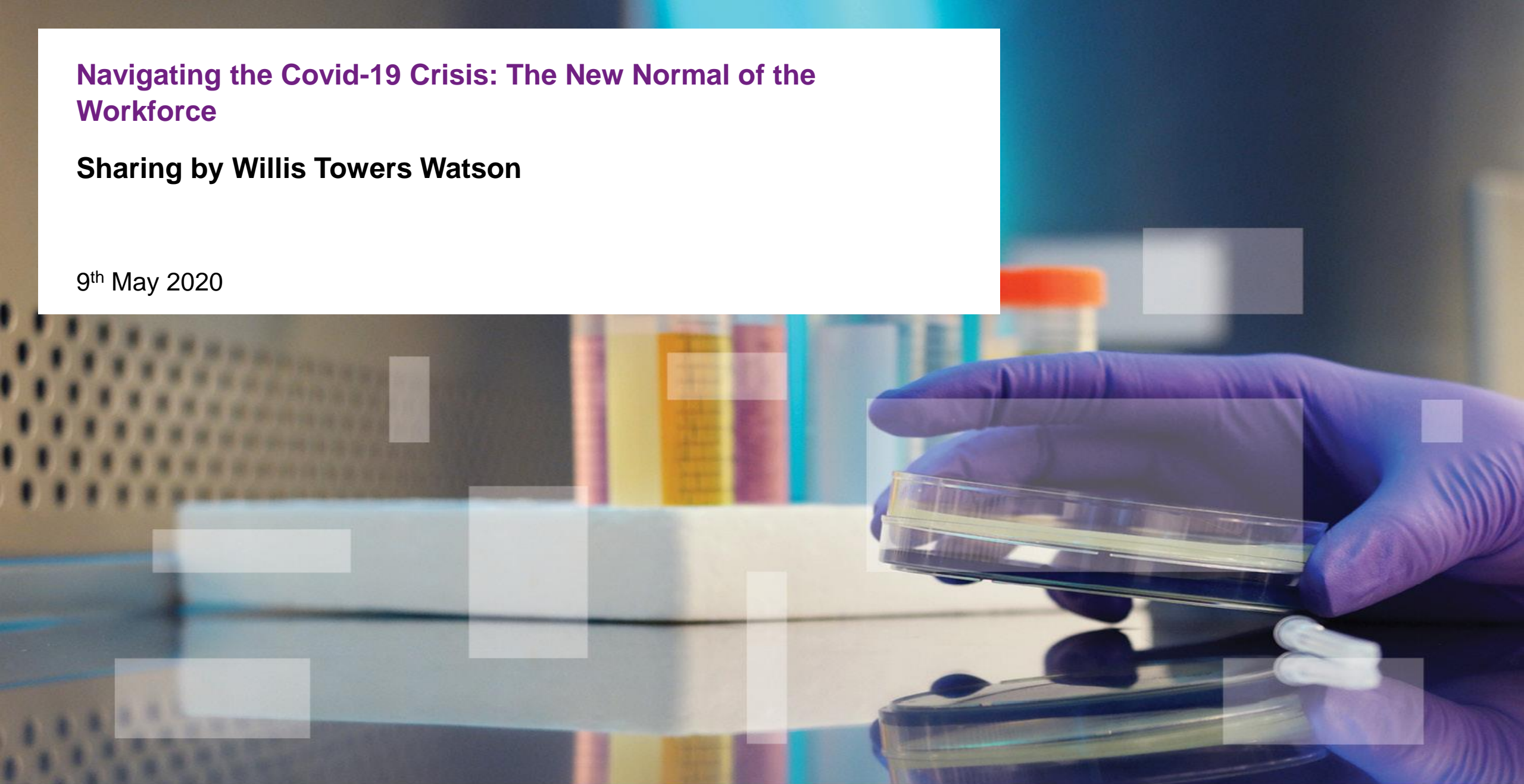


# Navigating the Covid-19 Crisis: The New Normal of the Workforce

Sharing by Willis Towers Watson

9<sup>th</sup> May 2020



## Today's Agenda



Snapshot of the current environment



Guiding principles to shape ethical and responsible actions in light of Covid-19



Three distinct stages and key scenarios to inform practical actions to consider moving forward



