

# COVID-19 and the New Normal in Global Rewards

Wednesday, May 6 | 11:00AM - 12:00PM



# Webinar Procedures



All lines will be muted



Please submit all questions using the “Q&A” dialog box



Email Diane Engel at [dengel@nebgh.org](mailto:dengel@nebgh.org) with any issues during this webinar



**The recording and a PDF of the slides will be shared**



Q&A

You have no question.

What h

☐ Send Anonymously

Send



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## **NEBGH: COVID-19 Global Workplace and Total Rewards Return to the Workplace Strategies**

**6 May 2020**

Prepared by Aon

# Agenda for Today's Discussion

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- Aon's COVID-19 #3 Pulse Survey (Kelly)
  - Focus on return to the workplace
- Return to the Workplace Strategies (Jill and Meg)
  - Business context & HR priorities
  - Global benefits perspectives
- Future of Work (Kelly)
  - Overview in light of the pandemic
- Q&A (All)

✓ **Reminder:** As part of the NEBGH, you are entrusted to treat insights and data sharing with the appropriate proprietary and confidentiality parameters.





**Aon's COVID-19 #3 Pulse Survey:  
Focus on Return to the Workplace**

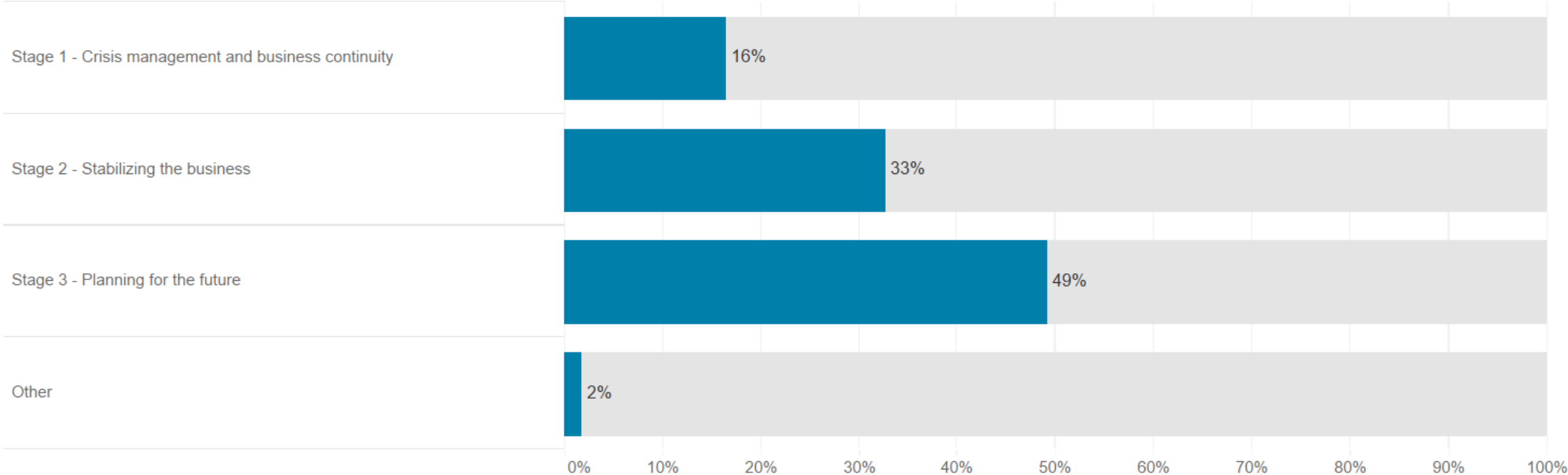
## Study Overview

- Although the humanitarian and economic toll of the COVID-19 pandemic continues to climb, many organizations are beginning to shift their focus from crisis management and business continuity to planning for a safe return to work (or the office, as some put it) and a new normal for business operations once stay-at-home regulations begin to relax
- The design of our third study reflects this crucial transition point for companies, and was built as a broad partnership between clients—many of whom submitted questions to us in advance of this project—and numerous teams at Aon, including our firm's assessment, benefits, employee communications, health, human capital strategy, retirement and rewards practices, among others
- On an overall basis, this global study, conducted from April 28 to May 1, garnered submission from a total of 1,970 organizations



# Setting Priorities

**Question:**  
Aon's COVID-19 response framework encourages organizations to move through three major stages of action to support employees and strengthen business operations. In your opinion, what stage best reflects your organization at this time? (Select a best-fit response) (1,959 respondents)





