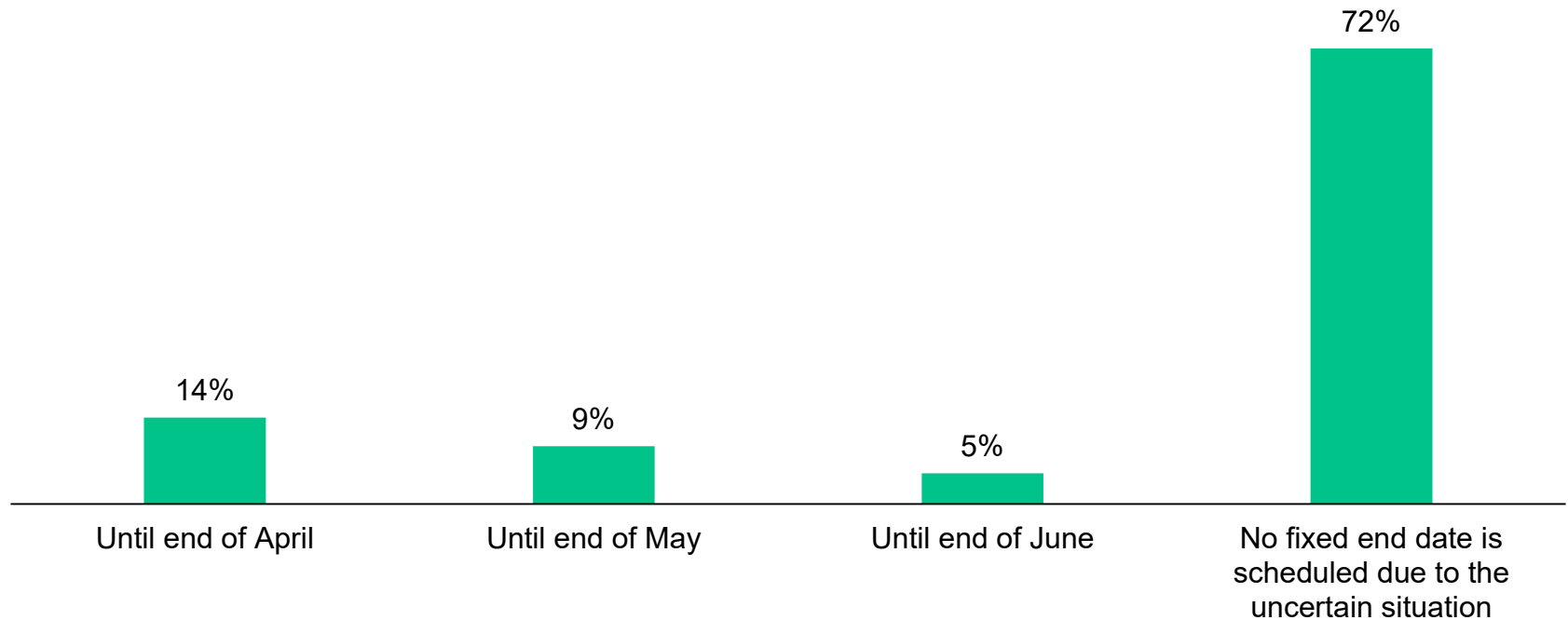
Mandatory working from home for all employees **12%**

Compulsory non-paid leave **10%**

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Most employers agree that there is no fixed end date scheduled for flexible working arrangements due to the uncertain situation

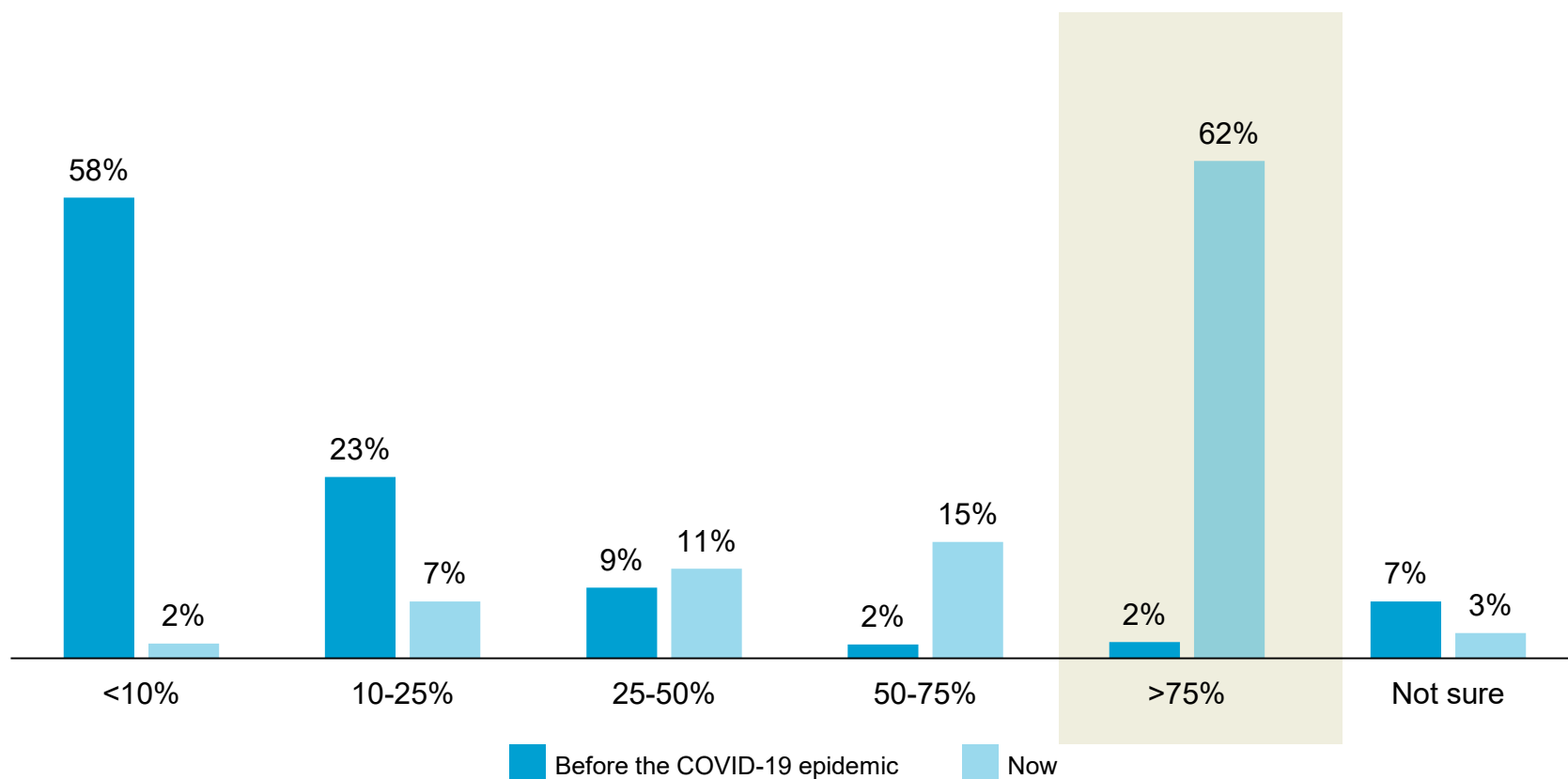
How long are flexible working arrangements expected to last?



Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# The typical organization has over 75% of their workforce working remotely – prior to the crisis it was less than 2% of organizations

What portion of your workforce worked remotely before the COVID-19 epidemic? What portion of your workforce works remotely now?



Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

## Employees working from home have the technology, tools and resources needed to work productively



87%

of employers say in their organisation, people working from home have the technology, tools and resources needed to work productively for an extended period of time.

Note. Percentage indicates “Agree” or “Strongly agree”.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

## Employers have put in measures to ensure that people feel supported during this time



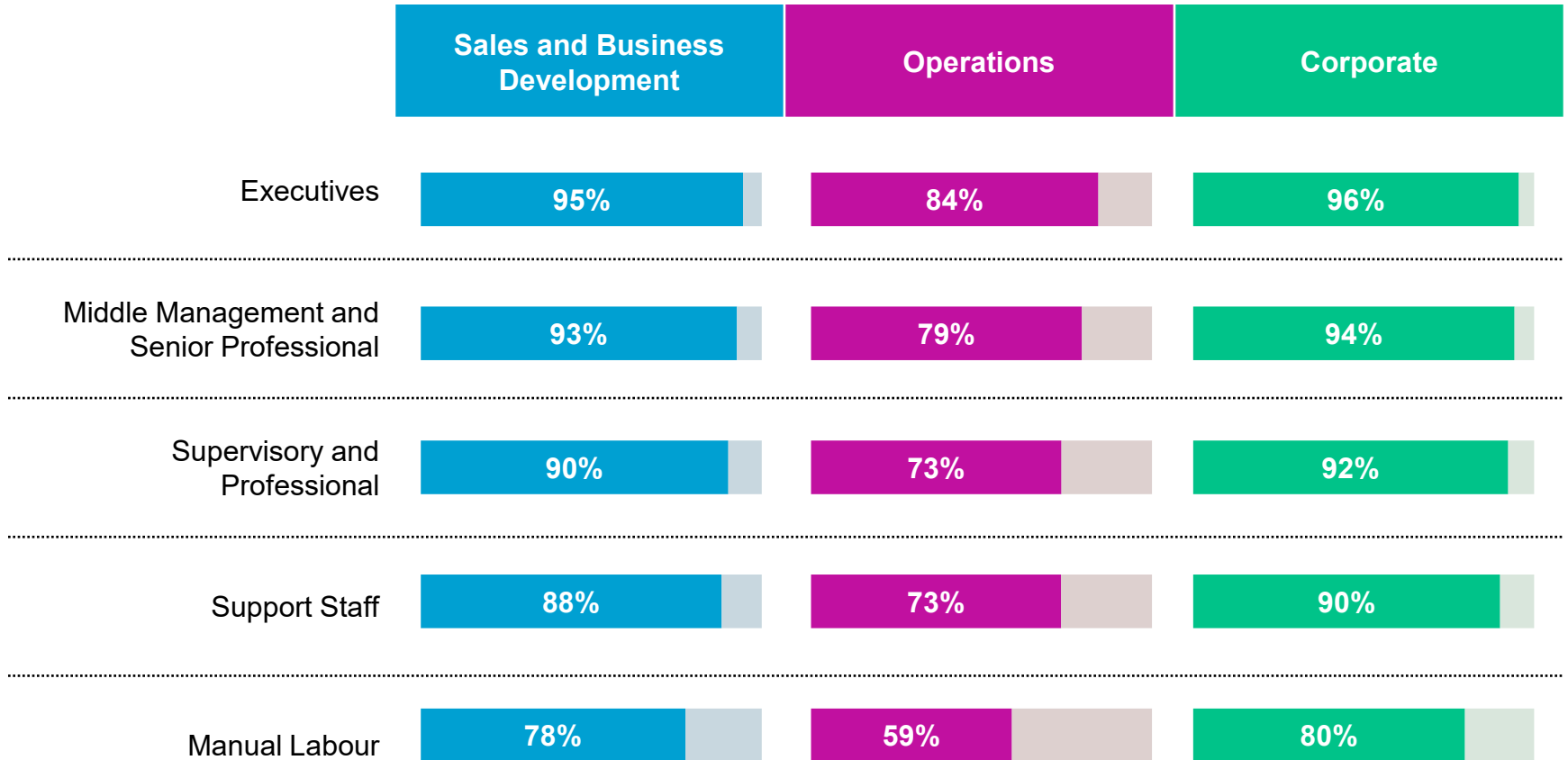
**86%**

of employers say they have put in measures to ensure that people feel supported (from their manager, team, etc.) during this time.

