




COVID-19 LOCKDOWN: MANAGING AND ENGAGING WITH EMPLOYEES

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A photograph showing a person's hands typing on a laptop keyboard. The person is wearing a light-colored long-sleeved shirt and a watch. The scene is brightly lit by natural light from a window in the background, creating a warm, golden glow. The laptop is open on a desk, and there are some papers and a notebook nearby.

COVID-19 is straining some of the developed world's best healthcare systems as well as blighting the world economy as India completes lockdown 4.0 in most states. As Indian companies in orange and green zones begin to reopen, COVID-19 cases continue to rise in India after the lifting of the lockdown.

Looking back at corporate India's response to the lockdown may give us some hope that we can resume operations with greater clarity and confidence that we can work "normally" and still mitigate the spread of infection, or we may decide it's safer and more productive for us to continue to work remotely than return to our offices just yet.

Prudent conducted a survey in April 2020 to gather a broad perspective on how employers in India were managing the impact of the COVID-19 lockdown on their businesses and workforce, their business continuity preparedness levels, and their areas of immediate focus to deal with possible financial impact, business and workforce disruption, and ensuring the health and safety of their employees.

Prudent reached out to corporates (both Indian and MNCs) across the country for their response; three hundred and thirty-nine esteemed employers participated in the survey over a span of three weeks.

Prudent sincerely thanks all the participant companies who took out the time to respond to the questionnaire.

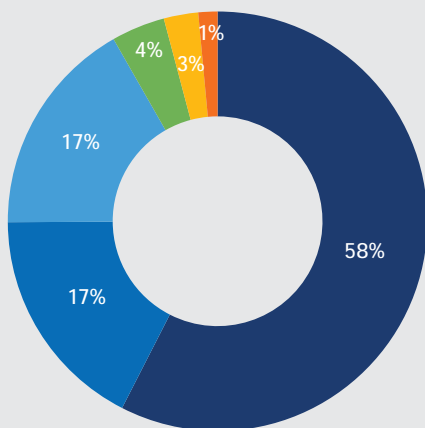
PARTICIPANT PROFILE

CEOs, CFOs, HR heads, C&B heads, Benefits managers, Finance managers and Procurement managers across 339 organizations participated in the survey.

EMPLOYEE HEADCOUNT

OUT OF MOST OF THE COMPANIES REPRESENTED:

- 58% have up to 500 employees
- 8% have over 5,001 employees.
- 25% of the participating employers have an employee headcount over 1,000.

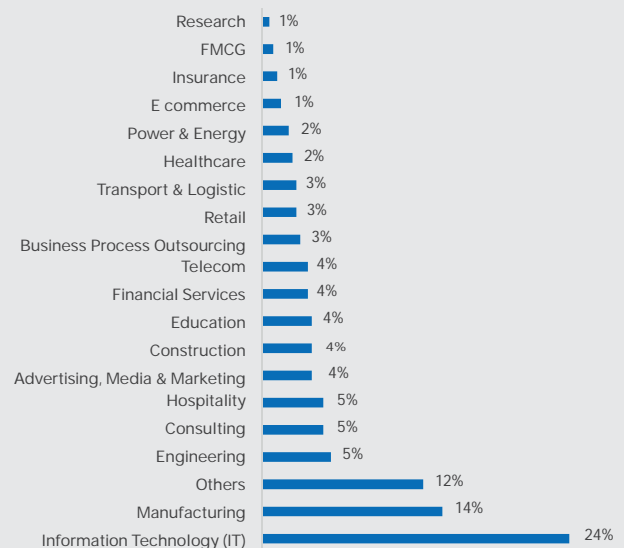


- Up to 500
- 501 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 20,000
- More than 20,000

INDUSTRY PROFILE

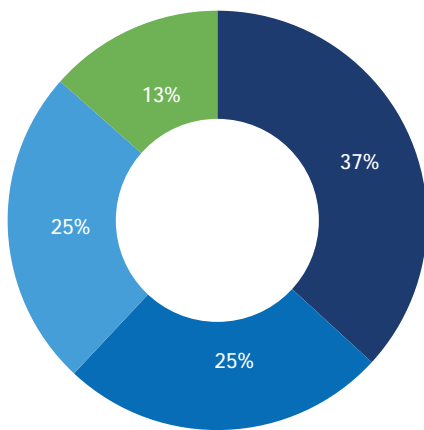
Organizations from varied industries participated in the survey. We had maximum participation (24%) from the Information Technology (IT) industry followed by manufacturing companies (14%).