# Setting Priorities

## Question:

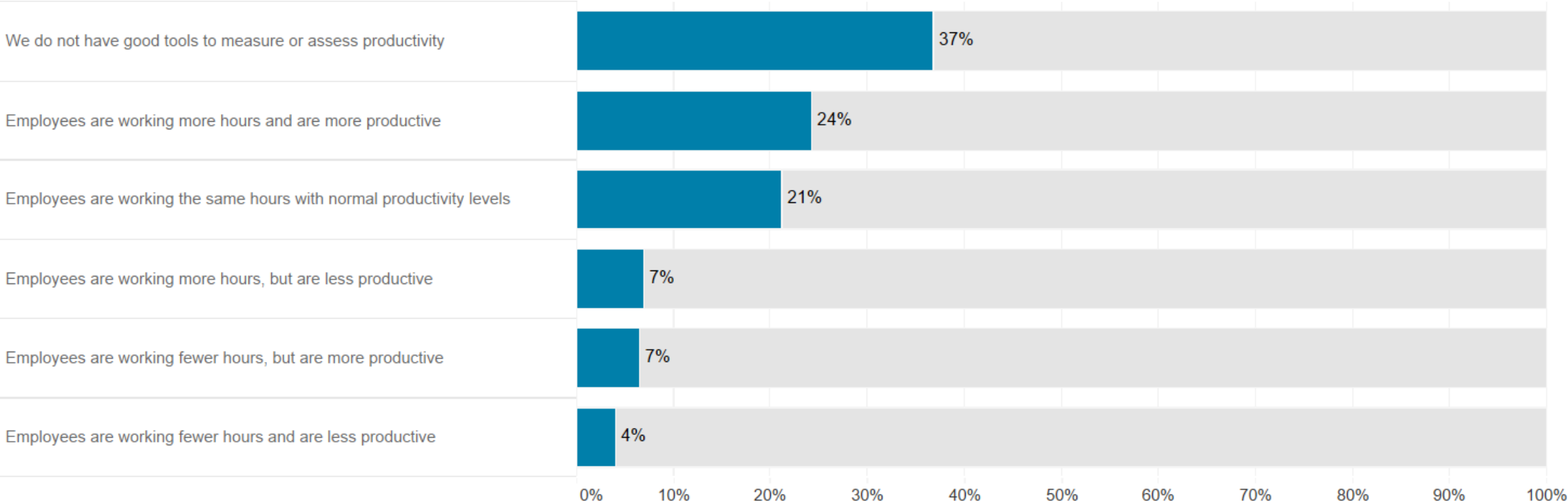
In your opinion, what are your organization's top human capital priorities at this time? (Rank from 1 for highest priority to 6 for lowest priority.) (1,965 respondents)

	← High Priority → Low Priority →					
	1	2	3	4	5	6
Managing our human capital costs	2%	7%	31%	49%	10%	0%
Planning for return to work	5%	9%	40%	26%	20%	1%
Planning for significant workforce changes (i.e., furloughs, layoffs, restructuring)	2%	3%	8%	17%	62%	7%
Protecting our people	65%	23%	8%	3%	2%	0%
Supporting day-to-day business continuity	26%	57%	12%	4%	2%	0%
Other	0%	0%	1%	2%	4%	92%

# Setting Priorities

**Question:**

In your general opinion, are employees who have shifted to work-from-home or virtual settings more or less productive? (Select best-fit response) (1,953 respondents)



# Monitoring Changes to Rewards Programs

## Question:

By employee type, what compensation actions is your organization taking to manage or reduce total rewards costs? (Select all that apply) (1,895 respondents)

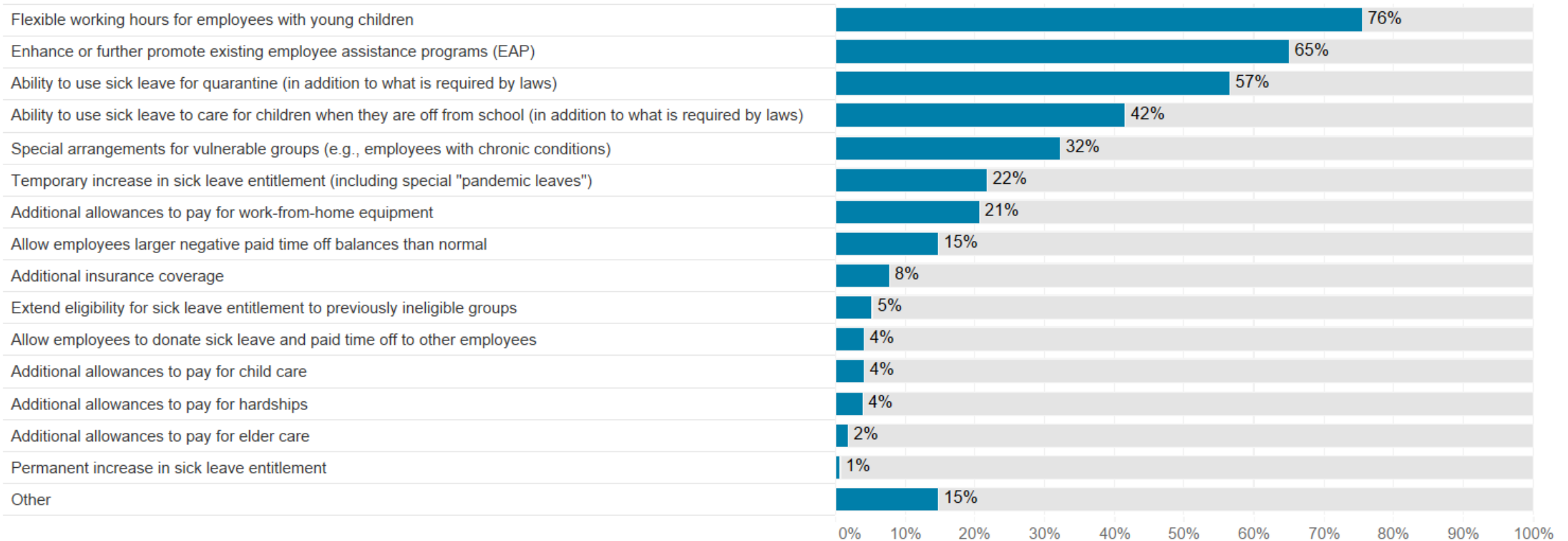
	Overall Prevalence	Applies to All Employees	Applies to Executives	Applies to Non-Salaried Employees	Applies to Salaried Employees
At this time, no adjustments of this nature have been made	56%	92%	6%	7%	7%
Deferring or postponing non-statutory base salary adjustments or merit increases until a specific date in the future	22%	81%	11%	3%	12%
Canceling non-statutory base salary adjustments or merit increases until further notice	22%	85%	11%	3%	5%
Involuntary base salary reductions, where allowed by law	12%	45%	41%	5%	24%
Adjustments to short-term incentive targets to reflect updated business goals	11%	72%	14%	7%	18%
Involuntary reductions in planned bonus payouts, where allowed by law	11%	76%	17%	3%	9%
Voluntary base salary reductions, where allowed by law	10%	33%	59%	3%	12%
Voluntary reductions in planned bonus payouts, where allowed by law	4%	58%	33%	7%	10%
Providing lumpsum payments in lieu of planned merit increases, where allowed by law	2%	56%	9%	21%	15%
Other (please specify)	5%	63%	14%	15%	20%



