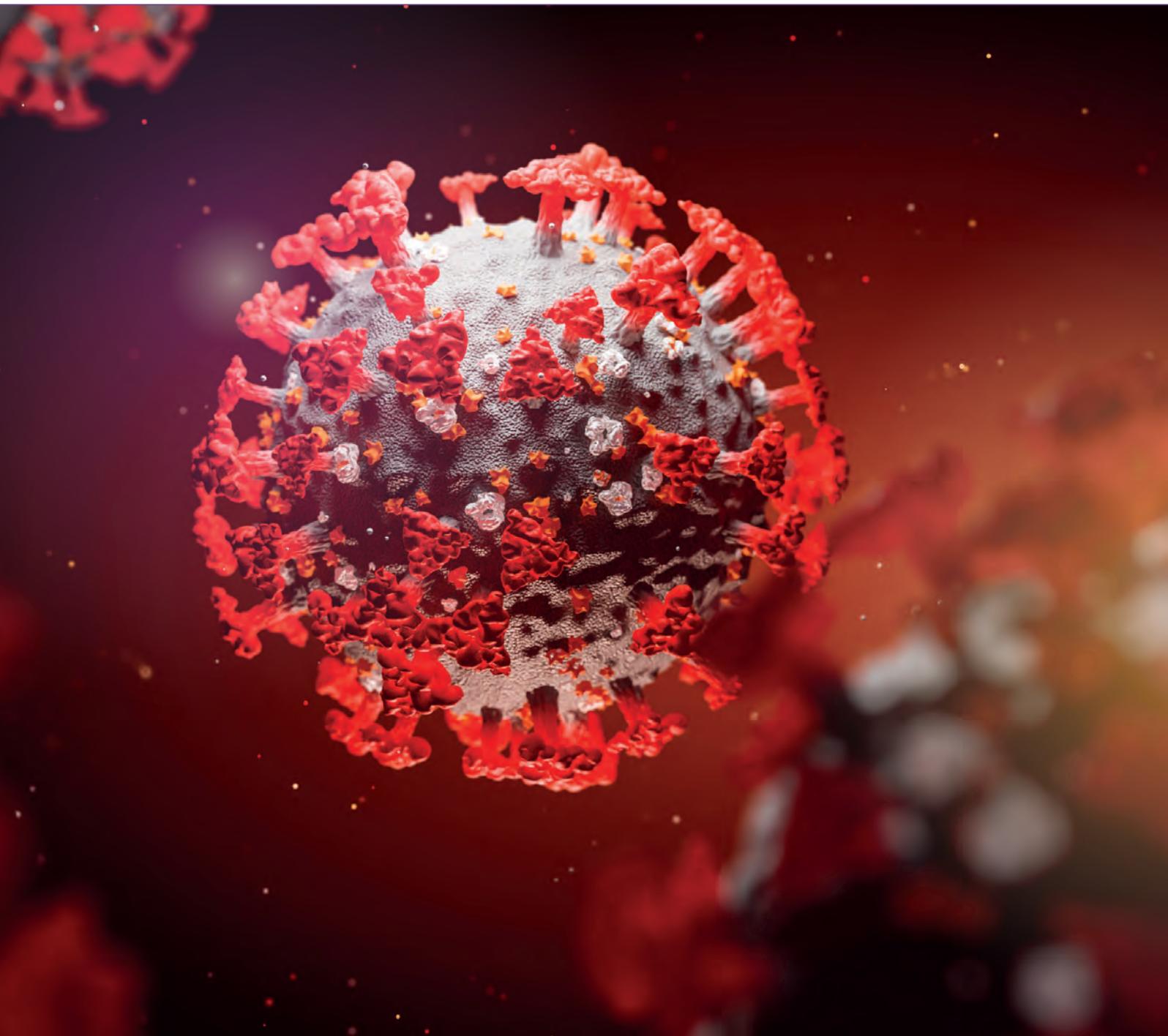


**HR** DataHub

# **Covid-19**

## **Impact on Businesses and their People**

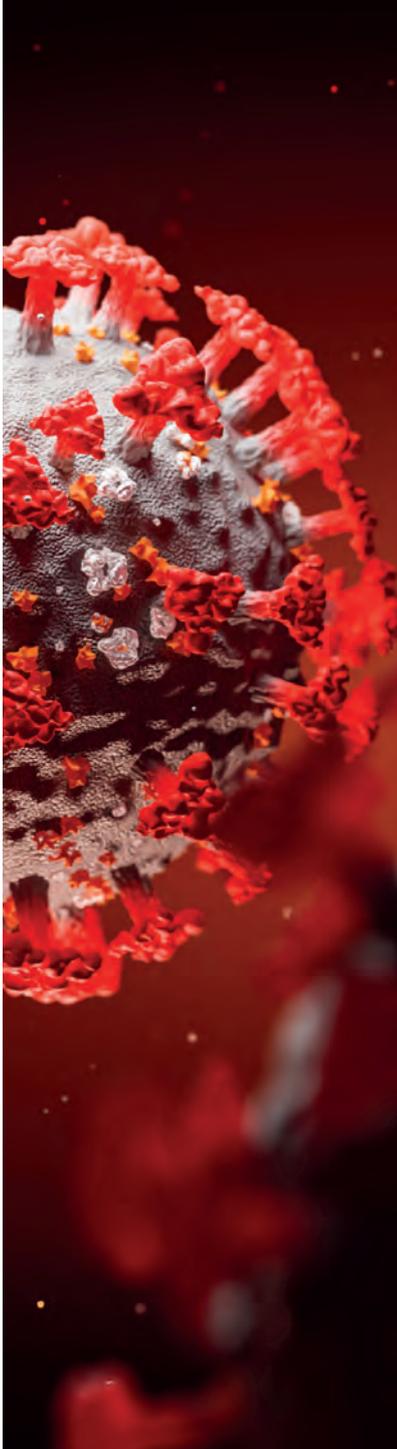
April 2020  
2<sup>nd</sup> Edition





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# Introduction

The survey was designed to collect information from HR professionals on the approach they have taken to support their colleagues and business through the COVID-19 crisis.

We wanted to build on the first survey, where the data was collected between 18 March until 25 March 2020, and focussed on early responses to the crisis on pay, bonus, wellbeing, communication, working patterns and overall business impact.

We have dived deeper into the affect on businesses, looking at the expected impact on revenue and headcount.

We have analysed feedback on the various and ever evolving schemes that the Government has put in place to support businesses at this time, specifically how those relate to the way employees' pay is impacted depending on their employment type or contract.

Whether and when bonuses will be paid was another key topic, as well as the impact on the benefits package, specifically the initiatives around sickness absence and supporting colleagues working from home.

It is clear that COVID-19 has brought about massive changes in work patterns and reward approaches of organisations across the UK, but this may not be all bad. We have also explored whether the crisis could be a positive force for change.