Note. Percentage indicates “Agree” or “Strongly agree”.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Flexible working arrangements are typically applicable to all employees

If your company offers flexible working arrangements, are these applicable to all employees?



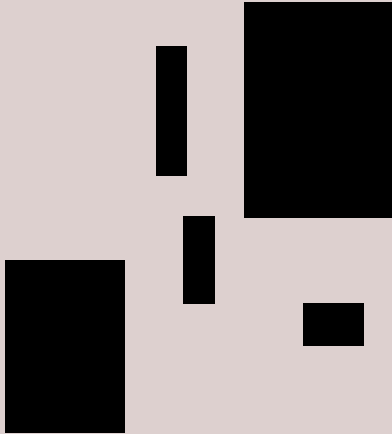
Note: "Not applicable" option excluded.

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

Yes, applicable to all employees
  No, only applicable to selected employees



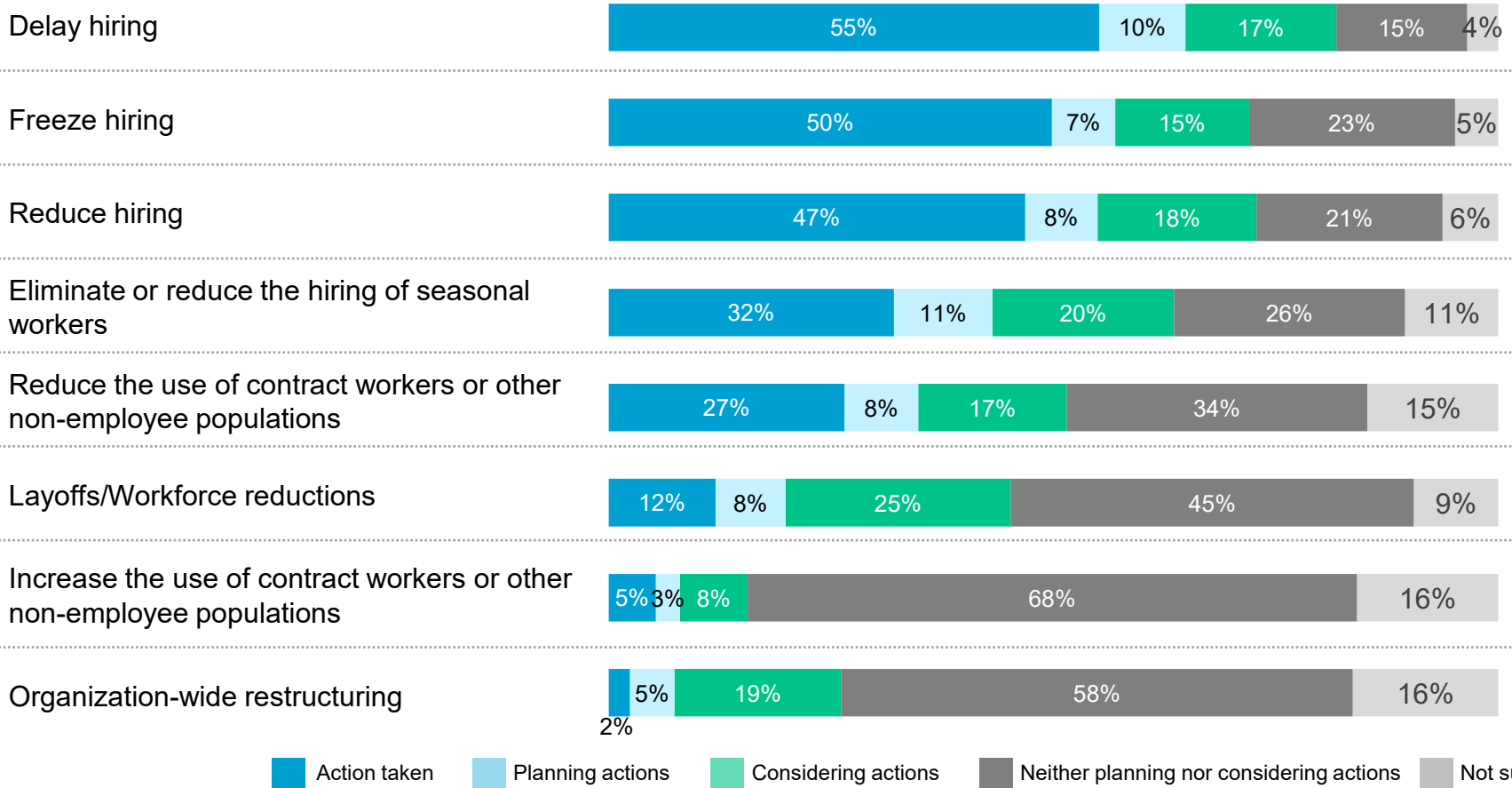
# Managing Labour Costs



# Most organizations have taken actions to Freeze, Reduce or Delay Hiring

While more than twice as many organizations are planning or considering layoffs as have already taken action

Please indicate what action items your company has already completed to help manage labor costs in response to COVID-19, and what your company may be planning or considering going forward for the balance of fiscal 2020.



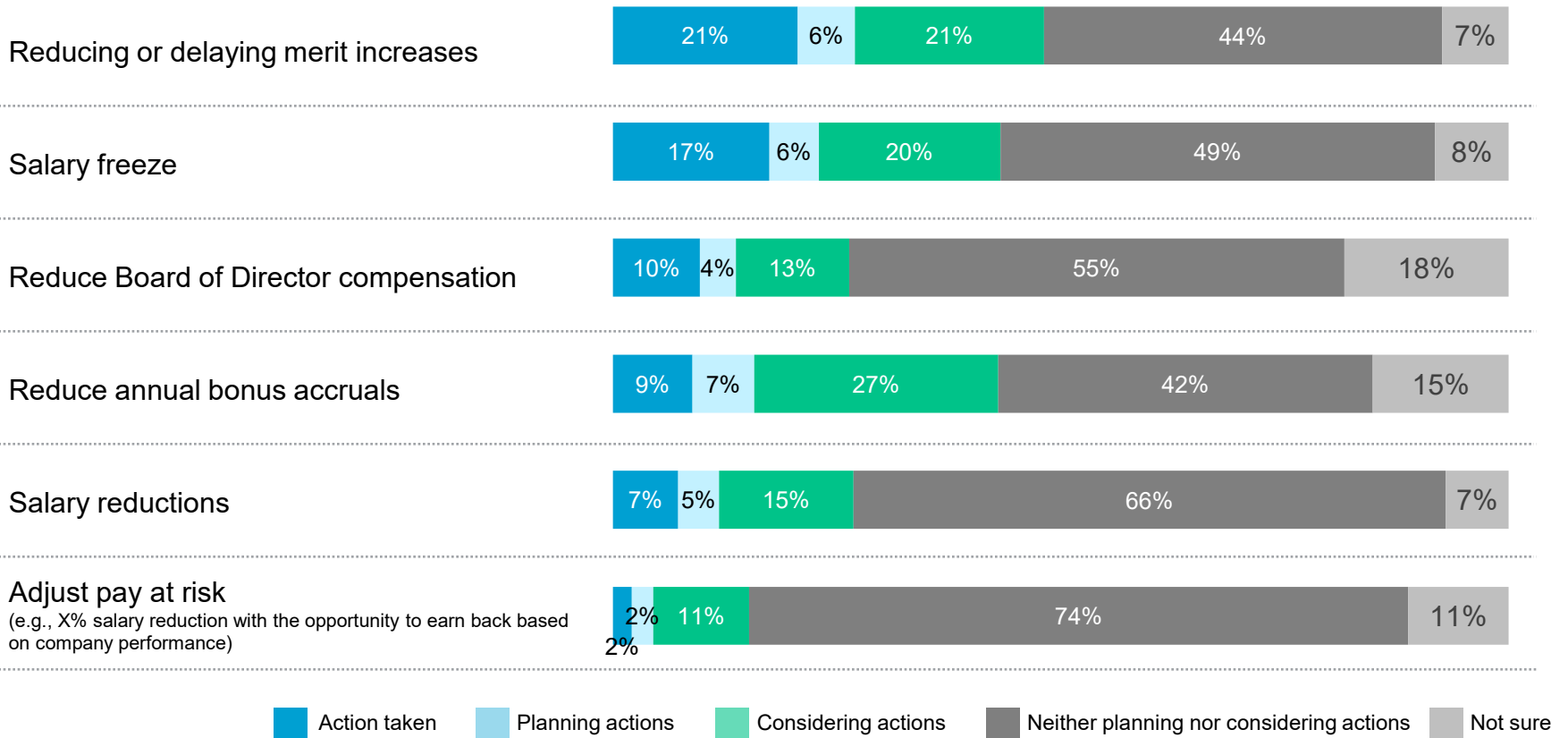
Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# So far, organizations have taken more cost control than cost cutting actions

Almost 1 in 5 have reduced merit increases or frozen salaries

Please indicate what action items your company has already completed to help manage labor costs in response to COVID-19, and what your company may be planning or considering going forward for the balance of fiscal 2020.



Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Organizations are beginning to use unpaid leave of absences

But more employers are planning or considering these changes than have already used them

Please indicate what action items your company has already completed to help manage labor costs in response to COVID-19, and what your company may be planning or considering going forward for the balance of fiscal 2020.

**Voluntary** unpaid leave of absences or furloughs will be offered to interested employees



**Involuntary** unpaid leave of absences or furloughs will be mandated to specific groups of employees



**Voluntary** alternative work arrangements will be offered to interested employees at a reduced pay  
(e.g. shortened work week, extra PTO for 2021)



**Involuntary** alternative work arrangements will be mandated to specific groups of employees at a reduced pay  
(e.g. shortened work week, extra PTO for 2021)

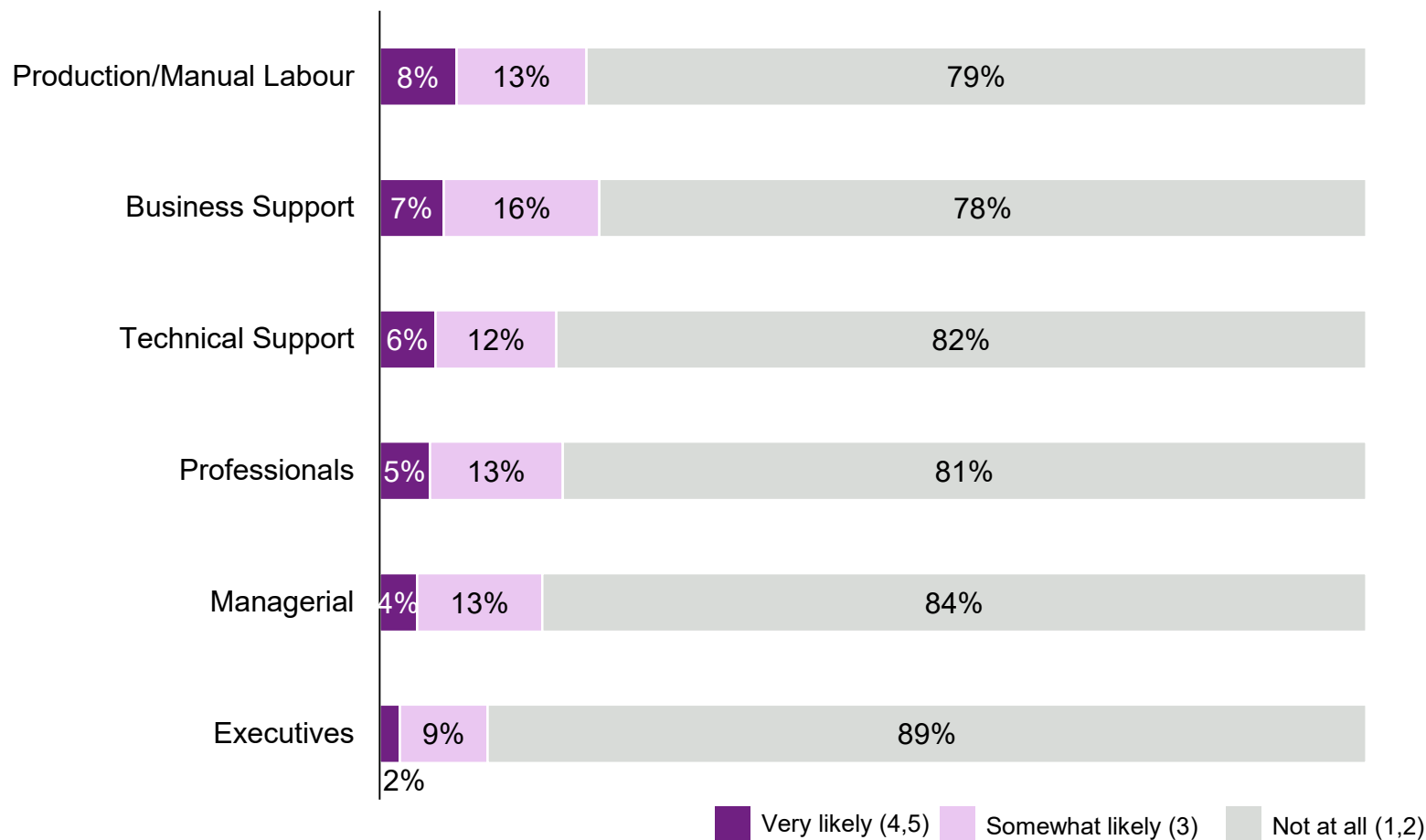


■ Action taken   
 ■ Planning actions   
 ■ Considering actions   
 ■ Neither planning nor considering actions   
 ■ Not sure

Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

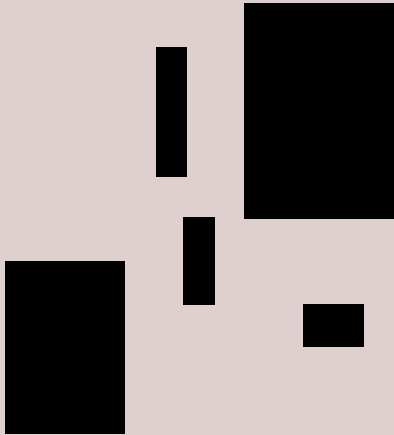
# Production or manual labour and employees for business support are more likely to be laid off over the next three months

How likely will your organisation lay off any of the following groups of employees over the next three months?



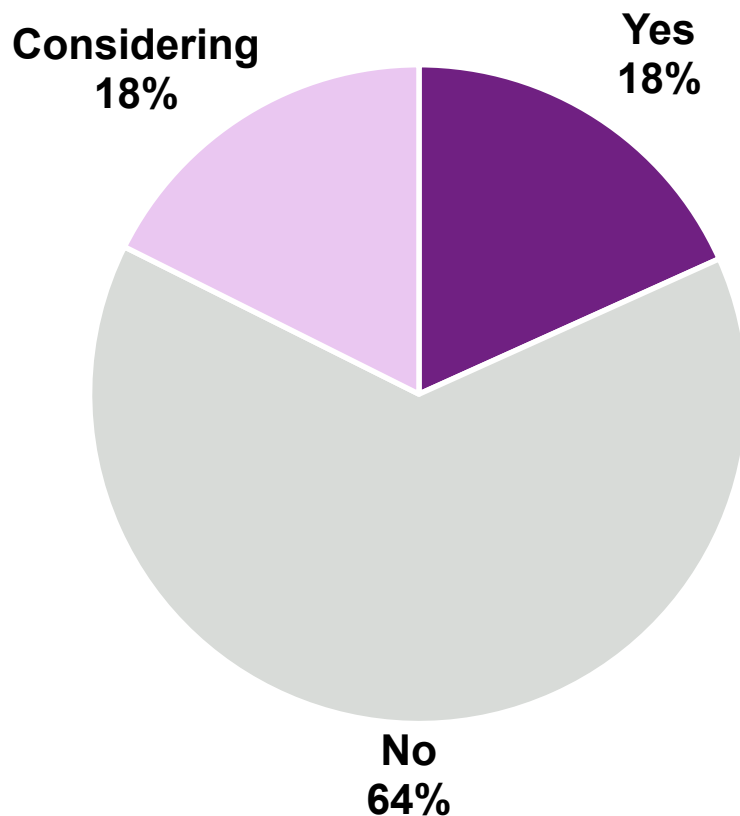
Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Rewards



## Nearly 1 in 5 employers have moved their salary review dates as a result of Covid-19 – a similar number are considering doing so

Has your organisation moved its salary review date as a result of COVID-19?

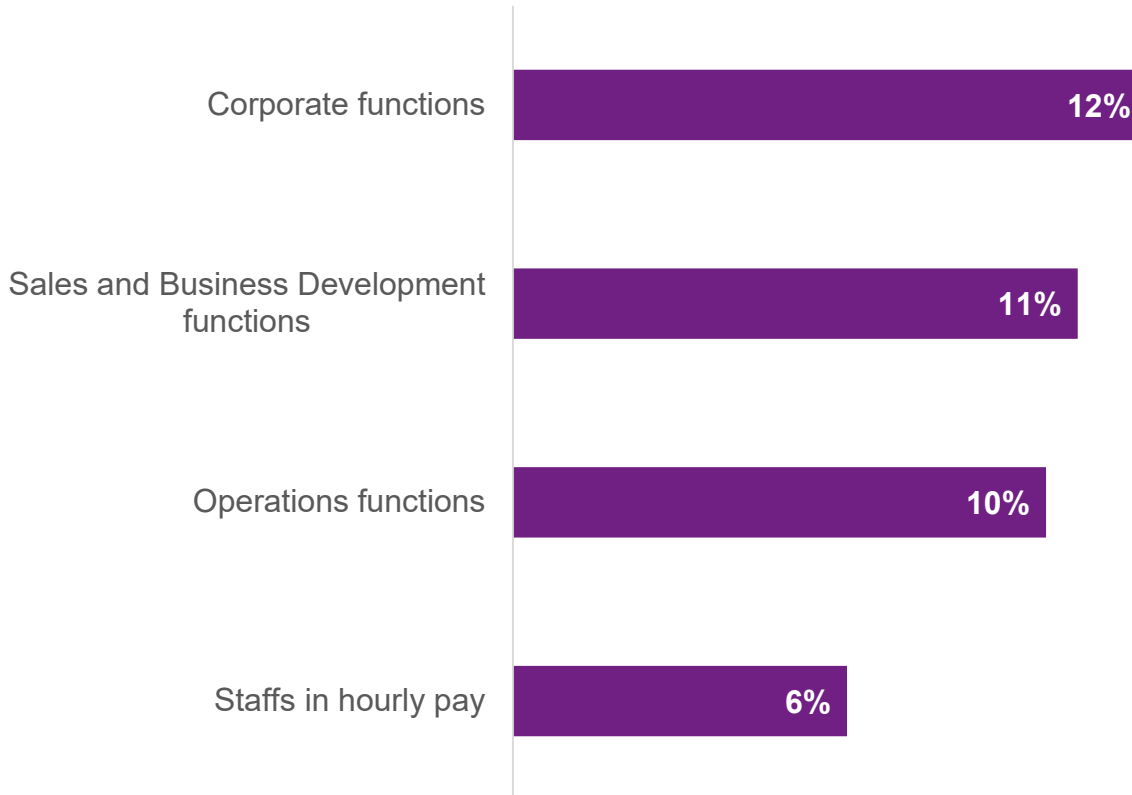


1 in 3 employers who plan to delay salary review dates are unsure of a new date. Half of employers expect a delay of 4 to 5 months.

Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# 1 in 8 employers have implemented or are considering implementing base pay reductions for corporate functions groups

Have you implemented or are you considering implementing any base pay reductions for the following employee groups?



Pay reductions are typically in the 10-20% range for sales and salaried employees, less for hourly employees. Many employers are unsure how long the pay reductions will last but expect it to be 4-6 months range at least.

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

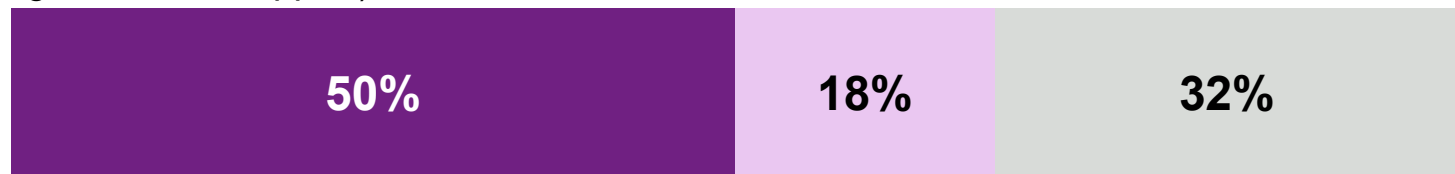


# 3 in 4 employers are taking advantage of government support in geography

Are you taking advantage of government support in your geography?



Are you topping up in addition to government support? (those taking advantage of government support)



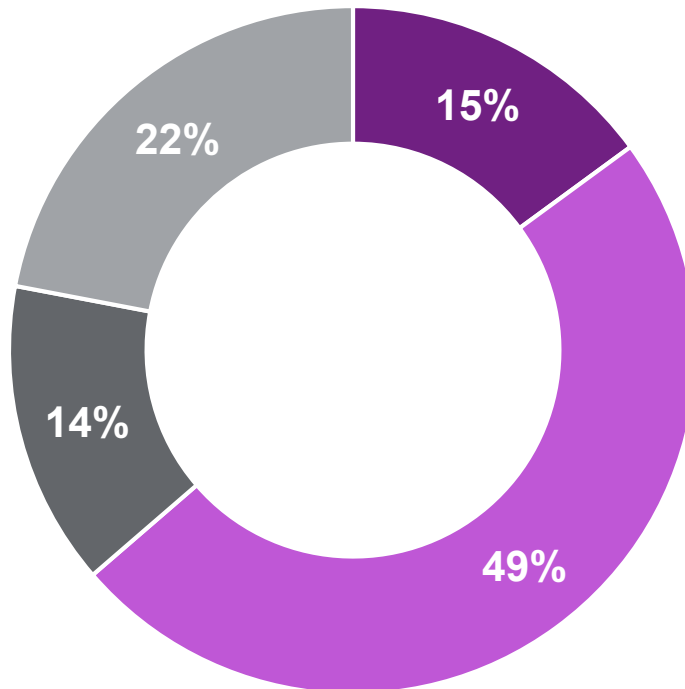
About half of those are topping up in addition to government support

- Yes
- Considering
- No

Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Almost two thirds of employers have made or are considering making adjustments to performance targets in reaction to COVID-19

Are there plans to adjust your annual business plans / targets in reaction to COVID-19?



- Yes and the adjustments have been made recently
- Yes, we are considering making adjustments to performance targets
- No, we will not make any adjustments to the targets
- No, we will not make any adjustments to the targets but plan to incorporate a discretionary review of performance by end of the year

Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# About 6 in 10 are not adjusting sales incentive payouts Others will adjust goals or make discretionary adjustments

What adjustments have been or will be made to sales incentive payouts that have been impacted by the COVID-19 epidemic?

No adjustments - business as usual

61%

Discretionary adjustments

18%

Goal adjustments

17%

Other types of adjustments

7%

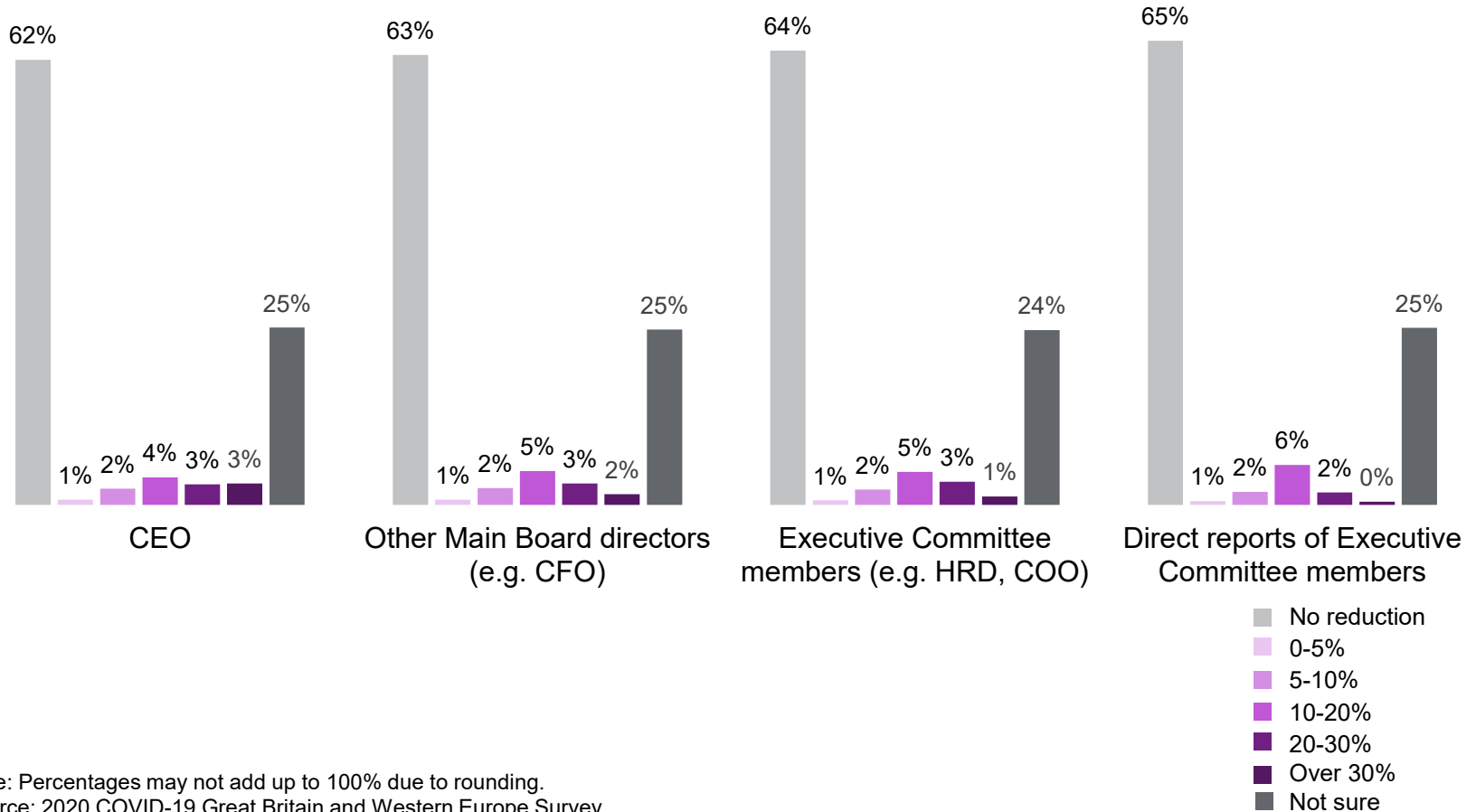
Guarantees

4%

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Three out of five employers are not temporarily reducing executive base salaries, many are still unsure

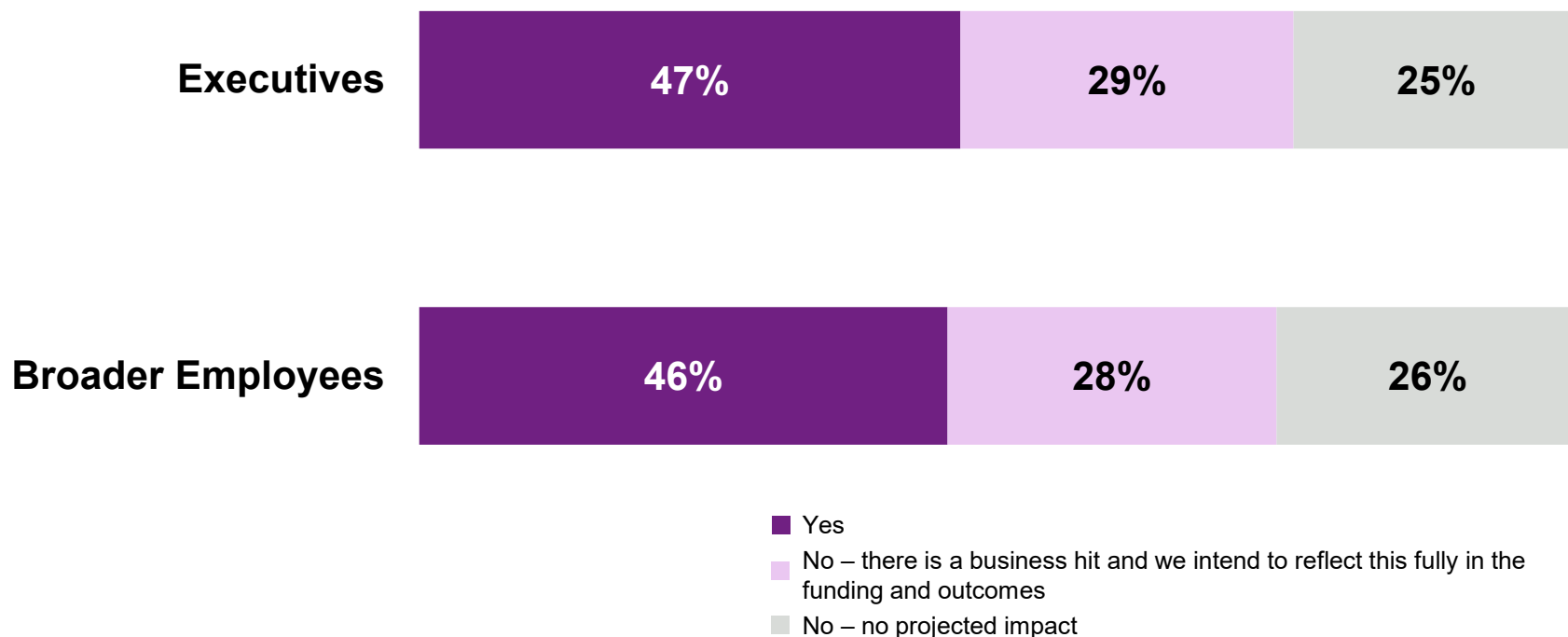
Are you temporarily reducing base salary for any of your executives as a result of the COVID-19 pandemic? If so, by how much?



Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Nearly half agree that their bonus plans for executives and broader employees have been or will be impacted by COVID-19

Will or have your 2020 annual bonus plans for executives and broader employees been impacted by COVID-19?



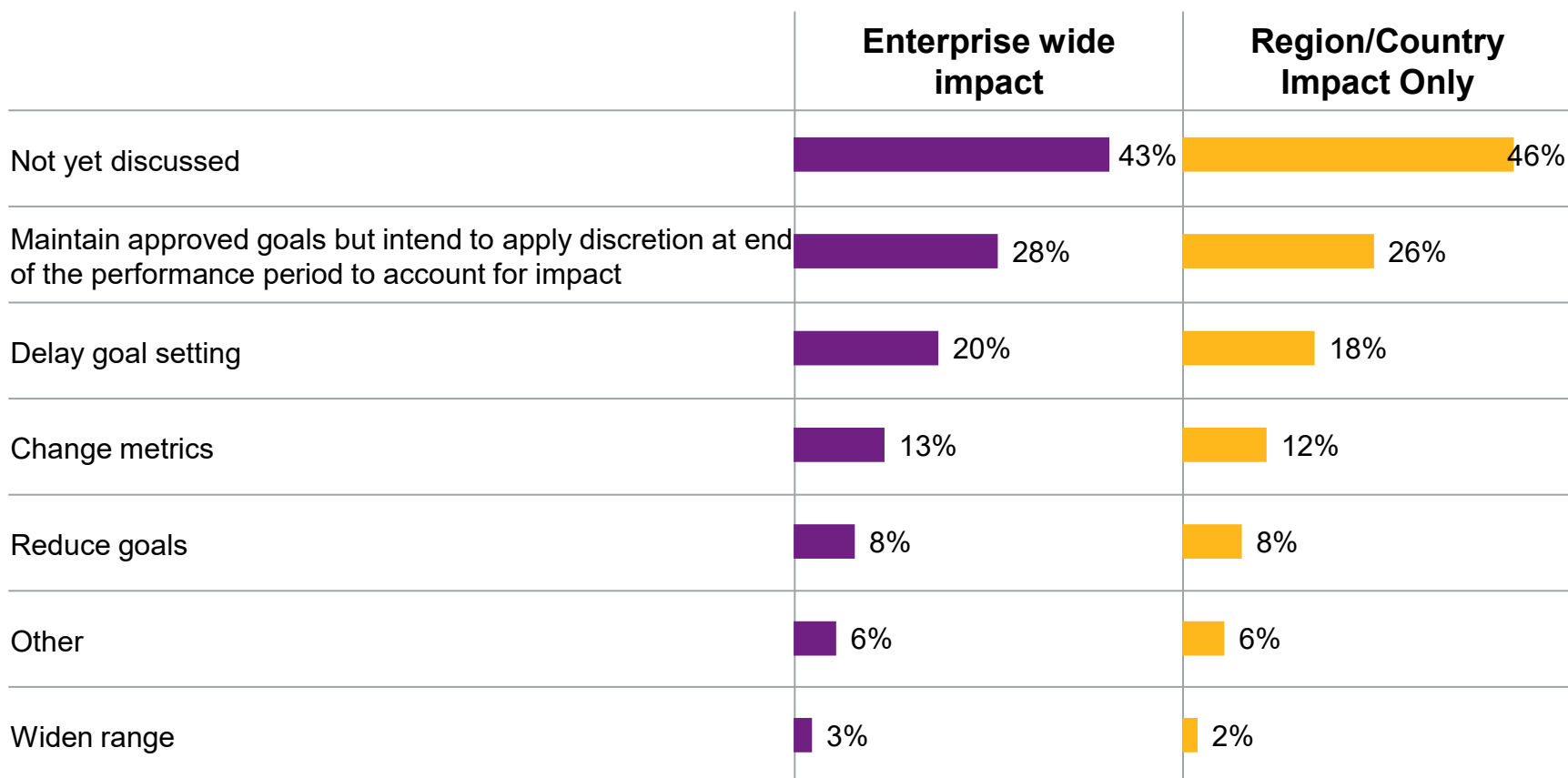
Note: "Not applicable" option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Almost half of organizations have not discussed taking actions on their 2020 annual bonus plan yet

Most who have will maintain goals and apply discretion, while others delay goal setting

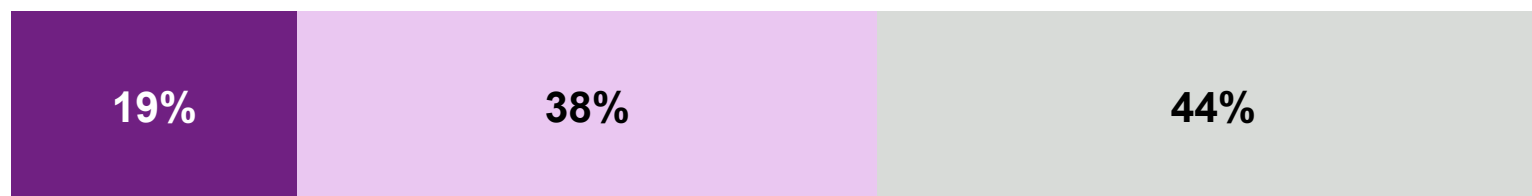
Please indicate what actions have already been taken, or that you plan to take with regards to your organisation's 2020 annual bonus plan.



Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# One fifth agree that COVID-19 has impacted the 2020 design of performance-based long-term incentive vehicles (e.g. PSUs, PRSUs, performance cash) at your organisation?

Has COVID-19 impacted the 2020 design of performance-based long-term incentive vehicles (e.g. PSUs, PRSUs, performance cash) at your organisation?



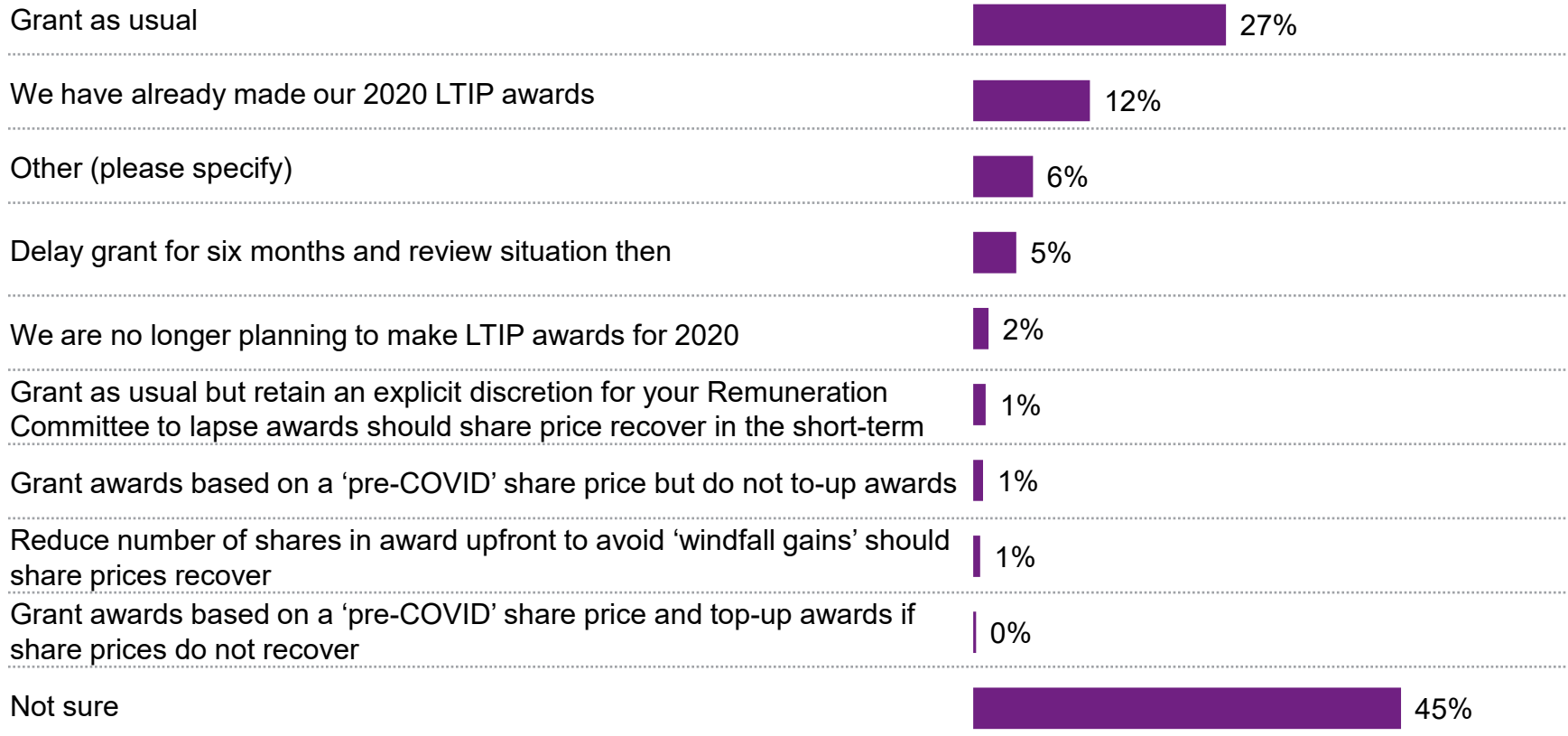
- Yes
- No – there is a business hit and we intend to reflect this fully in the funding and outcomes
- No – no projected impact

Note: “Not applicable” option excluded. Percentages may not add up to 100% due to rounding.