# Monitoring Changes to Rewards Programs

## Question:

What measures has your organization specifically adopted to support employees in response to COVID-19? (Select all that apply) (1,879 respondents)

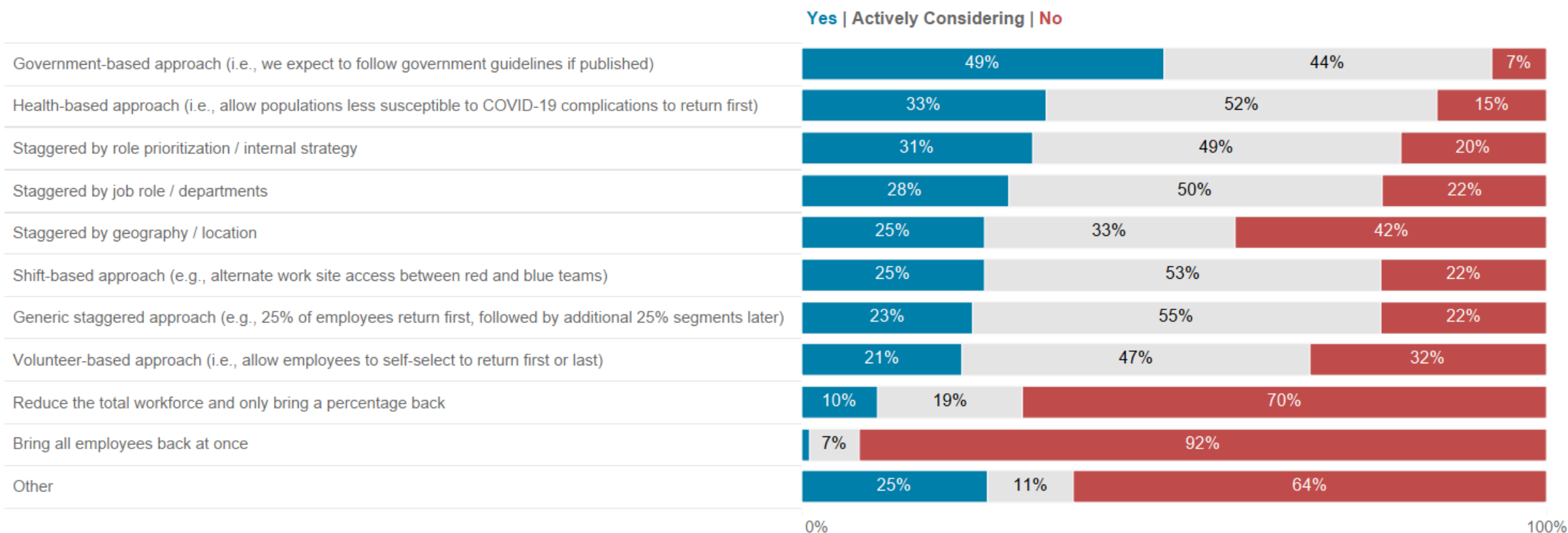


# Return-to-Work Strategies

## Question:

What segmentation strategies will you use to safely bring employees back to work following the removal or relaxation of stay-at-home or lockdown regulations?