David Whitfield  
CEO

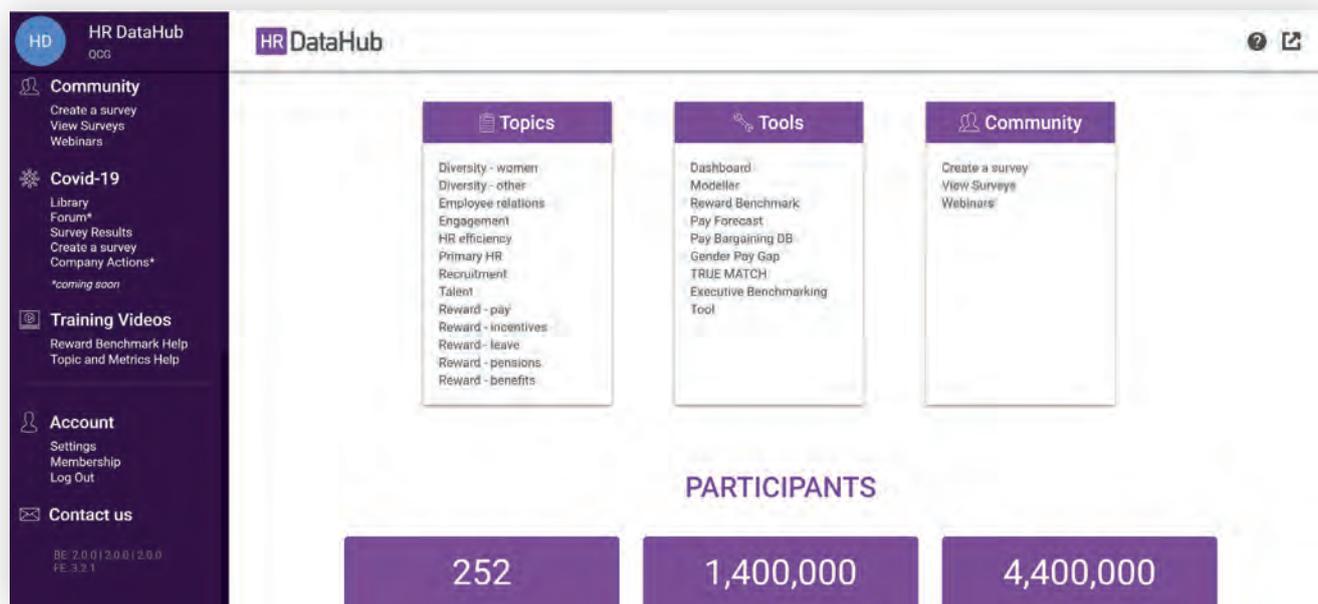
**HR** DataHub

# Further support for the COVID-19 crisis

We have built a dedicated part of the HR DataHub platform to provide greater support to companies through the Covid-19 crisis.

This includes:

Document Library	Collection of best practice, insights, benchmarking and legal advice from various trusted sources
Forum	Connect with other HR professionals, join the discussion and help each other through the crisis
Surveys	All of our Covid-19 surveys will be published on the platform and we intend to continue running them throughout the crisis to make sure we understand how companies are adapting
HR DataHub Licence	All companies can request free access to the wider HR DataHub benchmarking metrics for three months
Survey Data Tool	Create your own analysis by filtering the data from our surveys by sector, headcount and company type
Company Tracker	A database of some of the biggest companies in the UK and what they are doing to support their people, business and the wider community



## How to get access

Access to this dedicated platform is free and to get access simply contact us through the following link:

<https://bit.ly/hrdhcvsign>

We will then set you up with a username and password so you can securely access the features as listed above.

Please note that only HR professionals will be provided with access.

# About Us

- HR DataHub is an external HR Benchmarking platform
- Designed to be simple to use and fully customisable to get the data you need
- Access almost 200 metrics covering every area of HR
- So far over 400 companies have joined representing 4m+ employees in the UK



## D&I Benchmark

- External benchmarking data on 50+ D&I metrics
- Create a meaningful comparison by tailoring your sample by sector, subsector or named companies (min 5)
- View the data by geography, company size, protected characteristic, and by level/role/function
- Export the data to PDF or Excel
- Create intersectionality analysis by selecting more than one characteristic



## Collaboration Portal

- Use the best practice library to access case studies, thought leadership and practical guides
- Interact with other members through the forum
- Find someone to collaborate with or ask some advice through the profile section
- Create your own bespoke survey to get the answers you need from other members



## D&I Metrics Dashboard

- Save each of your benchmark metrics to a dashboard
- Display meaningful metrics that provide insights into areas that require improvement
- Export the dashboard to share in meetings and board papers
- Use the dashboard in real time to explore insights in your meetings



## HR Benchmark

- Access benchmark data for all areas of HR including 150+ metrics
- Covering Reward, Engagement, Learning & Development, Talent, Employee Relations, Recruitment, HR Efficiency and People
- Option to include your own internal data to see instant comparison
- Benchmark your true comparators by selecting named companies
- Benchmark outside of your industry with access to all sectors
- Create your own bespoke graphs and export to Excel and PDF



## Pay, Benefit & Allowances

- Access pay, benefit and allowance benchmark data for every role and level in your company including frontline colleagues
- Get the data you need by region, city, town and postcode
- Perfect matching into roles as we provide a bespoke role catalogue for the WiHTL sectors
- Benchmark your true comparators by selecting named companies in your sector (min 5)
- Export the data to Excel or PDF