“Others” include companies from industries like export houses, NGOs, design & architecture, and real estate.



FINDINGS

ABILITY TO MEET THE CLIENT/BUSINESS NEED



- To a large extent –Business is almost as usual
- Moderately –Some operations need to be carried out on-site
- To a small extent –Significant number of employees need to work on-site to deliver or meet the client's needs
- No - Complete shutdown of the business

37% of the surveyed companies say that their employees are able to meet clients' needs to a large extent while working remotely and their business is almost as before the lockdown. Half of these employers represent the Information Technology and Telecom industry. Others are from sectors like consulting, business process outsourcing, healthcare, and insurance.

For a quarter of the companies each, business activities have been impacted to a small or moderate extent, owing to the fact that some operations are required to be carried out on-site.

For **13%** of the surveyed employers, the business need has been adversely impacted as there is a complete shutdown of the business.

Almost **50%** of these employers belong to sectors like manufacturing, engineering, construction, transport, and logistics.

10% of the employers, reporting complete shutdown of business, are in the hospitality sector.

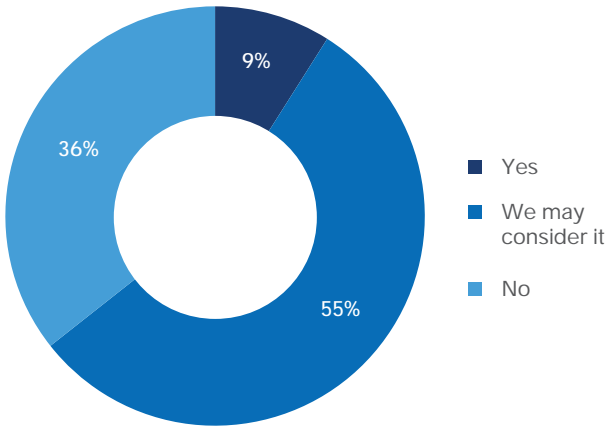
PRODUCTIVITY LEVEL OF EMPLOYEES

Almost half of the surveyed employers feel that the productivity levels of their employees have remained pretty much the same as before the lockdown. **22%** feel productivity may have declined and the remaining **28%** of the surveyed companies are unable to comment yet on productivity levels.

Working from home has still had a positive or neutral change in employee productivity despite increased responsibility.



POSSIBILITY OF MOVING A PART OF OPERATIONS TO REMOTE WORKING OPTION IN THE FUTURE



Almost **10%** of the surveyed companies responded affirmatively regarding moving a part of their employee base to remote working given their experience in the lockdown period.

An overwhelming **55%** of employers said they may consider remote working. However, a little over one-third of the employers are clear that allowing employees to work from home will not be a consideration for them once the COVID-19 outbreak is reduced or eliminated.

Once the pandemic emergency is over or controlled, working from home looks like a viable option, especially if done under the right conditions. For companies, it may involve creating new productivity metrics, using certain technologies, launching training for the workforce, or even considering covering some of the costs involved, from connectivity to the necessary infrastructure to make it sustainable in the long run.

EFFECT ON ORGANIZATION'S SALARY PAYMENT



A great majority (80%) of employers continue to give full pay to employees. One-tenth of organizations have instituted partial pay across the company, while others have selectively instituted partial pay depending on the productivity of certain sections of employees during the lockdown.

Only 1% has reported that employee layoffs are already in process and for 6% of the employers, employee layoffs are likely in the near future. These employers belong to various industries including IT, manufacturing, construction, retail, and hospitality. These employers have also reported that their businesses have been moderately to greatly impacted in the current situation, resulting in the drastic step.

Amongst the "Other", for some of the companies, the founders/leaders are taking a pay cut, a majority of them are yet to decide, and some of them would like to keep this information confidential.

While there are furloughs and layoffs in some industries, the overall feedback on pay is positive.

