

Strategic HR Reward Dialogue #2 / 2020 – Key Takeaways

By Desirée Klein-Wagner, HR ValueCurve (www.hrvaluecurve.com)

Here are some Key Takeaways from our 2nd strategic HR Reward dialogue 2020 with HR executives of leading multinationals and growth companies:

Topic: Principles for HR / Reward measures in the context of the coronavirus crisis

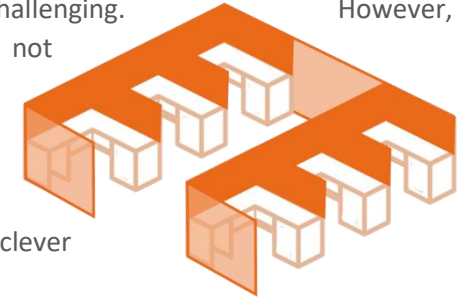
What situation are companies in and what are work-related considerations?

- Companies' current business situation differs vastly by sector and country: Some are still in lockdown and fighting for survival, others are doing business as usual" or even stand to benefit from the crisis.
- Not all companies with access to governmental financial aids take advantage of these, as they fear restrictions from rights to have a say.
- Most companies have adopted an approach where the health and safety of staff (and their immediate families) comes first, then, customers, followed by other stakeholders and economic considerations.
- Considering that pandemics (or epidemic waves) may occur more frequently, companies wonder what the "new normal" will look like. Some long standing practices have become obsolete and are being replaced by pandemic-proof new approaches. This requires energy and courage, as new ways and methods have to be developed and implemented on the fly.
- The extension of home offices to vast proportions of the workforce has worked surprisingly well. In this context of distributed work and advancing digitalization, the number of sites, offices and workplaces is under review.
- In the last decade, motivated by an aim to remain relevant as an employer to digital natives in the war for key talents, many firms have refreshed and updated their offices and equipment: The move to activity-based working provided more space for interdisciplinary communication and collaboration, supporting exchange, the flow of ideas and innovation. Individual offices have been abolished to create more common areas and



casual meeting places, offering a more relaxed and campus-like atmosphere and a range of innovative employee services. New "communities" have emerged within companies, some with semi family-like structures in an otherwise increasingly digital and virtual world.

- The new set-ups with lots of space for working and chilling together make social distancing a lot more challenging. However, a return to narrow cubicles does not appear as an appealing alternative. Pandemic-proof, new office concepts are needed, which ideally allow to monitor and track office occupancy "live" with the help of clever digital applications.



What HR and Reward measures are being taken?

- To avoid layoffs, many staff have been placed on furlough or on short-term pay. Select companies have traded staff temporarily to balance capacity. All projects that are not time-critical are suspended or postponed.
- Some firms have postponed salary reviews by a few months or agreed a "zero" focal with social partners. Special achievements of individual employees or teams are being honored via global recognition programs.
- In some industries, top and senior executives have opted to forego 20-50% of their basic salary, out of solidarity. Other companies have set up special fund vehicles for charitable purposes allowing for salary sacrifice donations, then, often matched 1:1 by companies.
- 2019 bonus awards were mostly paid out in full, 2020 performance KPIs are largely maintained unchanged. Discretionary powers may have to be exhausted in both directions at time of performance assessment to consider Covid-19 and its business impact - while weighing the interests of all stakeholders to avoid new say-on-pay adversities in 2021 AGMs.