Questions and answers

## Willis Towers Watson Speakers



**Lim Chin Han**

Managing Director and Country Head,  
Willis Towers Watson Malaysia

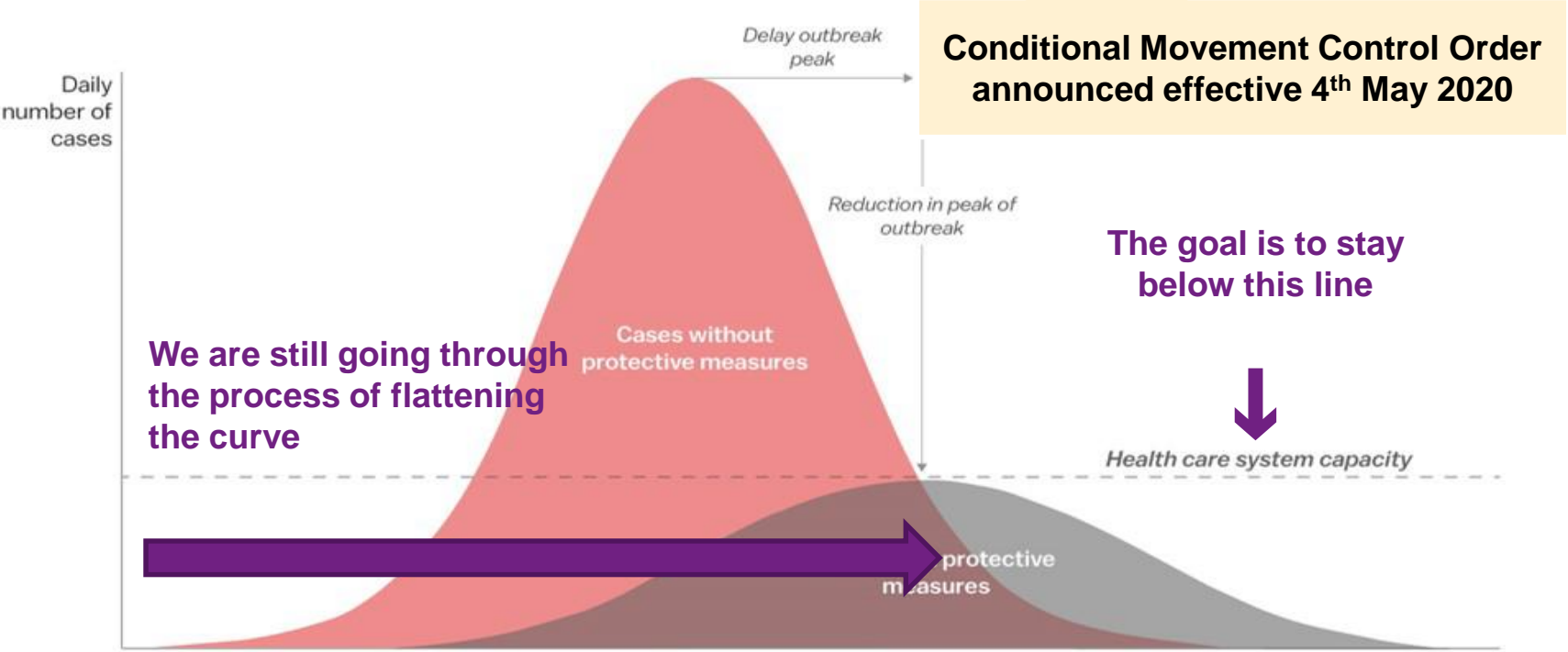


**Tan Juan Jim, PhD**

Executive Director, Talent & Rewards  
Leader, Willis Towers Watson Malaysia

# Latest development in Malaysia : Implementation of Conditional Movement Control Order (CMCO) to restart economic and business activities

## Malaysia Covid-19 Lockdown Timeline



There needs to be a **clear exit strategy**, with business leaders navigating how to deal with the aftermath of lockdown, its immediate business implications while prioritizing wellbeing of employee post-crisis world.

# Employers and policymakers are taking a variety of actions in response

## Sampling of employer actions



- Delayed salary review, reduced increment funds or frozen salary increment
- Adjusted their goal or KPI to their sales incentive payouts
- Alternate work teams in office or split-teams arrangements and flexible work arrangement
- Provide compulsory paid leave while business is suspended
- Freeze / selective hiring