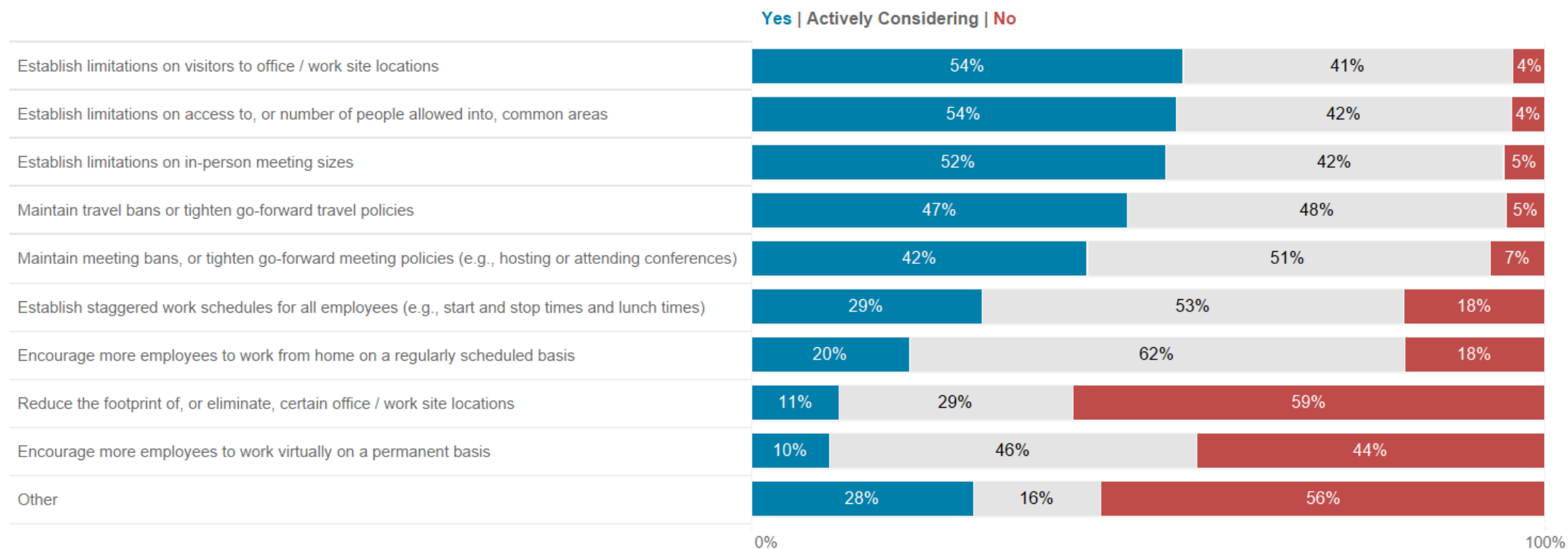
(1,947 respondents)



# Return-to-Work Strategies

## Question:

Before employees return to work, which of the following changes is your organization making or contemplating? (Respond for all that apply) (1,902 respondents)



