Embracing the New Normal

A survey to uncover emerging People Practices during & post Pandemic

Report Released on 30th April 2020
Introduction

As the government crafts a plan to lift the lockdown and revive stalled economic activity, corporates across industries are gearing up for a new work world.

Much like the humanitarian and health crisis caused by the pandemic, Corporates too are facing a crisis of unprecedented proportion - supply chain interruptions, collapse in customer demand, employee safety, frequent regulatory changes, and a looming economic recession.

As situations become increasingly uncertain, corporates must lay the ground rules for their recoveries based on some reasonable predictions of the new workplace practices.
Survey Responses

• Responses from 180+ Business & HR leaders – MDs, Directors, CEOs, CHROs, Presidents, VPs / GMs

• 15 industries across 4 broad segments
  Chem – Pharma, Engg. & Mfg., EPC & Infra, Services

• Diverse workforce size
  More than half with 1000+ headcount; 25% SMEs

• Responses during 13th – 20th April 2020
  Around Lockdown 2.0
Respondent Demography

**Industry Segments**
- 24%
- 23%
- 28%
- 25%

**Workforce Size**
- > 5000: 18%
- 1000 - 5000: 31%
- 500 - 1000: 25%
- < 500: 26%

**Enterprise Type**
- MNC: 32%
- Public Ltd: 23%
- Pvt Ltd & Others: 45%
New Normal in People Practices: Trends to watch for

- Positive Impact
  - Remote working & virtual collaboration tools
  - Gig employment
  - Leadership skills for managing remote teams
  - Employee Wellbeing
  - HR role in business strategy and continuity
  - Asynchronous learning

- Negative Impact
  - Workforce productivity
  - Hiring
  - Employee Morale
  - Annual increments
  - Headcount
  - Salary
  - Furloughs

- Largely Neutral
  - Employee Development

Data Collection - Mid April 2020
Survey Findings

Focus is back on Hygiene Factors – Work Schedules and Engagement Levels:
• Managing new work environments and schedules – biggest challenge for HR professionals.
• Engaging workforce in new work environment – second biggest challenge.
• Majority of the corporates that faced challenge in engaging workforce reported performance decline.

Strong Need for WFH policy:
• Nearly half of the corporates did not have remote working policy prior to the outbreak.
• Majority corporates without policy reported decline in workforce productivity.
• 50%+ corporates with WFH policies reported high employee morale - 4/5.

Training for Remote Working:
• Training of Reporting Managers and training employees for remote working can help improve performance while working remotely.
Survey Findings

Employee Welfare and Development:
• Some silver lining - More than half of the corporates are still staying with their commitment for welfare and development of employees.

Headcount:
• Hiring freeze is a likely strategy for large number of corporates. At the same time, about 7 in 10 corporates stated that they may not adopt downsizing.

Salary:
• Majority of corporates have stated that they may not resort to pay-cuts, even though corporates are deferring / holding decisions related to increments.

Technology and Skills for Remote Working – New Enabler:
• Corporates across sectors shall require more technology platforms and specialized skill development of employees for remote working.
Survey Findings

Preparing for Future:
• Less than one-fifth of the corporates are willing to downgrade their annual targets. This reflects hope and confidence.
• By Mid-April, more than half of the corporates were either ready with blue-print for business continuity for future or were working to put one in place.

Employee Well-being:
• Corporates are experimenting with multiple tools and nearly one-fourth of them have introduced several new approaches for ensuring employee well-being.

Communication is the key:
• Corporates across sectors are encouraging frequent team meetings, check-ins and townhalls as measures to improve productivity.
Remote Working: A Virtue or Necessity
Remote Working- World’s Largest Workplace Experiment

A seemingly popular yet vastly unexplored concept has now become a reality overnight.

Roughly three weeks into the lockdown, and still 2 in 10 corporates continued to operate without a WFH policy in place.

Corporates primarily in manufacturing, infrastructure, oil & gas explorations, port & shipping were less prepared in introducing WFH policy.

Corporates with WFH Policy

- 19% No policy
- 40% WFH policy in place before Pandemic
- 41% Policy creation on the fly in Mar - Apr

Data Collection - Mid April 2020

41% 37% 22%
38% 46% 16%
25% 43% 32%
60% 32% 8%
Focus Shift for HR

The focus of HR is shifting back to Hygiene Factors, as “Managing new work environments and schedules” far outweighs focus on “Talent development and management”

New work environments & WFH policy-
60% of the corporates that faced difficulties in managing new work environments, did not have a remote working policy prior to the outbreak.