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# No common practice has emerged yet on how organizations will handle LTIP grants – nearly half of organizations are not sure what to do

Given the recent decrease in share prices globally what, if anything, do you plan to do regarding your 2020 long-term incentive plan (LTIP) grants?



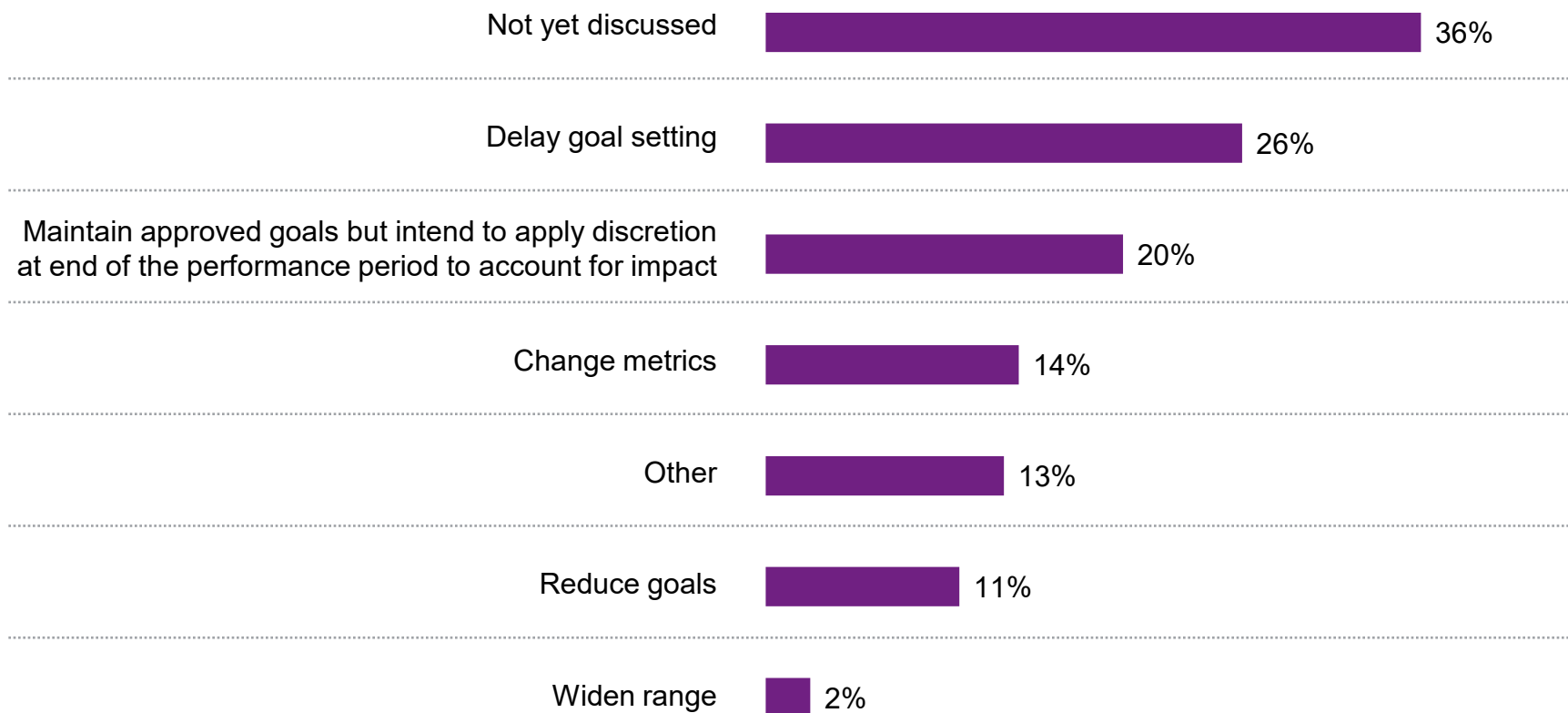
Note: "We do not have an LTIP" options excluded. Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.



# Over one third have not yet discussed taking action on 2020 performance-based long-term incentive vehicles

## One out of four have delayed or plan to delay goal setting

Please indicate what actions have already been taken, or that you plan to take with regards to your organisation's 2020 performance-based long-term incentive vehicle.

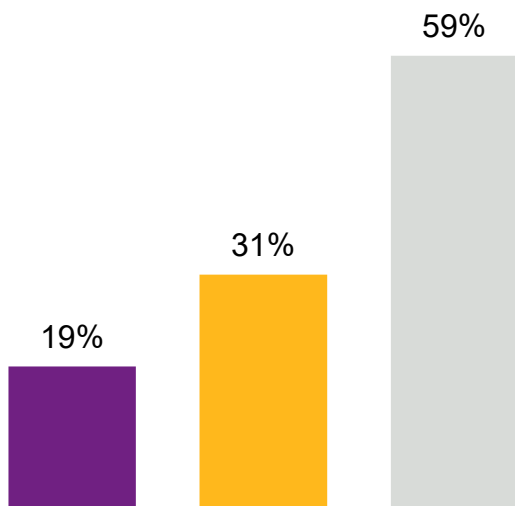


Source: 2020 COVID-19 Great Britain and Western Europe Survey.

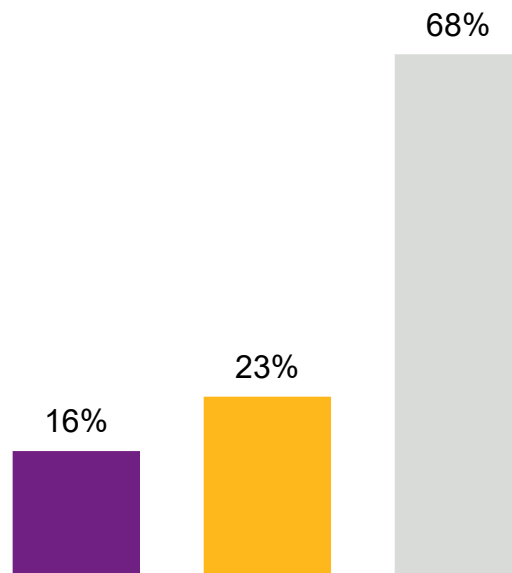
# Three fifths of employers are not likely to alter formulaic annual bonus or LTIP outcomes

Which of the below is your organisation planning as a result of the current uncertainty caused by COVID-19?

## RemCo are likely to use discretion to adjust formulaic annual bonus outcome



## RemCo are likely to use discretion to adjust formulaic LTIP outcome



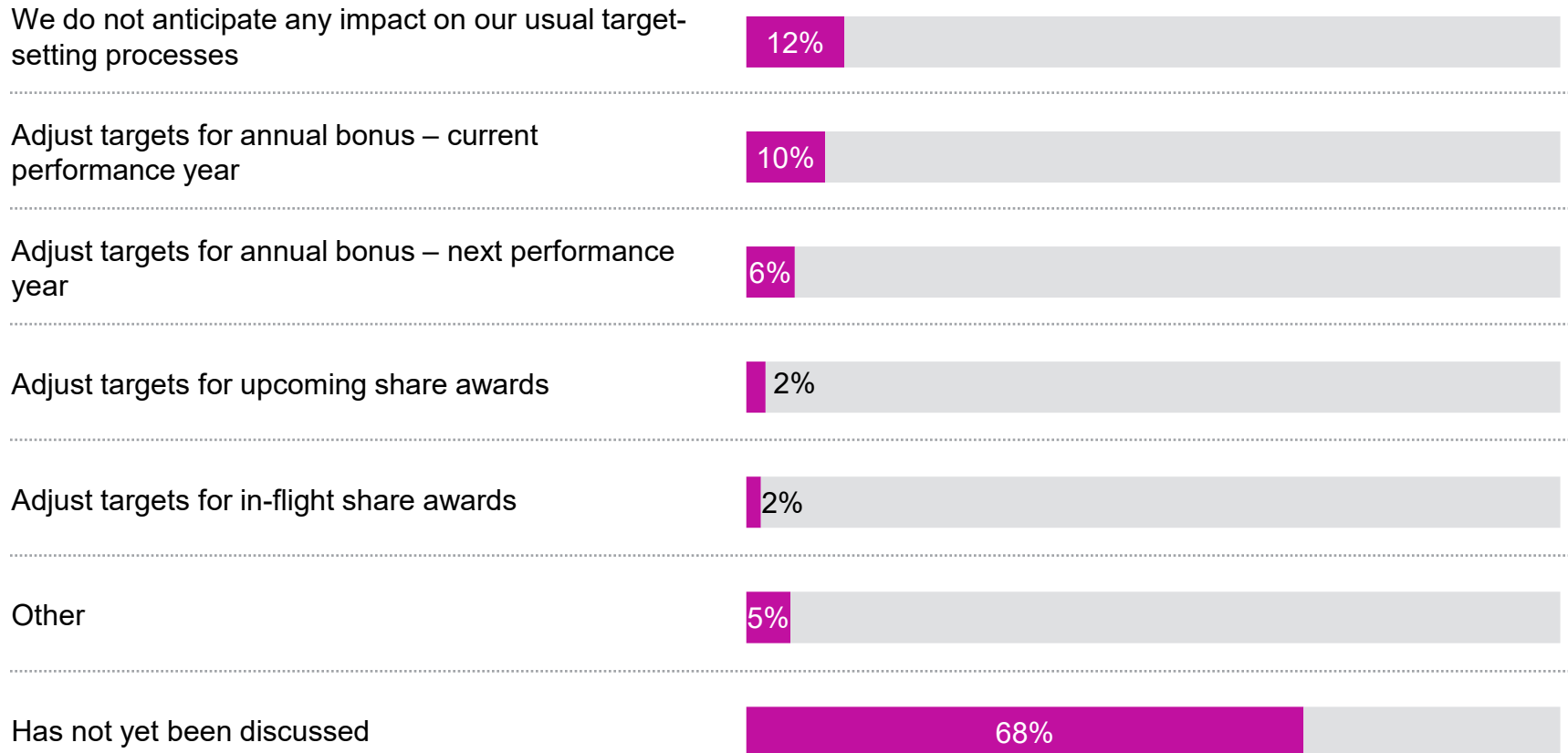
- Discretion used to modify upwards
- Discretion used to modify downwards
- Not likely to alter formulaic outcomes

Note: "Not applicable" option excluded.

Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# 7 in 10 employers have not yet discussed Remuneration Committee or Management Board plans

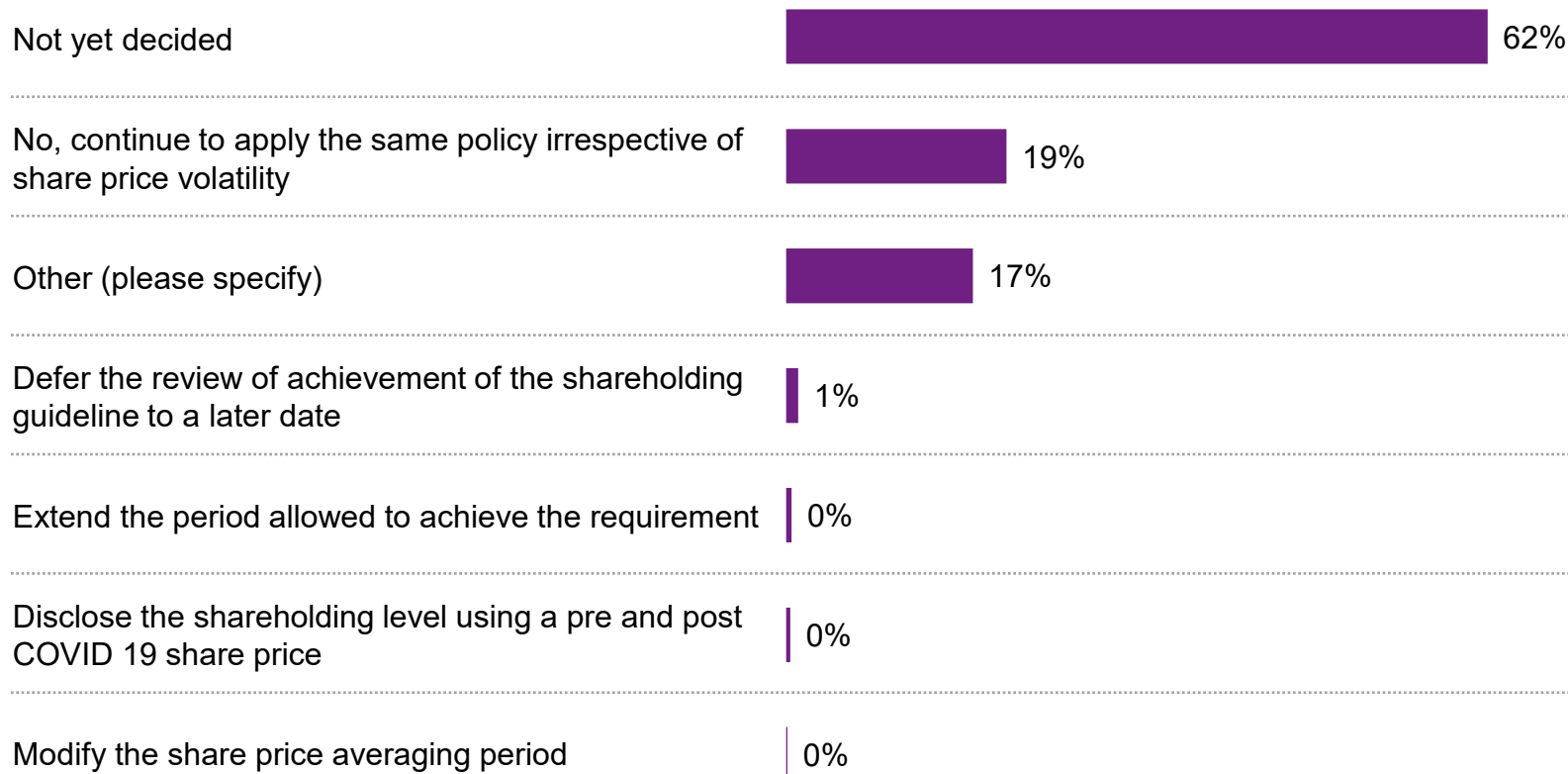
Which of the below is your Remuneration Committee or Management Board planning as a result of the current uncertainty caused by COVID-19?



Source: 2020 COVID-19 Great Britain and Western Europe Survey.

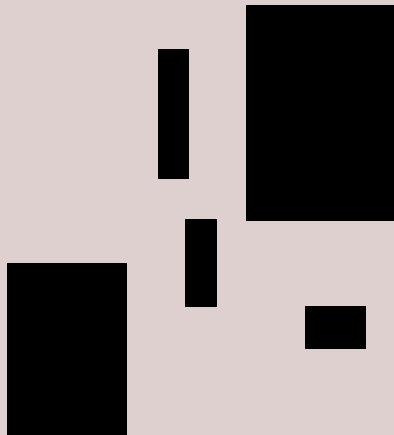
# Most employers have not yet decided to modify the approach to monitoring achievement of shareholding guidelines in 2020

Do you intend to modify your approach to monitoring achievement of shareholding guidelines in 2020?



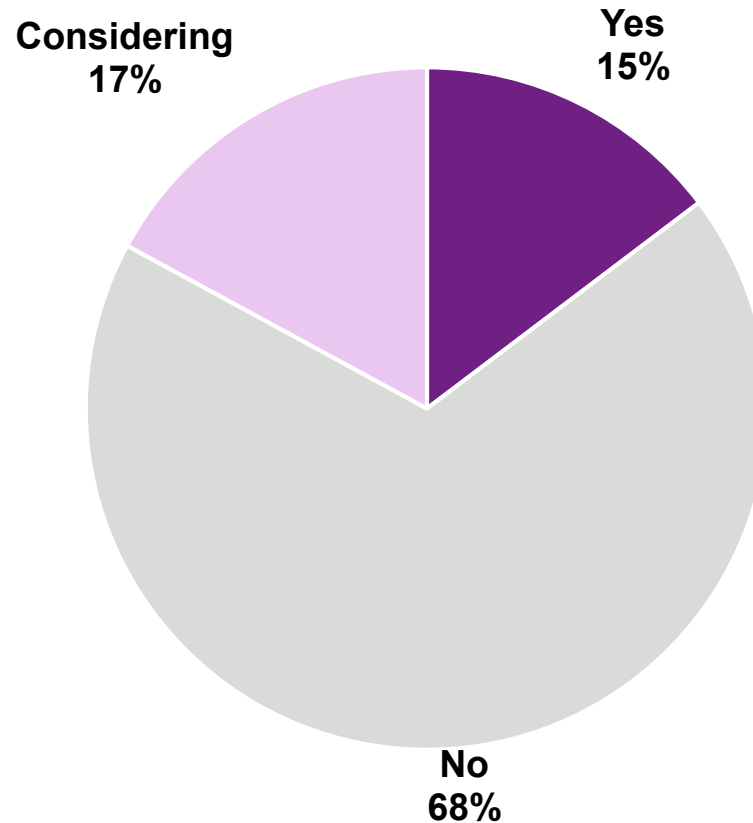
Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# HR Policies and Practices



# Two thirds of employers are not considering changes to their normal sick pay policy to deal with COVID-19 related sickness absence

Are you considering changes to your normal sick pay policy to deal with COVID-19 related sickness absence?



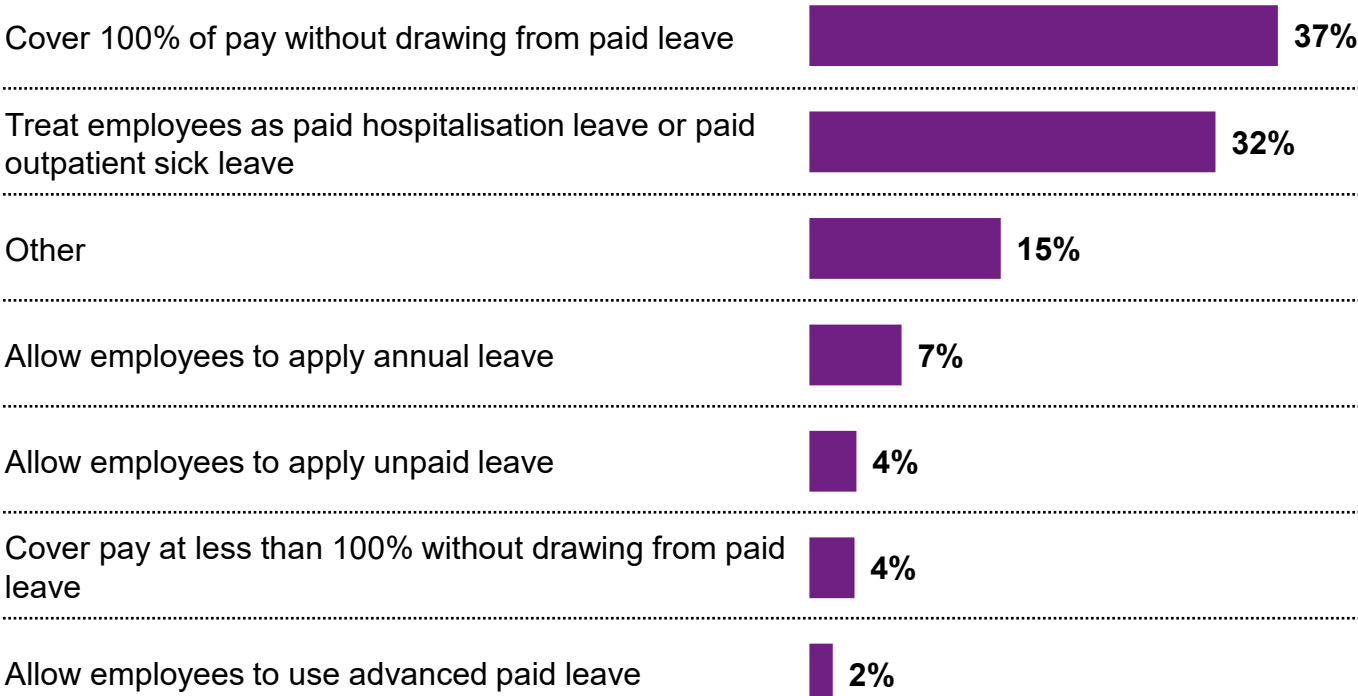
Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# One third of employers cover 100% of pay without drawing from paid leave for hourly employees who have been requested to be isolated at home

A similar number will treat it as paid hospitalization or outpatient sick leave

For employees who have been requested to be isolated at home (due to possible contact with infected employee(s)), what is your organisation's practice in terms of leave allowances?