DEFERMENT OF THE ANNUAL GOAL-SETTING OR APPRAISAL PROCESS FOR EMPLOYEES AND IMPACT ON THE ANNUAL BONUS PAYMENT



A little over one-third of the employers have deferred the annual goal-setting/appraisal process for employees owing to the prevailing uncertainties. The remainder expects this process not to be impacted.

On the bonus payment to employees for the fiscal year 2019-20, **22%** of the participants have reported no impact on bonus payments. Another **22%** have either deferred it for employees across the organization or only for senior employees. **56%** of employers are yet to decide on their strategy with respect to bonus payments.

It will be difficult for companies to ignore COVID-19's impact on their financials, and any expenditure plans will probably be reviewed.

A significant number of companies may potentially consider postponing bonus payment schedules with retrospective effect and take a decision once things have settled down.

Employees may see delayed or decreased increments and bonuses during this appraisal season.



POSSIBLE SHRINKAGE OF WORKFORCE IN 2020-21 IN VIEW OF THE OUTBREAK OF COVID-19

While over half of the respondents are unable to comment on this yet, **21%** of them do not anticipate any shrinkage in the workforce in fiscal year 2020-21. The remaining **28%** believe there is likely to be a reduction in the workforce as we proceed further into the year.

STRATEGY TO COMPENSATE HEALTHY WORKERS IN CASE OF THE OUTBREAK

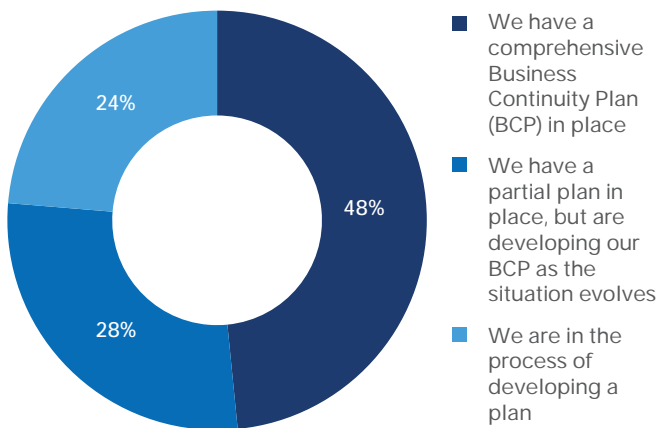
52% of employers have developed a strategy to compensate healthy workers to fill in for those unable to work in case the lockdown is extended or in case a significant number of the workforce is sick and unable to work.



ONBOARDING OF NEW EMPLOYEES

It is interesting to note that 46% of employers continue to onboard new employees, fulfilling their side of the commitment made to the prospective employees before the onset of the COVID-19 lockdown.

PLAN FOR A POTENTIAL COMMUNITY SPREAD

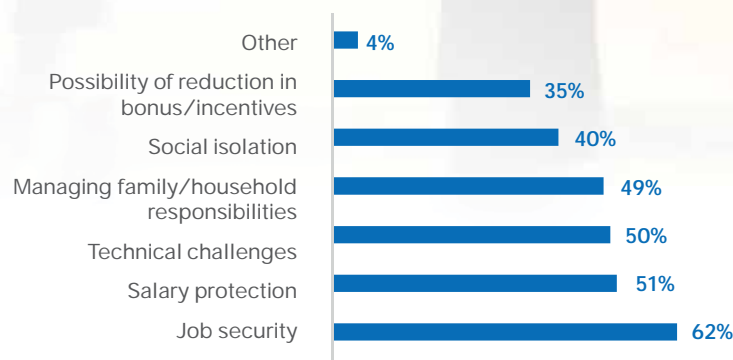


Only about half (**48%**) of employers said that they have a comprehensive Business Continuity Plan (BCP) to manage the impact on their business in case of potential community spread of the pandemic in India. The rest either had a partial plan in place or are in the process of developing their BCP.

With the uncertainty associated with the spread of COVID-19, organizations should review and have a business continuity plan in place.

We believe the guiding principle regarding HR issues should be flexibility, with the overriding goal being wellness in the workplace as employees gradually begin to attend office post relaxation of the lockdown phase.

