

After the Great Lockdown A Conversation with global human resources leaders on setting the course for recovery

Summary Report

April 21, 2020



Introduction

On April 21, 2020, under the leadership of Anthony Ariganello, President & Chief Executive Officer, Chartered Professionals in Human Resources Canada and Leyla Nascimento, President, Word Federation of People Management Associations Human Resource, leaders from around the world gathered to discuss and seek consensus on necessary next steps to ensure workplaces recover from the pandemic and set the course for a healthy and thriving workforce.

The participants were:

Johnny C. Taylor Jr., SHRM-SCP President and Chief Executive Officer, SHRM, the Society for Human Resource Management, USA

Peter Cheese Chief Executive, The Chartered Institute of Personnel and Development (CIPD), UK

Dhammika Fernando President, Chartered Institute of Personnel Management (CIPM), Sri Lanka

Lisellotte Ortega First Vice-President, Interamerican Federation of Human Resource Management (FIDAGH—Latin America), Panama

Jorge Jauregui Immediate Past President, World Federation of People Management Associations (WFPMA), Mexico

Drs. Lucas L.G.M. van Wees, MBA/MBT President of the European Association of People Management (EAPM), The Netherlands

Carole Presseault (moderator) Principal Consultant, Presseault Strategies+, Canada

About the WFPMA

The WFPMA is a global network of professionals in people management, founded in 1976 to aid the development and improve the effectiveness of professional people management all over the world. Its members are predominantly the continental federations which are made up of more than 90 national human resource associations representing over 660,000 people management professionals.

Contact: wpfma.org

A copy of the video recording of the event is available here: <u>https://www.youtube.com/watch?time_continue=10&v=K47i-8B4BFY&feature=emb_logo</u>



The Context

The roundtable discussion was convened in response to the COVID-19 health crisis which has resulted in world economies shuttered, millions unemployed, hundreds of thousand employees furloughed, firms considering options for the future, and discussion about the vital work that will be required of human resource professionals in the future as leaders and as citizens.

Participants acknowledged that, in setting the course for recovery, people are job one for everyone. That was clear even before the virus first appeared. The OECD Business leaders noted that for 2020, "... it is imperative that Business at OECD and the OECD work together to deliver a positive narrative on people-first policies for globalization in the digital age."

The challenge of defining people-first policies in the digital age has been made even more important and difficult by the virus. Roundtable participants expressed confidence, however, that the human resources profession can come together to inform and shape these policies. Just as financial experts were called upon to lead the recovery during the meltdown of 2008, human resource professionals will play key roles in the recovery from this pandemic at both the corporate and societal levels. And it is clear that the time to start the work is now.

Challenges

COVID-19 has caused major challenges in workplaces around the world with consequences common to all countries but varying in detail and depth.

In particular, the economic fall-out of COVID-19 has been deep but never so much as in emerging economies where workers lack the social safety net often available in other economies. Roundtable participants heard that work contracts were being suspended or hours of work reduced with little or no financial compensation while those who can, work remotely amidst absence of rules or policies being developed "on the go." With no end in sight, unemployment will continue to grow.

Globally, small and medium-sized enterprises are being hit the hardest but their resilience and agility are strong and, with government assistance in the form of loans and other incentives, may well weather the storm.

Supply chains, foreign direct investment, scarcity of foreign demand and the export economy are threatening some regions. This, combined with governments' lack of fiscal capacity, will drive the crisis even deeper. Participants heard that post pandemic, a new crisis will emerge as devastating as the first in the form of starvation.

- In the United States, 31% of businesses have laid workers off, 15% have cut headcount with no intent to rehire.
- It is estimated that nearly 60 million European jobs, representing 26% of total employment are at risk of reduction of hours or pay, furloughs or permanent layoffs.
- The WHO estimates that the economic burden of depression and anxiety costs US\$1,000 billion in direct productivity loss for the global economy.
- In Canada, it is estimated that employee distraction caused by financial stress could cost approximately C\$1,000 per employee.



Current challenges that will continue over the medium-term include protecting people currently working, including providing a secure and supportive work environment whether in the workplace or at home. Issues that will arise as workers begin returning to the workplace include morale, rebuilding corporate culture, leave regulations, sick leave, and ensuring employees can safely commute to jobs especially as the use of crowded public transit may be a health risk.