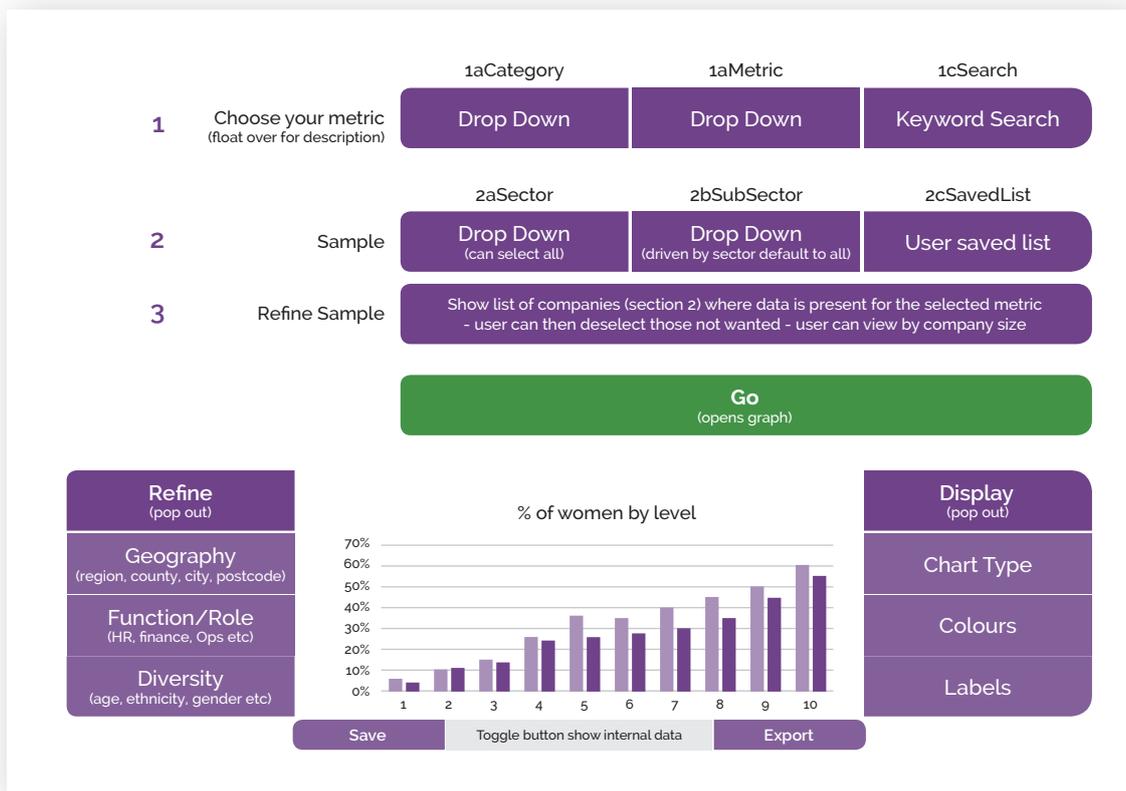


## HR Dashboard

- Save each HR metric to a company dashboard
- Option to include your own internal data to see instant comparison
- Display all of your HR benchmark metrics onto one dashboard and identify areas for improvement
- Dashboard can be used in realtime to gather insights across all areas of HR
- Useful for all HR professionals in your business

# HR Benchmark

New Interface Design coming in June 2020



## Key Features:

- Save metrics to company dashboard to create bespoke reporting
- Refine data to get a tailored view of the results
- Design the graph to your brand colours and language
- Select different types of graph to view the data
- Include your data to see a comparison
- Export the data to PDF, Excel, PowerPoint and Word
- Choose a sample from all industry, sub sector or named company (so long as sample size is 5+)
- Quickly find the metrics you are looking for by clicking the drop-down menus or by searching a key word
- Save your searches to use later

# How to join HR DataHub

There are three ways to join HR DataHub:

- 1) Sign-up to a three month free trial with the option to take out an annual subscription at the end (£2,400)
- 2) Be a member of one of our partner trade groups or charters to get unlimited free access to the D&I features, a bespoke collaboration area and free use of the wider platform until the end of 2020.

Currently we cover Hospitality, Hotels, Leisure, Infrastructure, Renewable Energy, Aerospace and Aviation

- 3) If you are a member of a charter or trade group that is not listed above then contact us and we can work together to create a partnership.