EMPLOYER PERCEPTION OF EMPLOYEES' MAIN CONCERNS



The employed class seems to experience the most uncertainty about financial security, according to employers. **62%** of employers think that job security is one of the most important concerns for employees followed by the concern around salary protection.

Half of the employers also think that technical challenges like internet connectivity, telecom connectivity, adequacy of hardware equipment, non-availability of IT support, and physical space constraints may have posed a hindrance for employees to be able to work effectively from home.

Managing family/household responsibilities in addition to work responsibilities is another concern that **49%** of the employers feel employees have been faced with.

40% of employers believe that employees have also been concerned with social isolation.

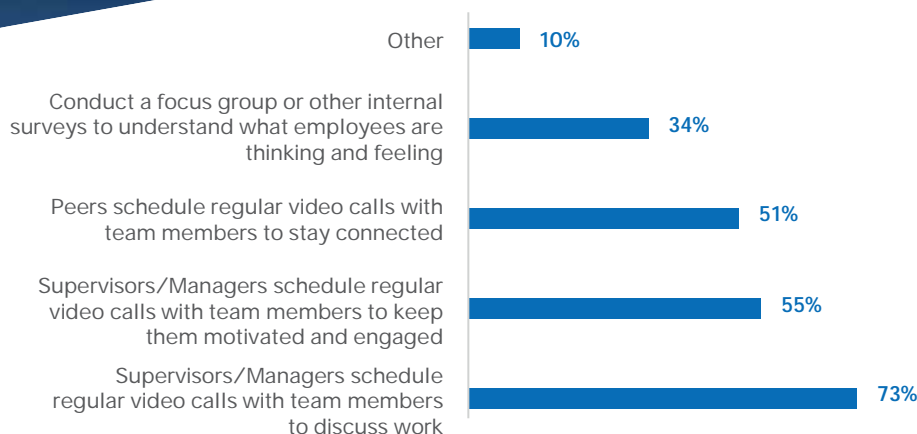
Over a third of the employers feel the possibility of a reduction in their bonus pay-outs has also been a concern for employees.

There are "Other" (**4%**) who have cited adequate health insurance cover, getting used to the "new normal" post the lockdown, and using public transport post lockdown as other employee concerns.

These findings suggest that employers who do not plan salary cuts or deferments of annual appraisal or bonus should communicate these to employees to allay concerns so that employees continue to be productive and calm. Those who do, should also communicate their plans transparently and offer support, such as assistance in finding new employment.

It is also important that employers remain supportive and accommodative as employees try to balance remote work, increased housework, and children's home schooling.

MAINTAINING CONNECTEDNESS AMONGST EMPLOYEES



To maintain connectedness amongst employees, employers are deploying more than one type of communication. Scheduling regular video calls with the team members has been the most popular means adopted by employers. Almost three-fourths of employers have been scheduling video calls to discuss work.

Scheduling calls with their team members to keep them motivated and engaged, in addition to the calls that they organize to discuss work-related matters, is done by **55%** of participants.

Further, over one-third are conducting focus groups or internal surveys to understand what their employees are thinking and feeling.

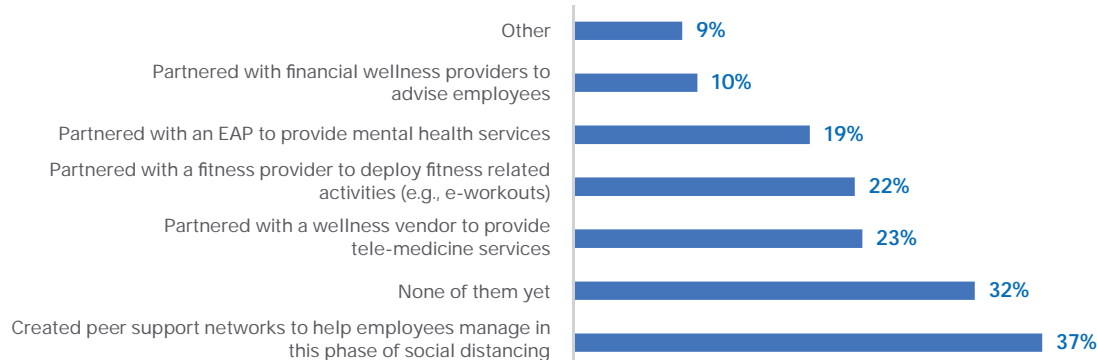
10% of employers have adopted some interesting "other" activities like conducting online training programs to develop skills and webinars on wellness topics like mental health and general health tips. Interestingly, a few organisations have been quite innovative in engaging employees by organising virtual tea/coffee breaks across the globe!