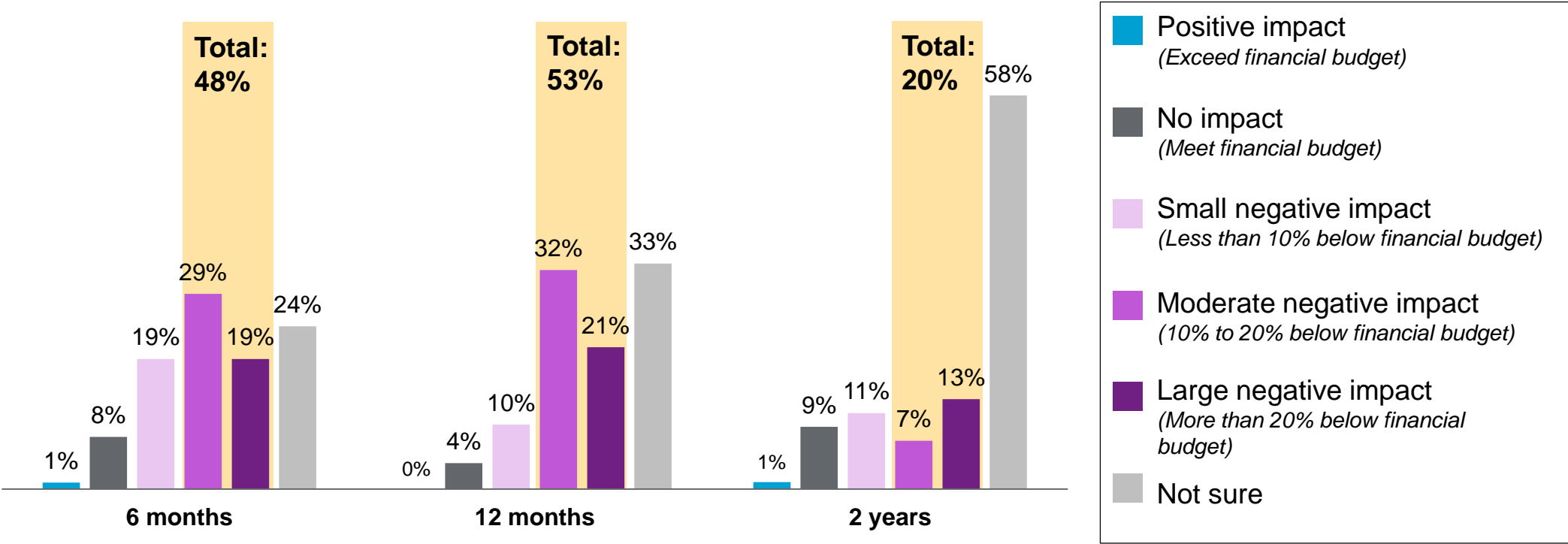
## Economic effects have spurred policymakers to action



- Stimulus package to enable industries, support business owners and help families affected by outbreak
- Central banks provide monetary stimulus via interest rate cuts and quantitative easing
- Fiscal stimulus bills increase unemployment, paid sick leave, small business support, and business loans

# Unsurprisingly, half of employers think Covid-19 will have a negative impact on their business in the next year and most are uncertain about the impact for the next two years

What impact will Covid-19 have on your business results over the next 6 months? 12 months? 2 years?



Employers are also in the **'wait and see' mode**, especially when looking at impact over the next 12 months and 2 years.

Note: Percentages may not add up to 100% due to rounding.  
 Source: 2020 Covid-19 Survey, Malaysia

**While the extent of impact remains to be seen, no two companies will be affected in the same way – some industries will be impacted positively and others negatively, hence there is no one-size fit all solution**

### **Global health crisis**

*Significant number of the world's population could become infected with Covid-19*

### **Global economic crisis**

*Volatile global financial markets, supply chain disruptions, increased unemployment*

### **Humanitarian crisis**

*Lockdowns, self-isolation, school closures, social distancing, travel bans*

## **Massive changes in demand across industries**



- Consumer Goods (Essentials)
- Pharmaceuticals
- Telecommunications & Media
- Agriculture (Essentials)
- Education
- High Technology, IT, ITES
- Manufacturing
- Professional & Business Services — Shared Services