Engagement – a barometer for workforce productivity
6 in 10 corporates that found engaging employees in the new work scenario a challenge, reported decline in workforce productivity.
Remote Working – How Productive? (1/2)

More than half of the corporates (57%) reported a decline in job performance of employees during the lockdown. We identified training, policy preparedness and communication as key contributors to ensure workforce productivity during pandemic.
Employee Performance during WFH

Remote Working – Managers and Training hold the Keys to Improve Performance (2/2)

Employee performance & training on remote-work- 6 in 10 corporates that experienced decline in workforce productivity felt the need to train employees on remote working.

Employee performance & managers’ training- 55% corporates that reported decline in performance felt the need to train managers on managing and motivating remote working teams.

Data Collection - Mid April 2020
Measures taken by Corporates to ensure Workforce Productivity

- Train and hand hold employees to use online tools: 52%
- Clarify goals and roles: 32%
- Regular check-ins and team meetings with manager: 70%
- Establish clear line of communication and escalation: 62%
- Clearly define "available hours" for the team: 23%

“For some corporates, it is business as usual. They trust their culture and the already established accountabilities to maintain productivity.”
Remote Working - World’s Largest Workplace Experiment

WFH Policy & Workforce Size -
Workforce size seems agnostic while evolving a WFH policy, as over 90% corporates with a large workforce size of above 5000 have created a WFH policy.

WFH Policy & Technology -
Half of the corporates without WFH policy took some time to identify and adopt collaboration technologies, emphasizing need for technology integration to enable remote working.

WFH Policy & Employee Performance -
80% of corporates that reported an increase or stable workforce productivity during the pandemic, have a WFH policy in place. A policy that sets the right expectations and creates channels to support remote working is the need of the hour.

WFH Policy & Gender Ratio -
No clear relation was identified between WFH Policy and size of female workforce as nearly 40% corporates did not have WFH policy prior to pandemic, even though they had 20%+ female workforce.

Data Collection - Mid April 2020
Absence of WFH Policy and Performance Decline

70% of corporates that observed a decline in job performance did not have a WFH policy prior to the lockdown, further providing insight into need for policy clarity and preparedness to maintain workforce productivity.
Employee Morale (1/2)

Interpersonal challenges, social isolation, distraction are possible factors affecting morale. The impact is obvious.

73% of Engineering & Manufacturing corporates reported a decline in job performance.

60% of EPC & Infra, Power, Oil & Gas etc. corporates reported decline in workforce productivity.

Employee Morale during Lockdown

1-very low, 2-low, 3-neutral, 4-high, 5-very high

Data Collection - Mid April 2020

3.53 Average score
Employee Morale during Lockdown

1-very low, 2-low, 3-neutral, 4-high, 5-very high

Embracing the New Normal

Data Collection - Mid April 2020

Employee Morale (2/2)

More than half of the corporates with WFH policy enjoy high morale (4 and above)

Apart from the regular check-ins & townhalls by leaders (58%), some corporates have partnered with healthcare service aggregators and online counsellors to ensure morale and well-being of employees.

60% corporates without WFH policy are facing Low Employee Morale (3 & below)
Workforce Management during Pandemic
Communication – Key Tool for Workforce Management during Pandemic

“Managers play an important role in effective communication. How they respond to a crisis and communicate with their team has become as important as what they communicate. Positive communication reinforces confidence.”

What, When & How do you Communicate?

- Frequent team meetings: 79%
- Daily check-ins by manager: 47%
- Setting expectations for response time: 30%
- Regular open house session: 26%

Data Collection - Mid April 2020
Business Impact

Corporates in general are not showing uniform trend in relation to revenue guidance.

One in four respondents from consumer goods, engineering & manufacturing and steel, coal cement & mines have on an average reduced their target anticipating a slowdown in demand.
Hiring

Every second company surveyed is likely to freeze hiring.

Will this percentage increase in the coming months?

Hiring Strategies - Next Six Months

- **51%** Hiring Freeze
- **39%** Continue with regular hiring
- **6%** Expedite closing of positions
- **4%** Cancel or defer all current job offers

Data Collection - Mid April 2020
Hiring – Sectoral Perspective

30% of Pharma & Chemical corporates stated that they will freeze hiring. It also has the highest percentage of corporates that will continue with regular hiring (52%)

63% of Engineering & Manufacturing corporates said they will freeze hiring.

47% of EPC & Infra, Power, Oil & Gas etc. will freeze hiring.

44% of service sectors are likely to freeze hiring.

Data Collection - Mid April 2020
Downsizing – May be a Reality in Near Future

1 out of 3 corporates is considering downsizing which rises to almost 2 out of 3 in case of Engineering & Manufacturing corporates.

38% of the corporates that are likely to freeze hiring are also considering downsizing. This is a double whammy and could result in spike in unemployment in the coming months.