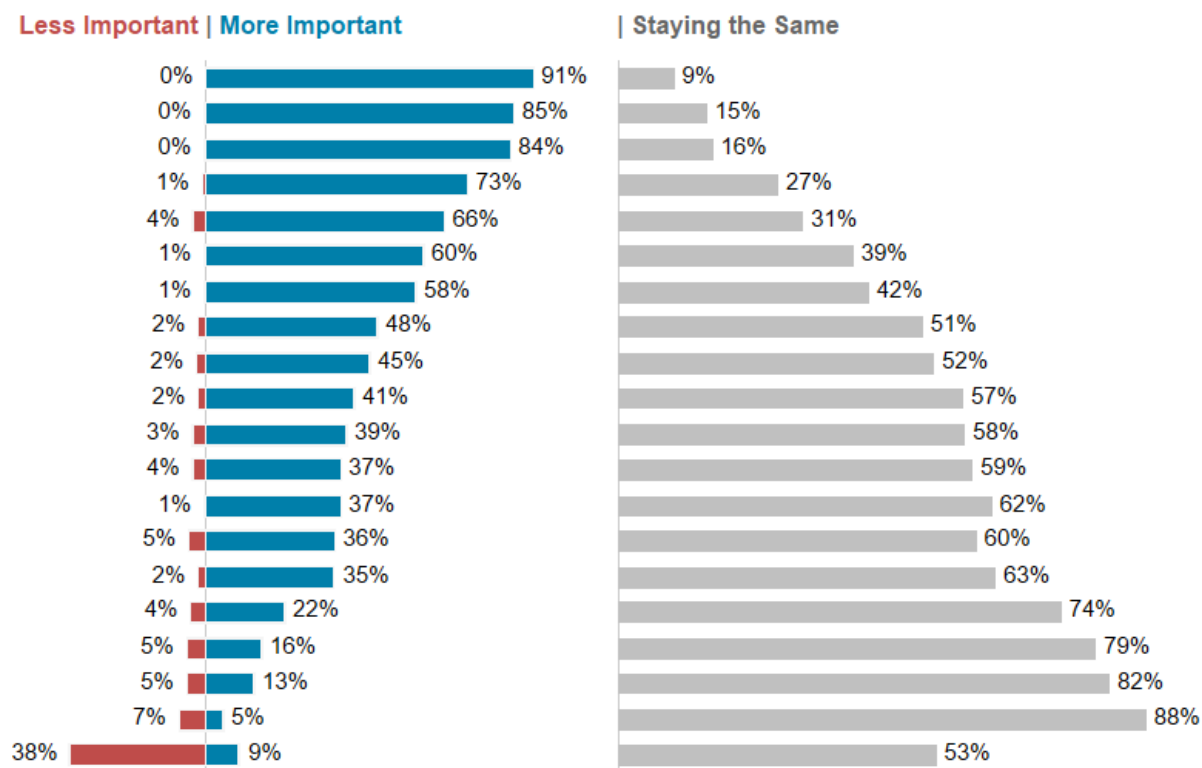


# Employee Value Proposition

## Question:

In your opinion, which elements of your employee value proposition (EVP) will become more or less important (i.e., points of differentiation) going forward?  
(1,900 respondents)

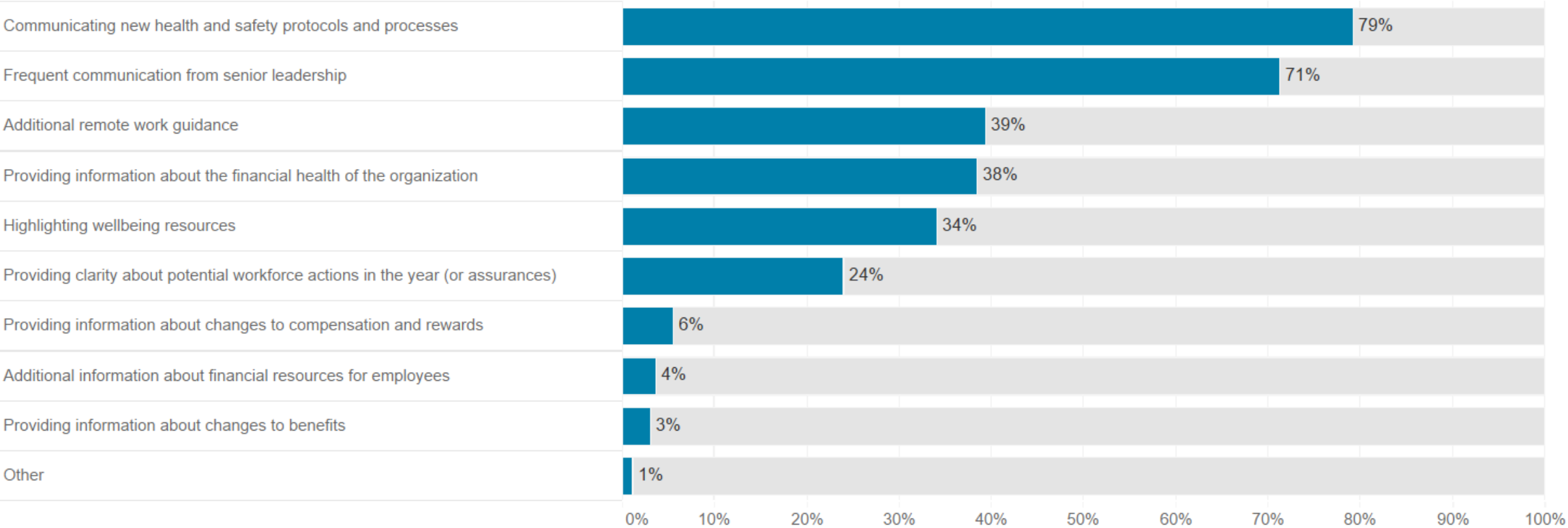
Employee safety
Employee communication
Focus on your employees' total wellbeing (i.e., physical, emotional, social and financial)
Support for work/life balance and flexibility
Workplace environment
Teamwork and collaboration
Employee listening
Leave, absence and PTO policies
Opportunities to innovate
Employee recognition
Leader and manager learning, development and training
Social responsibility and community involvement
Medical benefits
Employee learning, development and training
Operational excellence
Control and influence over work tasks
Career development opportunities
Compensation
Retirement benefits
Other



# Employee Communications

**Question:**

As you develop your organization's return-to-work strategy, what are your top three communications priorities? (Select three)? (1,908 respondents)