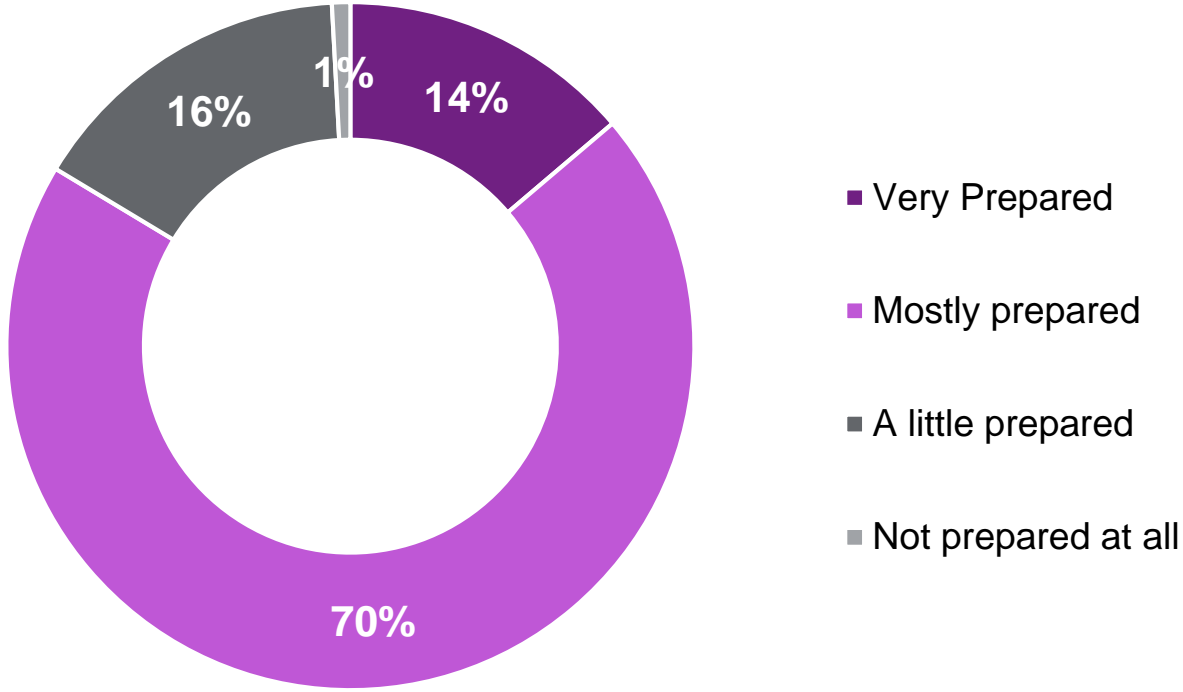


- Automobiles and Transportation Equipment
- Chemicals
- Construction, Property & Engineering Services
- Energy & Natural Resources
- Food and Beverage
- Highway Concessionaire
- Hospitality, Tourism and Leisure
- Financial Services — Banks & Insurance
- Transportations and Logistics

**Right now is a pivotal moment to focus on the workforce impact and take action to protect, preserve and sustain that human capital value**

# Interestingly, most organizations in Malaysia indicated they are very prepared to operate during the current Covid-19 crisis – with majority taking a variety of immediate and short term actions

Was your company prepared / equipped to operate during the current Covid-19 crisis?



What do you really think is your level of preparedness for the Covid-19 crisis?

Note: Percentages may not add up to 100% due to rounding.  
Source: 2020 Covid-19 Survey, Malaysia

# Wuhan is on a slow path back to normality after 76-day coronavirus lockdown – but life post-lock down is anything but normal and after effects can still be felt by enterprise, businesses and people

## State of Wuhan post-Covid lockdown

Large industrial enterprises have resumed operations – but not at full capacity

- *Only 429,000 people or 61% of the employees are back at these enterprises, due to strict quarantine measures and travel restrictions*

Not 'business as usual' as while pandemic is much eased, it is not over

- *Many shops remain close, restaurants only for deliveries and mass public places remain shut (e.g. schools, cinemas, entertainment venues)*

Caution still permeates the air with constant checkpoints to go through

- *'Health code' tagging of people with temperatures taken as they go about daily travel*

Pandemic state of mind in people remains

- *Questions of safety to be out and about*



Employees eat lunch at the Dongfeng Honda factory in Wuhan  
Photograph: AFP/Getty Images











### Source:

- <https://edition.cnn.com/2020/04/23/asia/wuhan-coronavirus-after-lockdown-intl-hnk/index>
- <https://www.marketplace.org/2020/04/09/wuhan-returns-after-covid19-lockdown/>
- <https://www.theguardian.com/world/2020/apr/12/wuhan-celebrates-its-liberation-as-covid-19-lockdown-ends>
- <https://www.theguardian.com/world/gallery/2020/apr/08/wuhan-ends-coronavirus-lockdown-in-pictures>



# The Covid-19 pandemic underscores the material value of the health and contributions of people to business success

We believe there are five key principles for shaping an effective course of action

-  See this crisis as a defining leadership moment— and continue delivering the best possible outcomes for all stakeholders. 
-  Focus on the intersection of employee and company wellbeing 
-  Understand the perspectives of and engage all stakeholders (e.g., employees, shareholders, customers, suppliers, unions/works councils, healthcare providers, community) in decision making 
-  Make decisions and take actions that take into account medium-term needs and longer-term business objectives 
-  Adopt an agile and continuous learning mindset to ensure response is (re)calibrated to the circumstances at hand 

We see the situation unfolding across three distinct stages, along with the key scenarios and its priorities to address the current realities and prepare for the journey forward to protect, preserve and create human capital value

## Three distinct stages

## Key scenarios and priorities

**1 | Managing through the crisis**  
*Protect and Preserve Human Capital Value*

**Reacting and Resolving** the sudden transition of work from home for employees by ensuring critical enablers are in place

**2 | Restoring stability**  
*Regenerate Human Capital Value*

**Returning and Reorganizing** the workforce to restore stability and enhancing HR programs to further support a dispersed workforce working from anywhere

**3 | Operating post-crisis**  
*Sustain Human Capital Value*

**Reimagining and Reinventing** the way work is done by looking at different work alternatives vis-à-vis the performance and value delivered

**Reforming for HR4.0** to enable a positive transition to the future way of work by defining how work is experienced, how it is done and how the workforce evolves to be a combination of full-time employees, contingent workforce and automation

# Key imperatives for post-Covid return: Aligning organizational and people elements to what is required to accelerate revenue recovery by changing the way we organize and structure work to deliver higher value