Participants agreed that the pandemic has accelerated the shift to working from home, or remotely, and other forms of non-traditional employment—and there is no turning back. But as positive as that may be for some employers and workers, this also creates specific challenges requiring urgent attention including addressing cyber security and access. Employees are increasingly working in locations and using equipment and service providers beyond the security walls of their employers. In addition, not all remote workers have access to reliable, rapid and affordable internet services or safe environments.

The pandemic has also created significant increases in stress levels and anxiety for personal and economic wellbeing. Financial hardship, up to and including financial failure for businesses, large and small as well as for consumers, has been exacerbated in some cases by significant debt accumulation prior to the outbreak of COVID-19.

Major individual challenges relating to employees caring for others, especially providing child care and schooling in the home while continuing to work will persist into the future.

Key messages

COVID-19 has and will continue to change the world of work.

This is how:

- The nature of workplaces will change even more rapidly than anticipated as remote work will become a widely accepted alternative where feasible. Not all employees will want to work remotely. Employers should be flexible.
- The human dimension of work has come to the fore with this crisis. It would be a mistake to revert to the pre pandemic way of doing things where the stress and pressure on people driven by technology may not have been given sufficient attention. Beyond the need to create shareholder value, firms will be increasingly driven by their responsibility to employees, suppliers and communities adopting a multi-stakeholder approach to capitalism.
- Employees will require a secure and supportive work environment whether in the workplace or at home. This includes, where necessary, the ability to maintain physical distancing, access to personal protective equipment and appropriate equipment to work remotely.
- Ensuring the psychological health and safety of workers is paramount where many may be dealing with significant post pandemic trauma including the inability to mourn those that were lost to COVID-19.
- Where much progress has been achieved in these areas, workplaces must continue to strive to be free of harassment and violence and aim for diversity and inclusion.



- Secure and safe environments also include aspects as pragmatic as redesigning office environments to ensure safety and questions of how employees will be able to transit safely from their homes to their workplaces when public transportation may still be risky.
- Possibly, with improved access to telemedicine, employers are in a better position to support employees' health and wellness care.
- The skills and labour shortages experienced in some sectors may be eased as new hires are available globally via remote work.
- Workers in need of retraining and reskilling will have unique opportunities to learn as virtual learning will expand dramatically.

Opportunities for human resources professionals

Human resources professionals will be central to the reopening of businesses and economies.

We are in the midst of a rapidly evolving and uncertain environment. Clearly, no one has all the answers, nor can anyone predict the future with any credibility or certainty. Nonetheless, the gradual reopening of businesses and economies in safe and coordinated steps will have to reflect the continuing health concerns with respect to the virus, changed attitudes and work practices in particular with respect to working remotely, and government policies that may change as a result of the virus.

We also know that human resource professionals will see the demands on their skills and leadership increase in the near and long-term futures. They will have an opportunity to reshape the workplace in the long term to be a "people first" environment which is more inclusive, fair and flexible in ways that also support increased productivity and corporate resiliency.

Beyond individual workplaces, human resources professionals can and must work to influence and inform government policies affecting the labour force generally from health and safety to leave regulations, pay and benefits, childcare, and even communications policies that may assist or hinder remote work. It must be done collaboratively.

Conclusion

A "people first" agenda is required as a way ahead for the workplace not just during the recovery period but in the long term. We must strive not to revert to a controlling, cost cutting environment but rather design workplaces that are resilient, sustainable, agile, supportive and inclusive to drive employment security, innovation and productivity. Worker engagement will be critical to creating such a workplace, including through constructive engagement with government, business leaders, international bodies, civil society and labour.



Throughout organizations, human resource professionals will be tasked to improve skills and corporate agility with fewer but smarter rules and regulations. Rapid, open and empathetic communications will be essential tools of the human resource professional in making this possible.

National governments, working in collaboration with sub-national entities, must begin the challenging task of developing a measurable plan for restart of national economies. This will not be a linear approach and will require strong communication and refinements along the way. This will require input from all key players in the economy, including the crucial advice of human resource professionals.

This is a time of opportunity as well as great challenge for the profession. Professional associations need to keep providing supportive environments and opportunities for members to share and connect. All will emerge stronger from this.