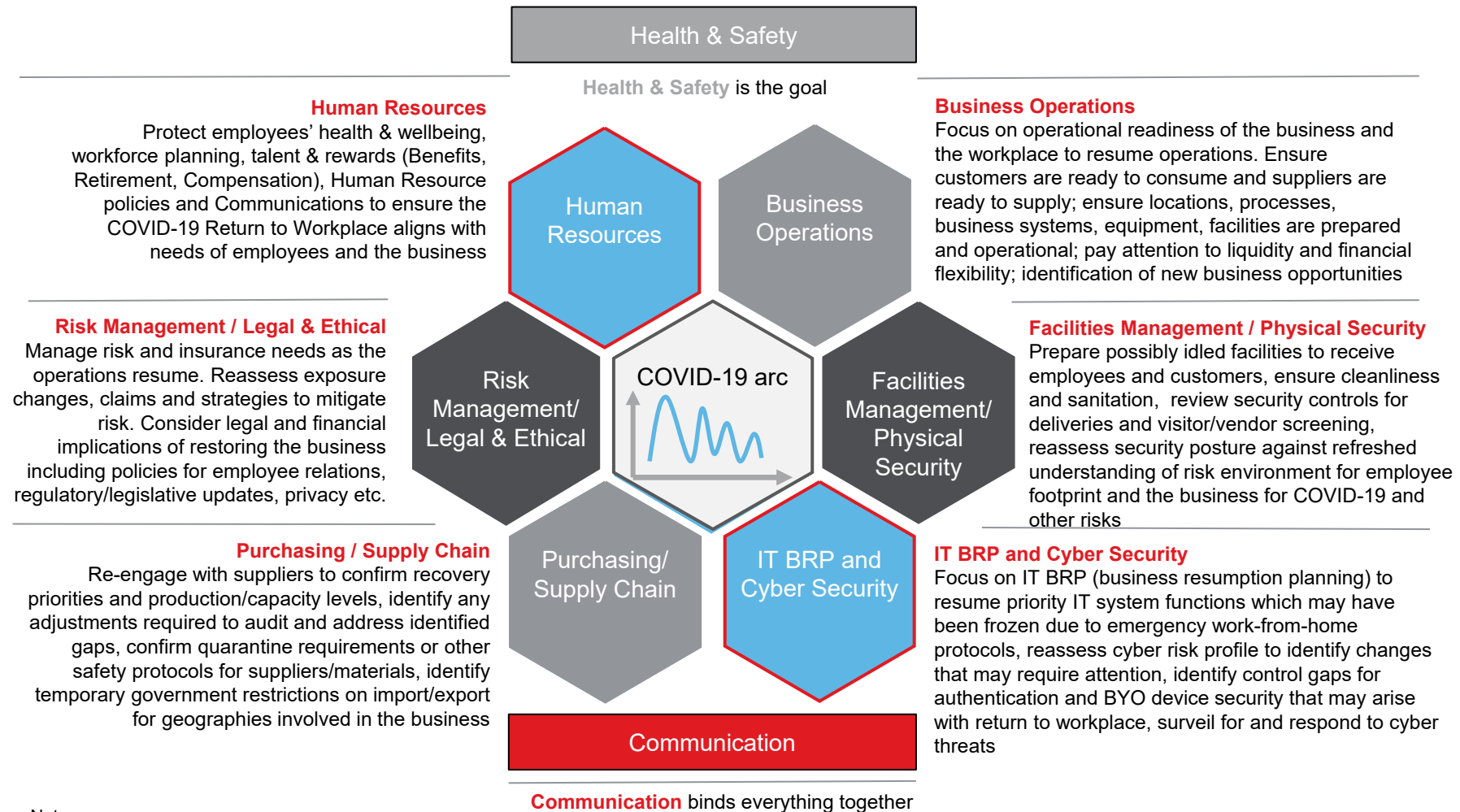


**Return to the Workplace Strategies:  
Global People / Workforce / Business  
Considerations**



# Business Areas Required to Develop your Return To Workplace Plan

*Be prepared to flex as the organization's unique COVID-19 experience unfolds*



# High Level Human Resources Considerations



## Protect Employees

- Health and safety protocols
  - Screening options
  - Protective gear
  - Infection reporting
- Office/workspace
  - Office space reconfiguration
  - Protocols within the office
  - Coordination with other companies



## HR Policies and Support

- Interim policy review
- HR policy changes (i.e., compensation, time-off, leaves, work from home) to support return to work or new normal
- Expanded wellbeing support needed to address COVID impact



## Workforce Planning

- Framework to determine roles/employees
  - Pivotal roles for critical business operations
  - Phasing or staggering return
  - Succession/back-up plan for critical roles
- Working models to become a more agile organization
  - Remote work productivity
  - Business processes that best support remote work
  - Locations to shift workers to a remote/agile workplace



## Communication

- Frequent, clear and concise communication
- Inspire confidence and trust
- Key communication elements include:
  - Important health, safety, and policy updates
  - Transparency about what the future looks like
  - How you will support and protect employees.
- Managers play an important role and need to be well-equipped.