## 1 **Redefine the Core** *to rapidly recover revenue*

- Take on a start up mindset to rethink revenue profile, positioning for the long term and to get ahead of the competition
- Align operating model to rapidly recover revenue and what work is performed that will reduce drag and accelerate business performance

## 2 **Make Work Portable** *to enable new ways of working*

- Human will be at the core and companies will need to be structured in an agile manner based on how people work best
- Move from job level and structure to work outcomes, altering what work is performed and how we perform it, focusing on where it matters and the ROIP gained

## 3 **Broaden Your Employment Repertoire** *to tap into rich and diverse sources of talent*

- Embrace the future of work – defined by the use of more automation and technology to augment people
- Look beyond buying and building talent, utilizing 6B workforce strategy and tapping into broader talent ecosystem through contingent workforce, gig and sharing economy and partnerships, supported by automation

## 4 **Reset Culture & Experience** *to re-energize in the new normal*

- Commit to not go back to the 'normal mode of operations' pre-Covid
- Rethink how can we be faster, more agile and more resilient to stay ahead
- Bring people through the change journey towards the new purpose, redefining who we are, how we work and how we grow

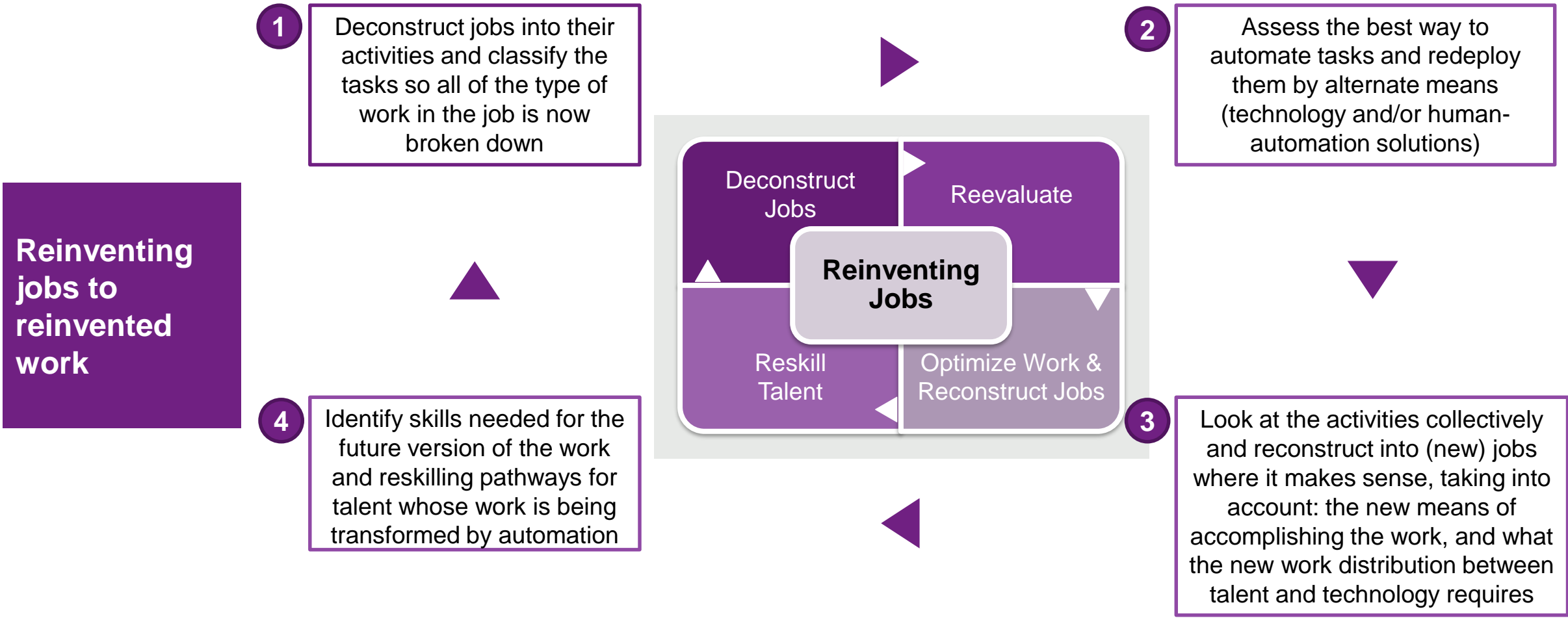
**Return on Improved Performance**

## Organizations need to act with urgency and identify the primary sources of revenue and define their plan on that basis for the recovery phase to start

- Understand change objectives: organization change (transformation, expansion), performance and productivity goals, talent and work changes
- Review existing business operating models based on how their employees work best in this changing environment
- Looking into technology to drive analytics to make informed decisions
- Move towards rapidly adapting