Impact of the Pandemic on Downsizing

- Extremely likely: 7%
- Likely: 25%
- Unlikely: 49%
- Extremely unlikely: 19%

Data captured between 13th April – 20th April’20

Data Collection - Mid April 2020
Salary & Increments (1/2)

Good news as of Mid-April: 81% corporates may not go in for pay-cuts

However - more than a third have either deferred decision to pay salary increments or put on hold until the situation settles.
Only 8% of Pharma & Chemical corporates stated that they are likely to adopt pay cuts and 42% have put increment plans on hold.

32% of Engineering & Manufacturing corporates are likely to adopt pay cuts. Nearly half of the Corporates have deferred payment of increment.

19% of Power, Steel, Oil & Gas corporates are considering pay-cuts.

22% of service sector corporates are likely to adopt pay-cuts. Nearly half of the service sector Corporates are either undecided on the increments or have put it on hold.
Employee Welfare

Nearly 2/3rd corporates are likely to continue their thrust on employee welfare programs (69%).

Chem – Pharma, EPC – Infra and Service Sectors likely to continue with their thrust on employee welfare programs.
More than half of the corporates are unlikely to cut L&D budget (52%).

 Corporates reported no change in plan to alter budget for key employee development interventions.

 On the contrary, corporates are inclined towards increasing budget for soft skills and technical training. These could be towards developing a more agile workforce that can better adapt to change.

![Spend for L & D – Less Impacted](chart)

<table>
<thead>
<tr>
<th>Extremely likely</th>
<th>Likely</th>
<th>Unlikely</th>
<th>Extremely unlikely</th>
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<tbody>
<tr>
<td>11%</td>
<td>37%</td>
<td>48%</td>
<td>4%</td>
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Data Collection - Mid April 2020
Skills for Remote Working – New Development Needs

55% of corporates have accorded higher priority to Skills for Remote Working as highest priority for employee development.

70% of EPC and Infra corporates and more than half of Engineering & Manufacturing corporates feel the need to develop employee skills for remote working as the top priority area.
Employee Development – Technology is the Enabler

More than half of corporates threw their weights behind LMS and Learning Technologies.

54% of Pharma & Chemicals corporates feel that adopting appropriate learning & collaboration technologies can ensure effective employee learning.

70% of service sector corporates believe that popularizing use of in-house learning platform will ensure effective employee learning.
Employer Engagement Initiatives

Employers are looking at boosting their rewards & recognition program to engage employees.

Virtual Coaching is emerging as an engagement strategy.

Demand for coaching is the highest in the Service Sector with half of the corporates opting for it as an engagement strategy. Sponsoring skill upgradation was a popular choice for this sector (70%).

### Employee Engagement in Future

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee rewards &amp; recognition</td>
<td>58%</td>
</tr>
<tr>
<td>ILTs/vILTs for behavioral skills</td>
<td>27%</td>
</tr>
<tr>
<td>Recreational/engagement activities</td>
<td>44%</td>
</tr>
<tr>
<td>Sponsor skill up-gradation courses</td>
<td>39%</td>
</tr>
<tr>
<td>Coaching (virtual/face-to-face)</td>
<td>31%</td>
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Data Collection - Mid April 2020
### Employee Well-being Initiatives

- **Proactive measures to address mental health** is emerging as a choice as 27% of corporates surveyed are offering counselling sessions and organizing talks by health specialists to *promote employee wellbeing*.

- 90% of corporates in the healthcare sector have enhanced health insurance for employees.

- 81% of service sector corporates are organizing frequent town hall and check-ins to promote employee well-being.

### Employee Well-being during the Pandemic – Experimenting with Multiple Tools

<table>
<thead>
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<th>Initiative</th>
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</thead>
<tbody>
<tr>
<td>Create employee resource group for remote workers</td>
<td>44%</td>
</tr>
<tr>
<td>Frequent town hall and check-ins by leaders</td>
<td>58%</td>
</tr>
<tr>
<td>Individual counselling sessions to address stress and anxiety</td>
<td>27%</td>
</tr>
<tr>
<td>Enhance employee health insurance policy</td>
<td>46%</td>
</tr>
<tr>
<td>Virtual talks by health specialists</td>
<td>27%</td>
</tr>
</tbody>
</table>

**Data Collection - Mid April 2020**

81% of service sector corporates are organizing frequent town hall and check-ins to promote employee well-being.
Career Growth for HI-POs - Challenging

High Potentials may need to wait longer now. 40% corporates have kept the plans for assessing HI-POs on hold.

Virtual assessment tools are emerging as clear winner against conventional assessment tools.