# Return to the Workplace: China Client Example

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## Lessons Learned

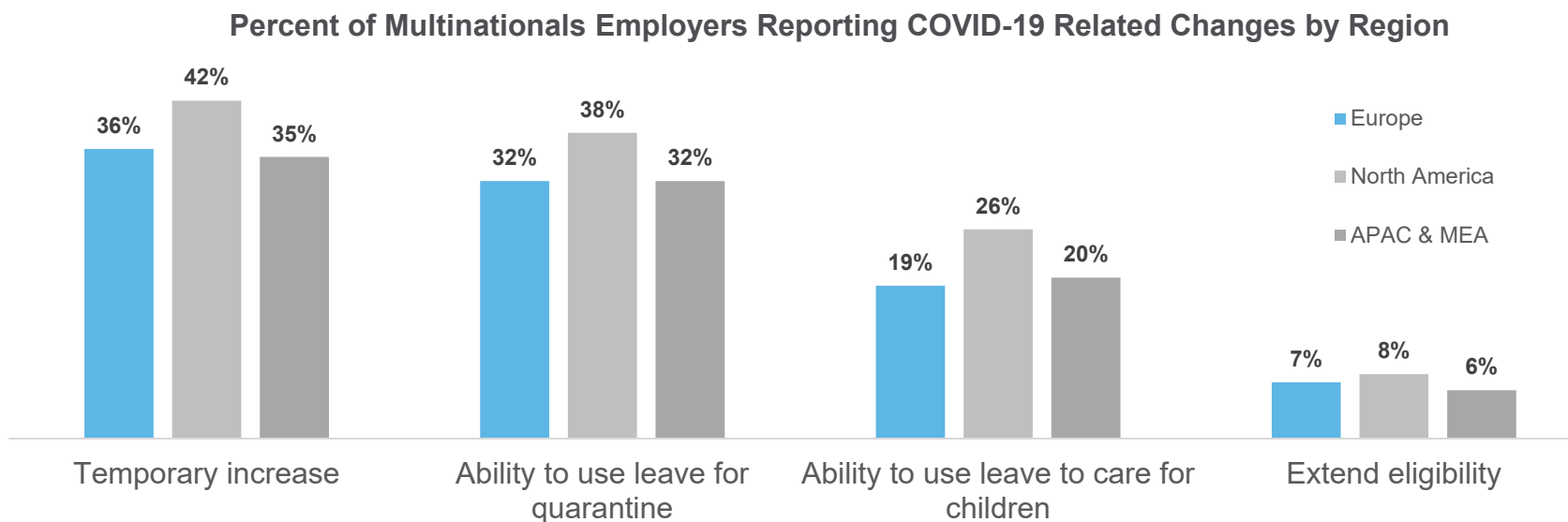
1. Reopen slowly
2. Plan the return to work exercise in an empathetic way
3. Before reopening, completely disinfect the office
4. Encourage staggered arrivals / departures
5. Provide multiple checkpoints before arrival
6. Make masks mandatory inside the office
7. Close the cafeteria

*Point of Reference: Return to work strategies need to operate in alignment with local regulations.*



## Return to Work: Leave Changes due to COVID-19

- Employers globally are making adjustments to sick leave policies



- Legislative changes to protect employees have also been enacted

## Return to the Workplace: Paid Time Off Considerations

### Few are taking action

*(where allowed by law)*

3% - APAC & MEA

4% - Europe

2% - North America

**Where action,  
majority apply to all  
employees**

85% - 89%

### One-size does not fit all given the variability of PTO provisions globally:



Majority of countries permit carryover



Few countries let employees elect “cash in lieu” or employer to offer encashment



Advance notification and/or mutual consent often required



Few legislative actions to loosen requirements since the pandemic

# Mid- to Long-term Impacts on Global Benefits from the Pandemic



## Worsening underwriting conditions

**Increased mortality** will impact life insurance premiums

**Delayed diagnoses** leading to higher medical costs

Expected **surge in mental health & musculoskeletal** issues impacting disability

Declines in the financial **stability** of some insurers

**Captives may be cautious** over life / health risks

Increased **costs of reinsurance** protection



## Increasing medical trend

**Scarcity of medical resources** around the world

**Reward packages likely to increase** for health industry employees and other essential employees

Further **cost shifting** from public to private health systems

**Volatility in foreign exchange markets** pushing up price of imported drugs and equipment



## Increased global benefits governance

Companies wanting more **detailed benefit inventories** and audits

Benefit strategies being reviewed and **greater compliance will be required**

Greater focus on **DC plan governance** in light of market falls

**Resilience testing** of benefit programs to cope with future health pandemics



## Wellbeing a business priority

Focus on **Mental Health and Wellbeing** given lockdown impact on social, financial and emotional wellbeing

Continued interest in **digital offerings** (EAP and telemedicine)