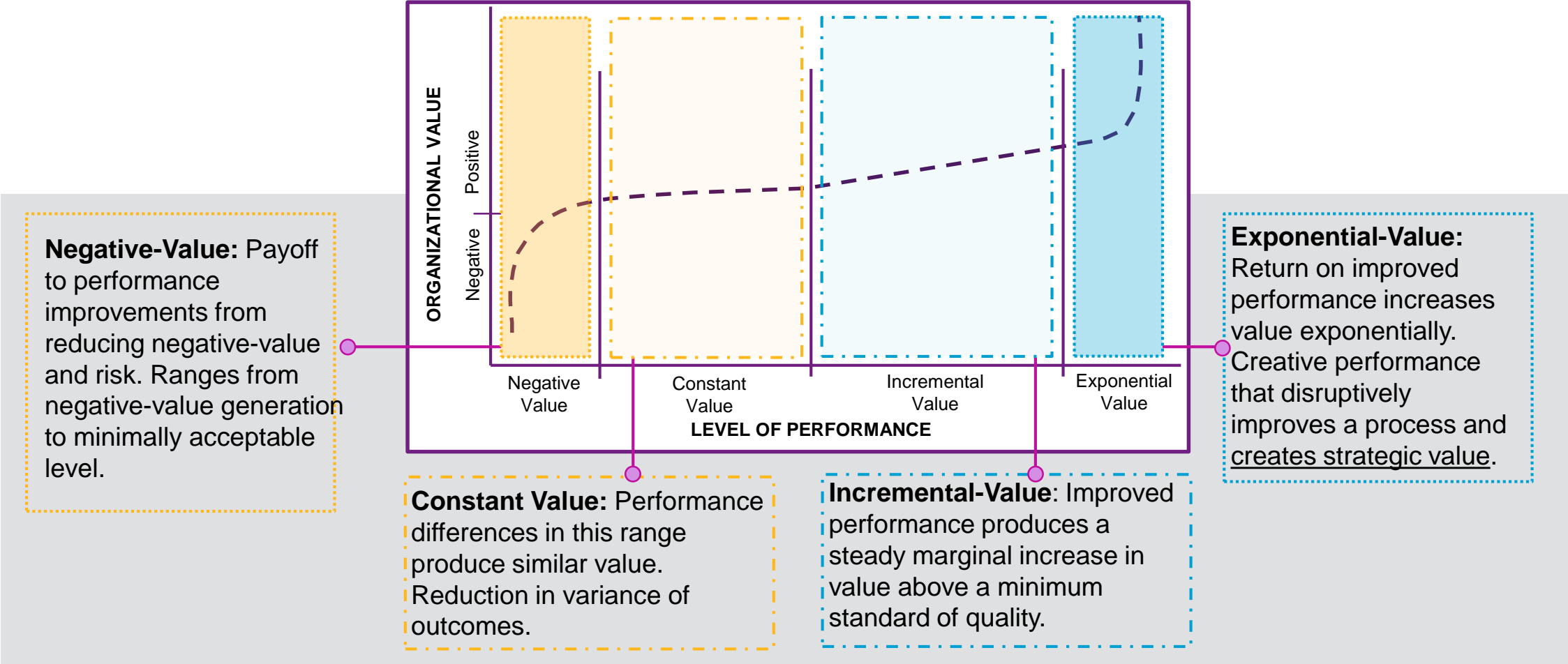
Value Driver Elements	Organizational Implications*	Sample Supporting Capabilities
Revenue Growth	Better customer experience	<ul style="list-style-type: none"> <li>▪ Customer problem solving</li> </ul>
	Drive innovation	<ul style="list-style-type: none"> <li>▪ New product/service creation</li> </ul>
	Expand into untapped markets	<ul style="list-style-type: none"> <li>▪ Demand creation</li> </ul>
Operating Margin	Quickly integrating acquisitions	<ul style="list-style-type: none"> <li>▪ Strategic leadership</li> </ul>
	Efficient cost structures	<ul style="list-style-type: none"> <li>▪ Capital allocation</li> </ul>
Capital Turnover	Proper allocation of people resources in the business	<ul style="list-style-type: none"> <li>▪ Investment management</li> </ul>
	Enhance operational efficiency	<ul style="list-style-type: none"> <li>▪ Operational financial management</li> </ul>

# Reinventing the workforce through jobs for alternative ways of work looking at which part of the work can be automated, be done by human and augmented to deliver higher value