A remote workforce is a new reality and virtual meetings are the current communication process for many employers. It is imperative that employers leverage this time to connect with teams, offer learning and development opportunities, communicate consistently, and build new bonds that engender greater confidence and sense of security at the end of this crisis.

We believe that senior leadership's attention to developing and sustaining a culture that engages and inspires their talent is vital in creating a more resilient workforce.



ADDRESSING THE PHYSICAL, EMOTIONAL, AND MENTAL WELLBEING OF EMPLOYEES



Surprisingly, the most popular way for employers to ensure wellbeing of the employees has been by creating peer support networks to manage the feeling of social isolation amongst the workforce.

Employers have been quite diverse in their approach in catering to the various aspects of wellbeing of the employees.

- **23%** of them have partnered with a wellness vendor to provide telemedicine services
- **22%** have partnered with a fitness provider
- **19%** have partnered with an EAP provider to provide mental health services
- **10%** have partnered with financial wellness providers to help employees with finance-related concerns
- **10%** of employers have provided more than one type of services
- **32%** of employers haven't adopted any of the listed services yet

During these exceptionally stressful times, it is important for HR professionals and people managers to keep lines of communication open, and regularly point out to employees, the resources they have made available to them.

It is imperative for employers to stay alert to signs that may indicate that their employees are struggling to cope.

A photograph of three business professionals in a meeting. A man on the left and a woman in the center are wearing face masks. They are looking at each other and talking. The background is a modern office setting with some decorative lighting.

BENEFITS EXPERIENCED BY ORGANIZATIONS DURING THIS LOCKDOWN

	Response
Reduction in commuting time enables employees to work with more energy	43%
We have become more creative in finding new ways to communicate with clients and prospects and can continue to use these learnings in the future	38%
Team members are actually communicating more due to scheduled meetings that were not considered important earlier	36%
We have time to focus on longer-term projects/plans/strategies	33%
Productivity levels have remained unchanged, leading us to consider remote working, which can save us on transportation, rent, and other business costs	33%
Projects that require significant dedicated time without interruptions are getting done	25%
People are getting work done faster and with more accuracy as they are able to give full attention to one thing at a time	25%
We haven't seen any benefits from the lockdown	19%
Other	4%

The “other” benefits that a few organizations have seen during the lockdown include increased sharing of knowledge and best practices. There is more focus on conducting training programs. A few organizations feel employees have more time to pursue personal hobbies and there is likely to be greater work-life balance.

A few employers feel that this has given business leaders an opportunity to introspect and develop more empathetic leadership qualities.



CONCLUSION

We are still engulfed in the darkness of the COVID-19 pandemic - an exponentially spreading virus without a proven cure. The lockdown was extended until 31st May in many parts of the country. However, a return to regular work is imminent for many employers across the country.

Business leaders planning to re-open their business premises need a plan that mitigates the infection risk, manages human resource allocation, maintains high morale to ensure a successful transition back to work, and addresses employees' continuing need for wellbeing. Employers must take some time to transition back to full operations of work in the office and may use this transition time to fine tune their operations.

They may want to see which processes can be done from home if there are benefits both to the company and employees. They would then have to establish new ways of monitoring productivity and ensuring cyber security for devices being used on a home network. Employers will still need to continue with engagement and communication processes that have been successful in keeping employees connected and tweak others to enhance their effectiveness. They may want to relook at their benefits, perhaps introduce an EAP or other assistance programs for employees if they haven't already done so. The transition will be a time of thoughtful introspection and innovation to ensure companies not only survive but thrive post COVID-19.



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Alda co-founded the Delhi NCR branch of Prudent Insurance Brokers Pvt. Ltd. in 2005. She has been a part of the senior leadership that has helped grow the company to over 750 employees across nine cities today. She has held various cross-functional roles at Prudent including business development, liability underwriting, key account servicing, employee benefits consulting, and global partnership development, to name a few.

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