Link between **COVID-19 and underlying physical** conditions

High sickness rates impacting **short term business continuity**



## Evolution of the benefits package

**Holistic leave programs** rather than multiple separate plans

**Work from home impact** worksite injuries / workers compensation

Adjusting benefits for **furloughed employees**

**Personal hygiene / social distancing** likely to change the agile working model

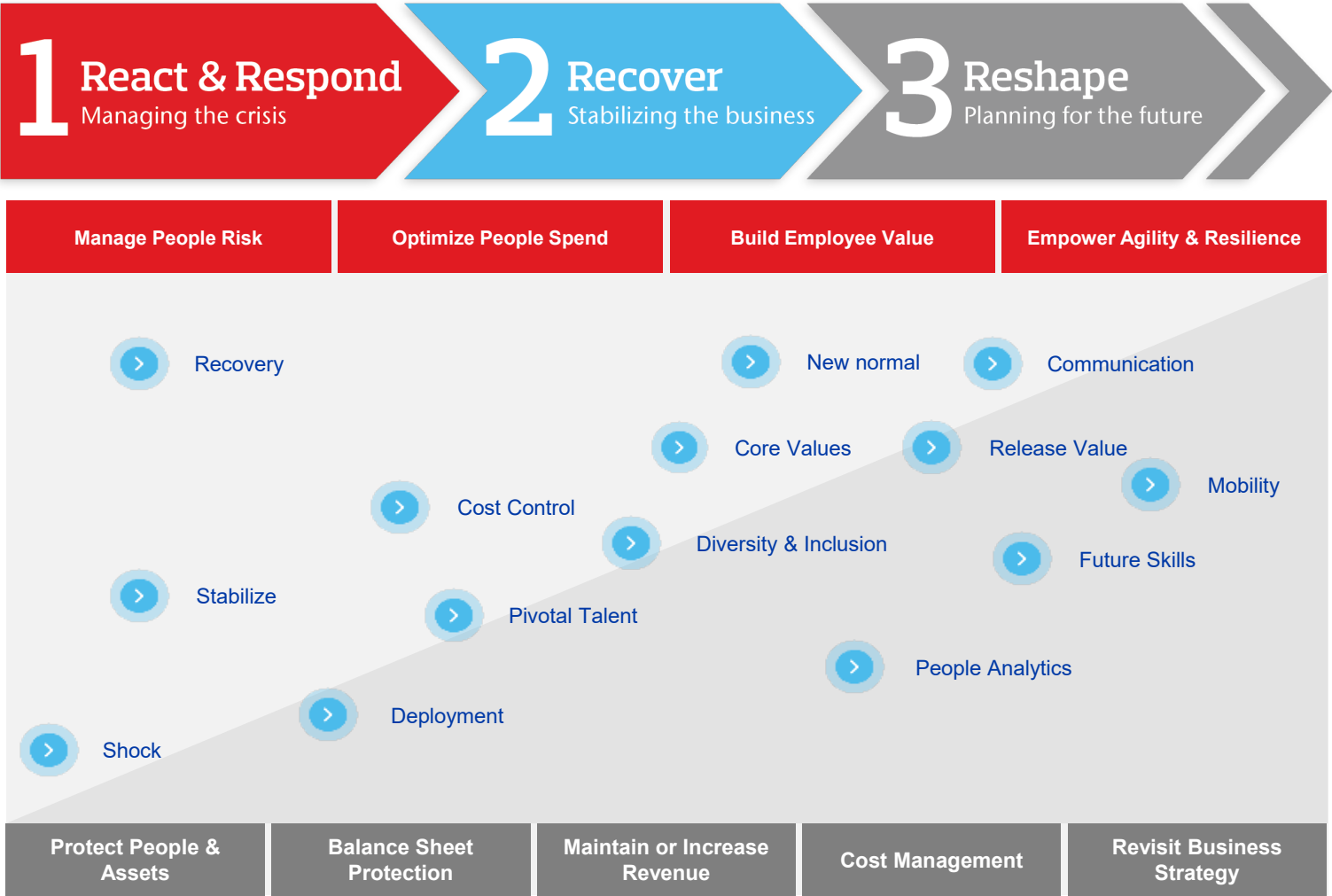
**Flexible benefit offerings** adapting to new environment



## **Future of Work High Level Overview**



# From COVID-19 Response to Solving the Future of Work



# Working Types | Understand People & Cognitive Diversity

## Digital ready

Showcase future ready skills, capabilities and mindset



## At Risk

Process oriented roles or at risk of disruption / redundancy



## Agile Ready

Able to work be productive regardless of environment



## High Risk

Roles require employee to be at risk, or represents a potential material risk to the firm



## Digital Capable

Has the right mindset – needs intervention to develop to digital ready



## Pivotal

Role has significant on the productivity, business as usual or sustainability of the business



## Social

Role needs to be in a social environment to be productive



## High Impact

Role has a disproportionate impact on the revenue, expense or momentum of a firm



## A Rare Opportunity

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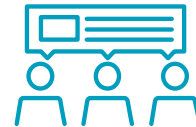
**Reduction in office space**



**Greater productivity**



**Lower carbon footprint**



**Higher retention and engagement**



**Questions & Answers**

**Thank You!**



## Aon Contacts and Materials

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Aon is here to support you and your organizations at this challenging time.  
Please reach out to us should you have any questions or if we can be of any assistance!

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Results from ***Aon's COVID-19 Pulse Survey: Setting the Stage for a Return to Work and the New Normal*** will be available later today and available through our Insights Hub below:

**Insights Hub:** To read all of our COVID-19 insights for rewards professionals, please visit:

<https://rewards.aon.com/en-us/insights/covid-19>



**Have a question? Use the Q&A box!**

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## **Upcoming NEBGH webinars:**

- **May 7:** Addressing Employee Grief and Emotional Distress During and After COVID-19
- **May 11:** NEBGH Medical Director's Weekly Monday COVID-19 Update
- **May 12:** COVID-19 Mental Health Fallout: How Digital Tools Can Help