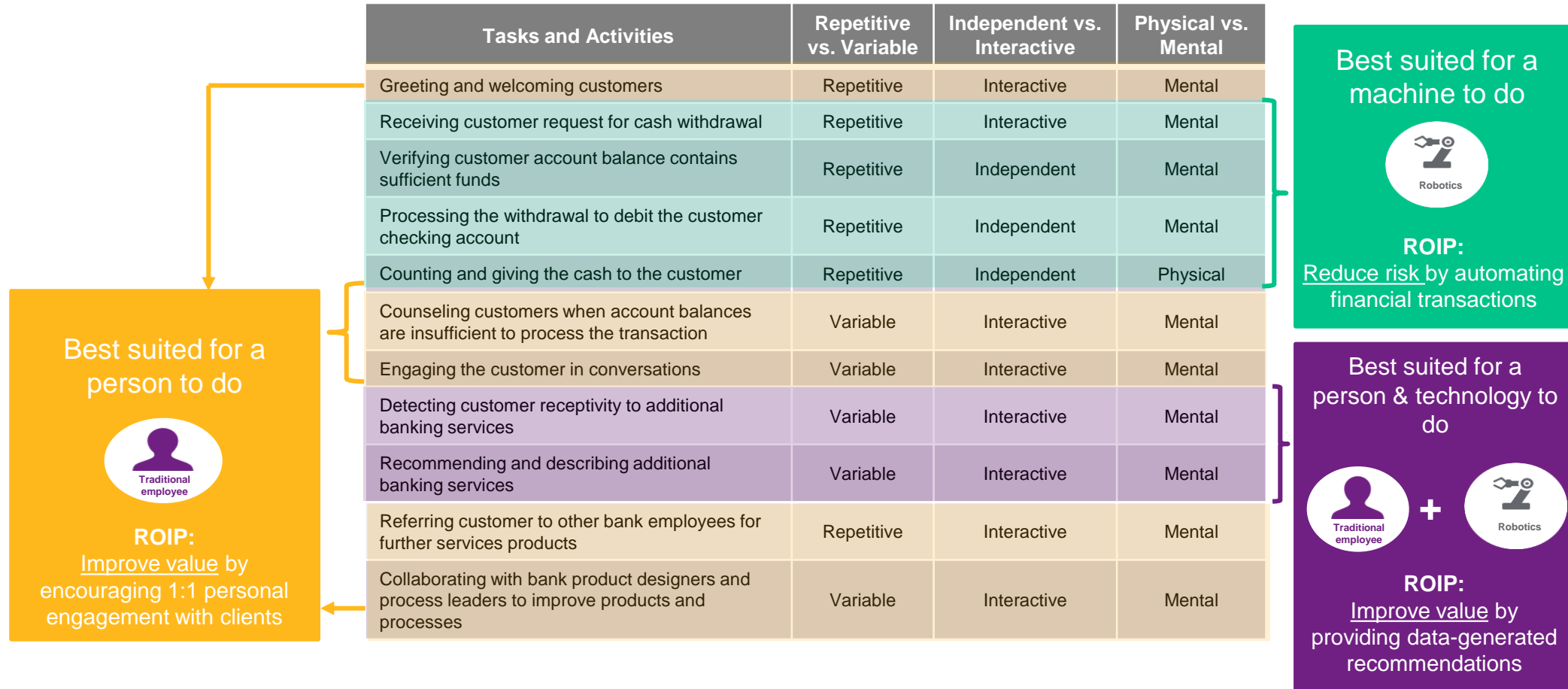
# Reinventing jobs must be guided by what will drive value, based on the Return on Improved Performance (ROIP) of different types of work

As we look at the work, where does improving performance enhance Strategic Value? Where does it mitigate risk?



# In action – Reinventing the Bank Teller Job

The tasks of the bank teller are divided into two categories – many of the tasks that are repetitive and independent can be replaced by technology (Automated Teller Machines (ATMs))



## The crisis has placed emphasis on the need for organization and people to pivot together as we emerge into a 'new-normal' post-crisis

We are asking – and needing – employees to **exist** in new environments, **think** in new ways and **act** differently.