Email: [info@hrdatahub.com](mailto:info@hrdatahub.com)

Some of our clients:

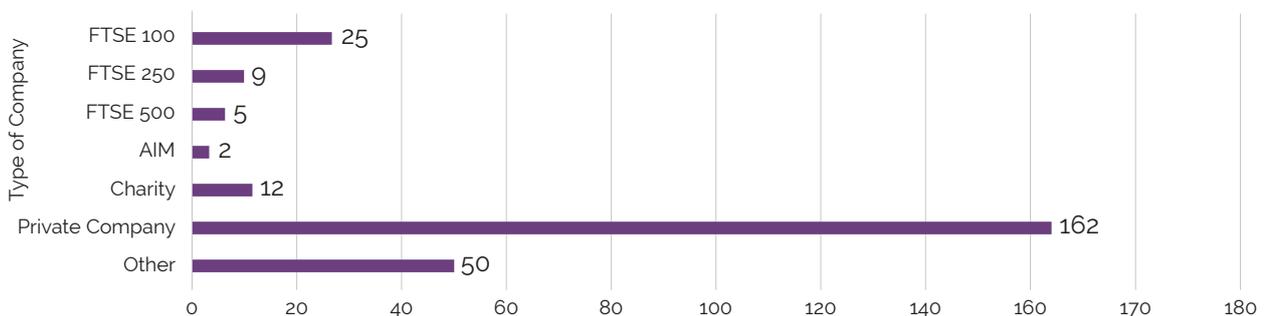
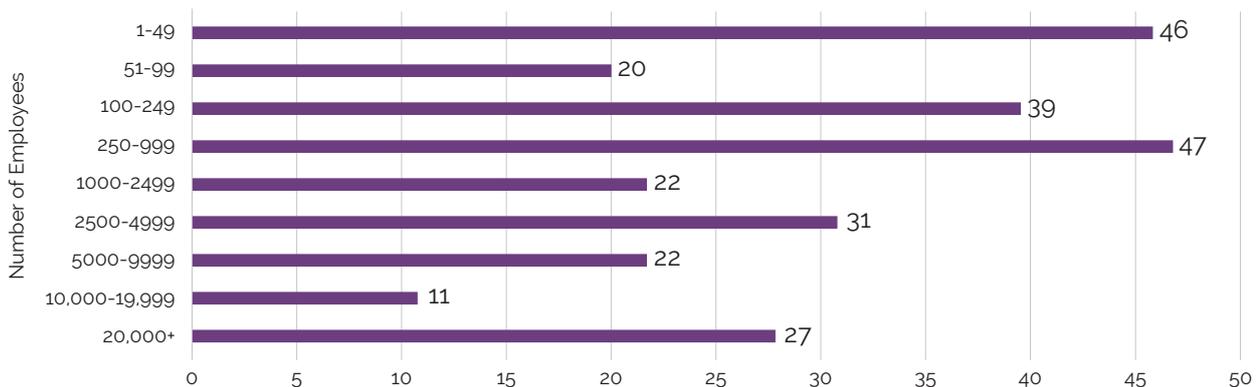


# Methodology

The survey was run from **28 March until 7 April 2020** with invites sent to clients of HR DataHub, members of the charter Women in Hospitality, Travel and Leisure, and publicised on LinkedIn. Whilst many of the organisations are international, we were particularly interested in what they were doing in the UK and so this is the basis of the survey. Governments of different countries have taken different approaches to supporting businesses and this will have led to different approaches internationally.

Key announcements from the UK Government were made during the period that the survey ran and may have influenced the responses of those companies who had already completed the survey, however the most impactful one – the announcement of the UK Government Job Retention Scheme (commonly known as furloughing) - took place before this survey on March 20th 2020 and so we would expect all respondents to have a view on how and whether they would use that.

We have responses from 265 businesses of all sizes, as the table below shows. Together they employ **4m\*** people. This therefore gives us a really good insight into changes for a significant proportion of the UK working population.