Assessment of HI-PO Team Leads / Managers

- 60% Yes
- 40% No

Virtual assessment tools: 67%
Conventional assessment tools: 33%

Data Collection - Mid April 2020
The Way Forward
84% of corporates are fully or partially prepared or are in the process of developing a post pandemic long-term workplace strategy.

**How ready are Corporates for Future?**

- **42%** are in the process of preparing a policy
- **27%** are partially prepared, but require expert help in fine tuning policy
- **15%** are fully prepared with necessary policy
- **11%** are not at all prepared
- **5%** do not know
How ready are Corporates for Future?

- **42%** are in the process of preparing a policy
- **27%** are partially prepared, but require expert help in fine tuning policy
- **15%** are fully prepared with necessary policy
- **11%** are not at all prepared
- **5%** do not know

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**Post-pandemic Workplace Strategy – Sectoral Contradictions (2/2)**

- **44%** of Pharma & Chemical corporates reported that they are either fully prepared or need fine tuning of policy.

- **Only 20%** of Engineering & Manufacturing corporates are either fully prepared or partially prepared with a long-term workplace strategy.

- More than half of service sector corporates have a long-term workplace strategy in place.
People issues have prominence in business continuity policy that addresses a wider range of risks.

Corporates feel the need to train leaders on managing and motivating teams in similar crisis, further highlighting the importance of leadership in tough times.

7 in 10 corporates would consider revisiting their existing Attendance and Leave policy to make provisions for dealing with such exigencies.
Recommendations
The New Normal of People Practices

CO-re Strategy and VID-er Reach

Leverage Organizational & People Capabilities to sail through Tough Times

Orient people on agile adaptation of change

Venerate Disruption Warriors and Disruptive Ideas

Imbue culture of Trust

Create internal Capabilities of Reserves, Resilience, and Rationality

Develop Sanguine Leadership

©Samir Parikh
**Reserves:** Build strong internal financial reserves and also encourage employees to save for rainy days.

**Resilience:** Invest in building organizational resilience. A Must-Have capability at the time of acquiring and developing talent.

**Rationality:** Develop pragmatic policies to balance interests of all stakeholders.

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**Create Internal Capabilities**

**Orient People on Agile Adaptation of Disruptive Changes**

**Orient people to anticipate and embrace** disruptive changes.

**Focus on agility to create Plan B and Plan C for all people practices** to address uncertain and unexpected changes.

**Keep orienting employees from onboarding stage for agile adaptation of policies, roles & benefits.** This orientation needs to be a perennial exercise.
Embracing the New Normal

VID-er Reach

**Recognize** warriors, **incentivize** ideas.

Highlight **these ideas** and **their actions** to inspire others.

Create **new leadership capability** assessment and development **framework**

Continuously **develop and coach** team leads and managers on leadership framework, especially **millennials**.

**Venerate** Disruption Warriors and **Disruptive Ideas**

**Imbue** Culture of Trust

Create and operate multiple **communication channels** to restore hope.

**Empathize** to alleviate stress, anxiety and fear of the unknown.

**Develop** Sanguine Leadership
About Naman
About NamanHR

• 16+ years in the industry
• Global footprint with operations in 7 countries
• Client base of 275+ companies
• Strong certification base and tech-integration
• Network of 50+ Fulltime and freelance specialists and experts
Our Associates

DOOR International is a global training & consulting organization with presence in over 100 countries. Backed by over 35 years of success, DOOR carries a robust catalogue of globally acclaimed proprietary and licensed products and services for Talent Management. Through our JV, DOOR International South East Asia (DISEA) caters to more than 20 countries in South Asia and Middle East.

Naman is PSI’s official channel partner in India for distribution of all the PSI owned Talent Management and Assessment products including its flagship assessment products - 16pf® and VirtualAC®. Naman is also authorized to conduct 16pf® Practitioner Certification & Assessor skills Program. PSI is a global leader in aptitude and talent measurement solutions administering 15 Million+ Tests every year.

Outbound Guru is an outbound program specialist that designs impactful learning experiences which challenge individuals & group at physical, intellectual and emotional level. Our Values help us SOAR (Safe, Optimistic, Agile, Resilient) by delivering quality with passion & fun for corporates, educational and non-corporate groups.
This is Naman’s own initiative to interweave leadership capabilities with mainstream education for high school students. “LEAAD – Leadership Enrichment for Adolescents through Assessment & Development” uses 4C framework and helps students diagnose, develop and demonstrate their leadership.

Naman Staffing is a dedicated business unit of Naman Group. It provides customized recruitment solutions based on need of clients, with service offering that includes Executive Search, Recruitment Process Outsourcing (RPO) and Temporary Staffing.
Thank You

If you would like to know more detailed information about specific demographics, please contact

nupur@namanhr.com
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