## Hourly employees



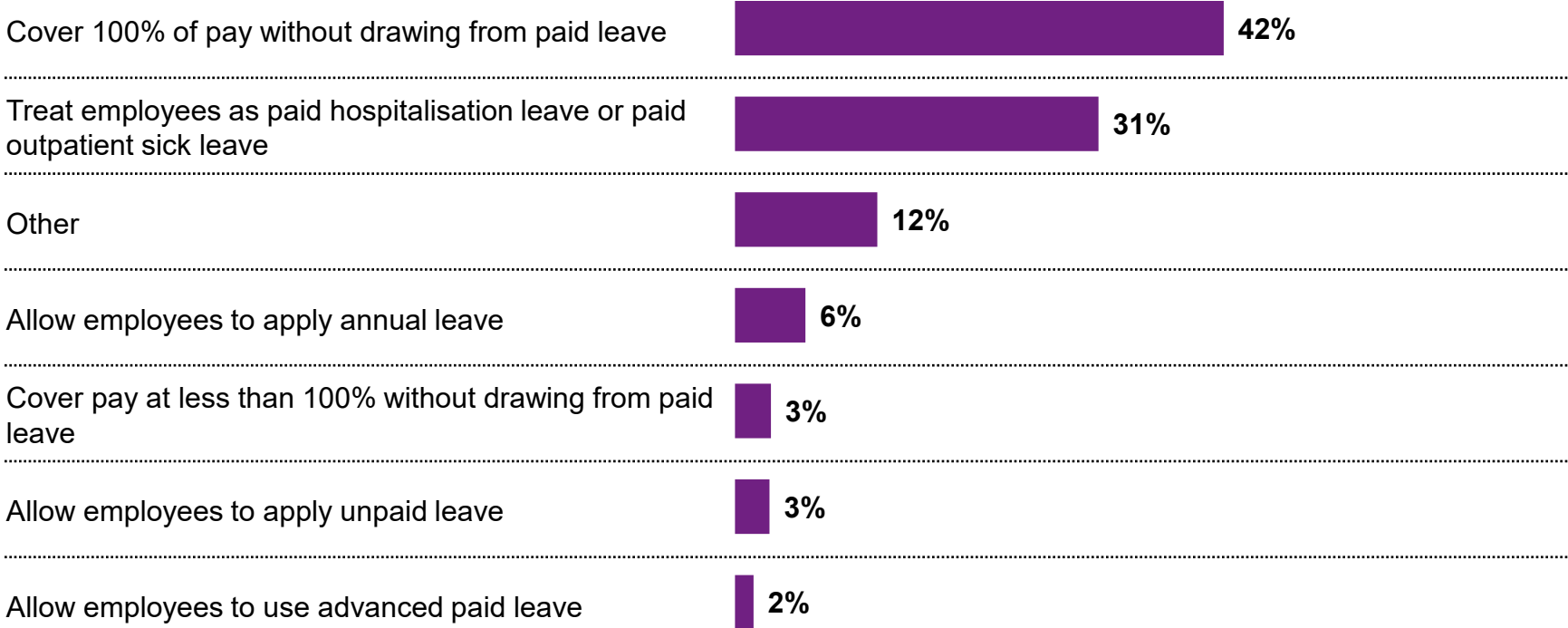
Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# 2 in 5 employers cover 100% of pay without drawing from paid leave for salary employees who have been requested to be isolated at home

## Over 30 percent will treat it as paid hospitalization or outpatient sick leave

For employees who have been requested to be isolated at home (due to possible contact with infected employee(s)), what is your organisation's practice in terms of leave allowances?

### Salary employees

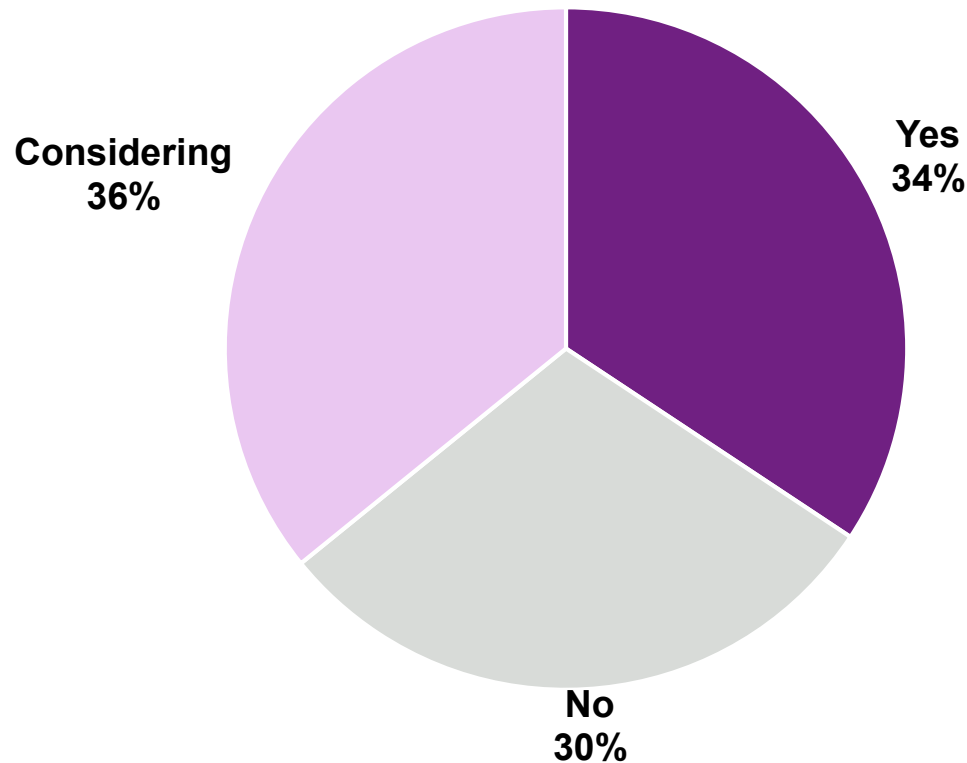


Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.



# One third of employers have adjusted the policy towards unused vacation or annual leave as a result of COVID-19 – a similar number are considering making changes

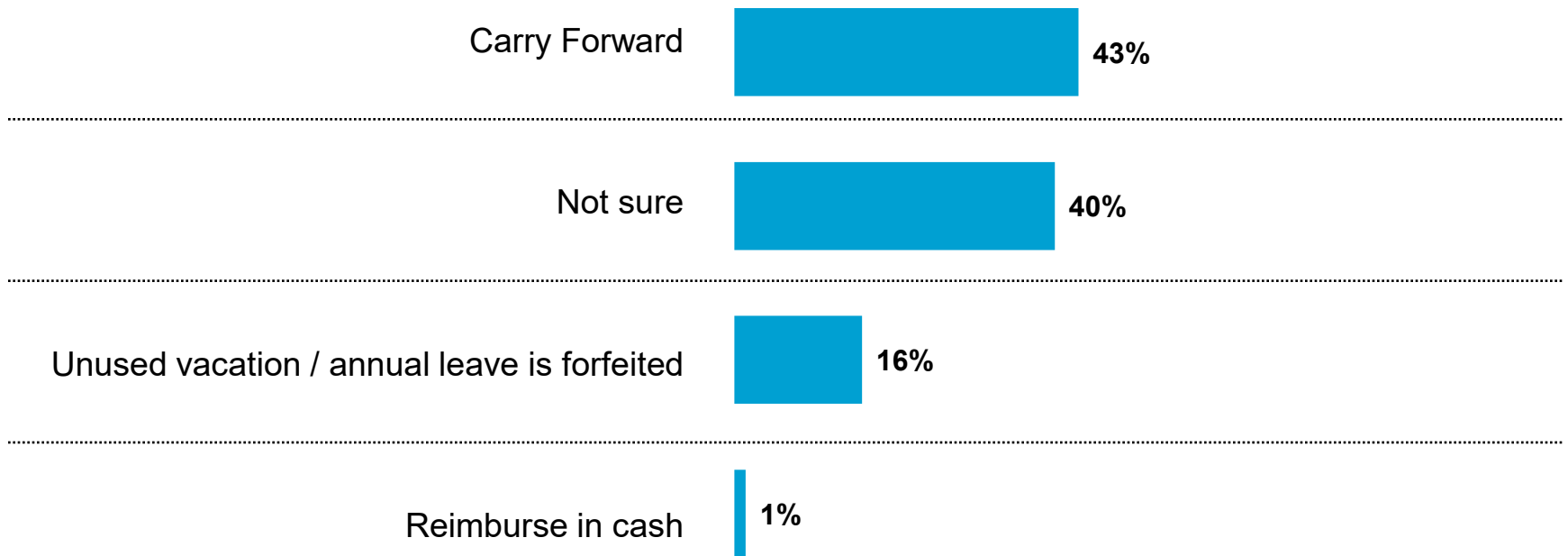
Has your organisation adjusted its policy towards unused vacation/annual leave as a result of COVID-19?



Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.

# Half of employers intend to carry forward unused vacation / annual leave as a result of COVID-19 measures

How will your organisation compensate employees for unused vacation / annual leave as a result of COVID-19 measures?



Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 COVID-19 Great Britain and Western Europe Survey.