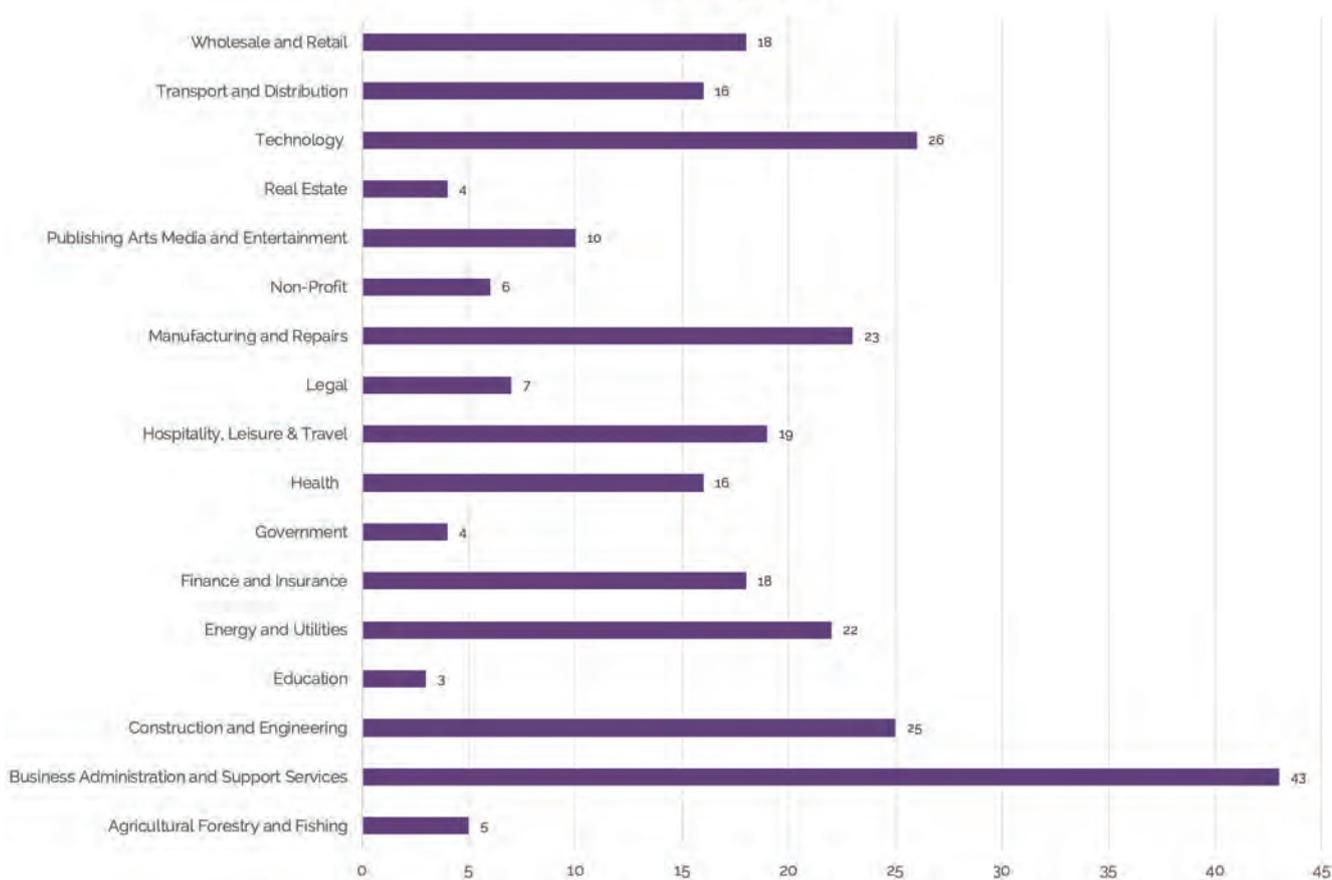
# Methodology continued

Most of these organisations are in private ownership – 61% of our sample – and we also have responses from 43-listed companies and 12 charities, which will have been impacted in different ways by the crisis.

Responses are drawn from 17 different sectors and no one sector dominates. Our highest number of responses – 43, comes from the Business Administration and Support Services sector and makes up 16% of the sample. We have over 20 responses from each of Construction and Engineering, Technology, Energy and Utilities and Manufacturing and Repairs.

We are confident that this gives us a robust insight into UK organisations at this time.

Sample by Sector





3n Strategy's mission is to improve the way businesses make decisions about the way people impact the business through the use of evidence.

We provide a full complement of enablement ('Accelerator') services allowing organisations to adopt, scale and sustain a culture of evidence-based HR decision-making.

Core services:

- People Analytics Strategy and Change Management (and adoption) Consulting.
- Strategic Workforce Planning Consulting.
- People Analytics Training and Support.
- HR/People Analytics Technology Implementations.

We are partners of most people analytics technologies including SAP, Visier, HR Data Hub and more.

HR DataHub has been working with 3n strategy to provide greater insights on the survey data.