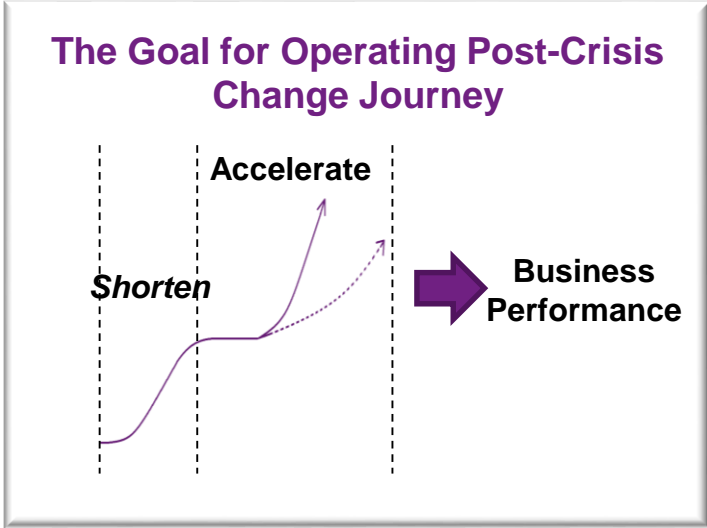
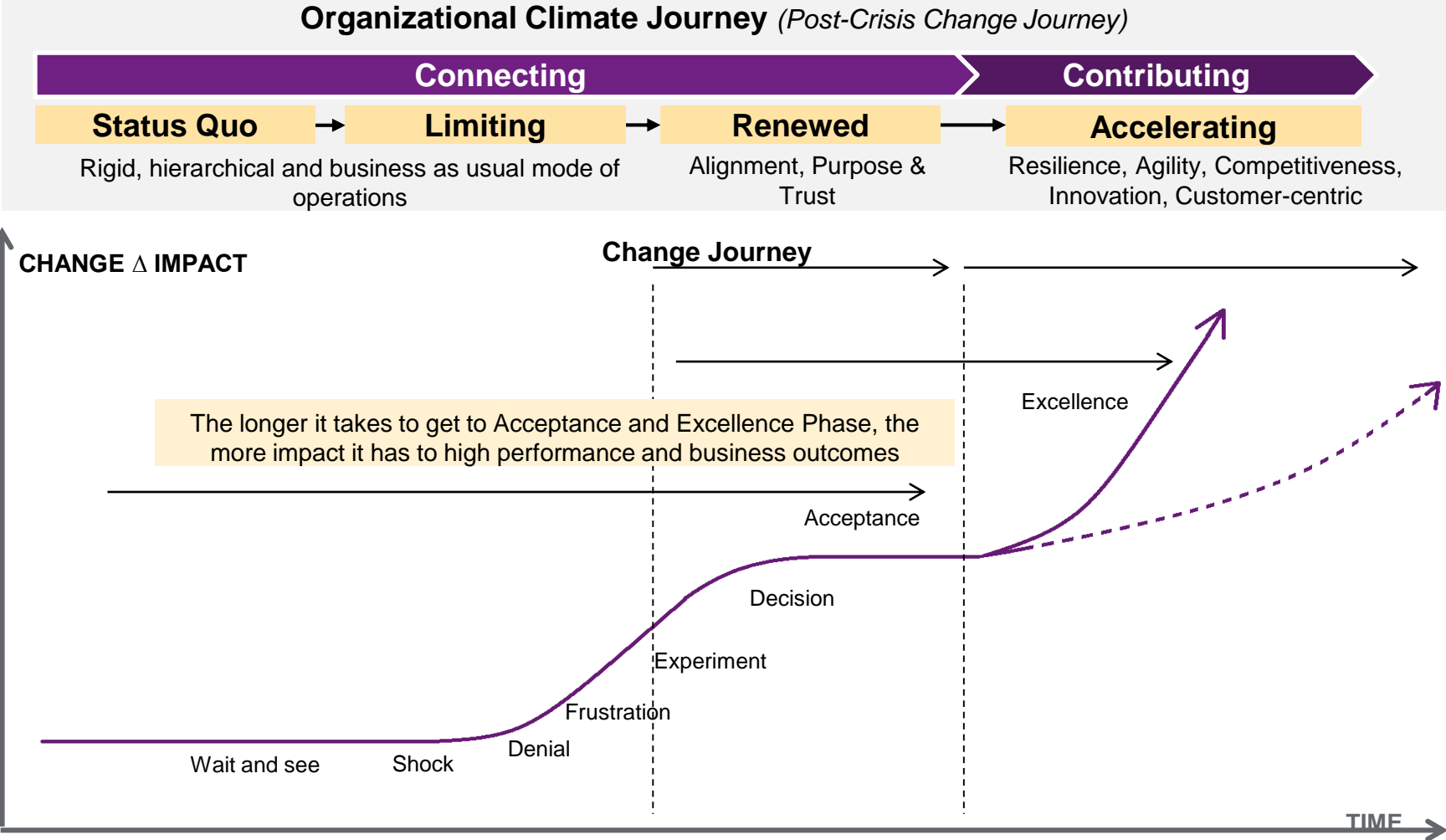
Doing so, impacts how they **experience** work and **feel** about their role and their future; it impacts how leaders **show up** and, ultimately, it determines how the business **pivots and performs**. The approach organizations take to balance business sustainability with employee experience decisions will be key to accelerating back.



How do we reset culture and experience for the new normal to navigate the journey of **connecting** employees to the purpose and **contributing** to accelerate recovery of revenue and business performance?



# The goal for operating post-crisis is to be able to return to full speed in shorter time-frame to drive business performance in the new normal



# What a High Performance Employee Experience looks like, to bring people through the change journey, be connected to a new purpose and build resilience for what lies ahead



# Call to action for post-Covid return: Aligning organizational and people elements to what is required to accelerate revenue recovery

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***Return on Improved Performance***

## Thank you

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**“The best way to predict the future is to create it”**

**- Peter Drucker -**