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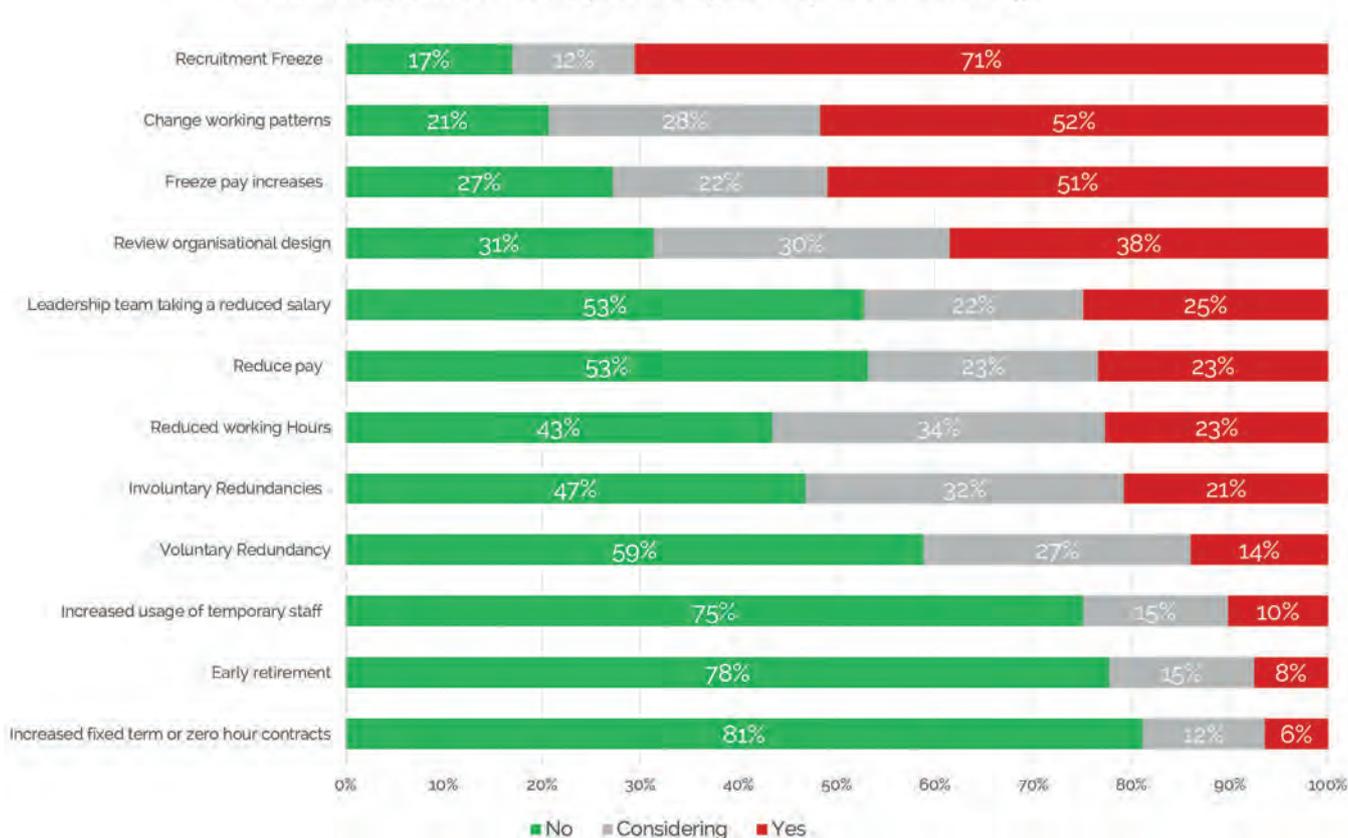
## Nigel Dias

Nigel is Managing Director of 3n Strategy and the Chair of the HR Analytics ThinkTank. He is a globally recognised People Analytics and Strategic Workforce Planning specialist, working exclusively in these practices for over 10 years. He has extensive experience and passion about the adoption and evolution of evidence-based decision-making practices in HR, working with over 50 organisations in his career. As a statistician with a strong technology background, he is an advocate about sharing the practices of analytics.

# Section One: Business Impact

Companies were asked about the likely impact of the COVID-19 crisis on their business over the next 3-6 months – and specifically what measures are likely to be implemented affecting their colleagues:

In the next 3-6 months, do you anticipate any of the following?



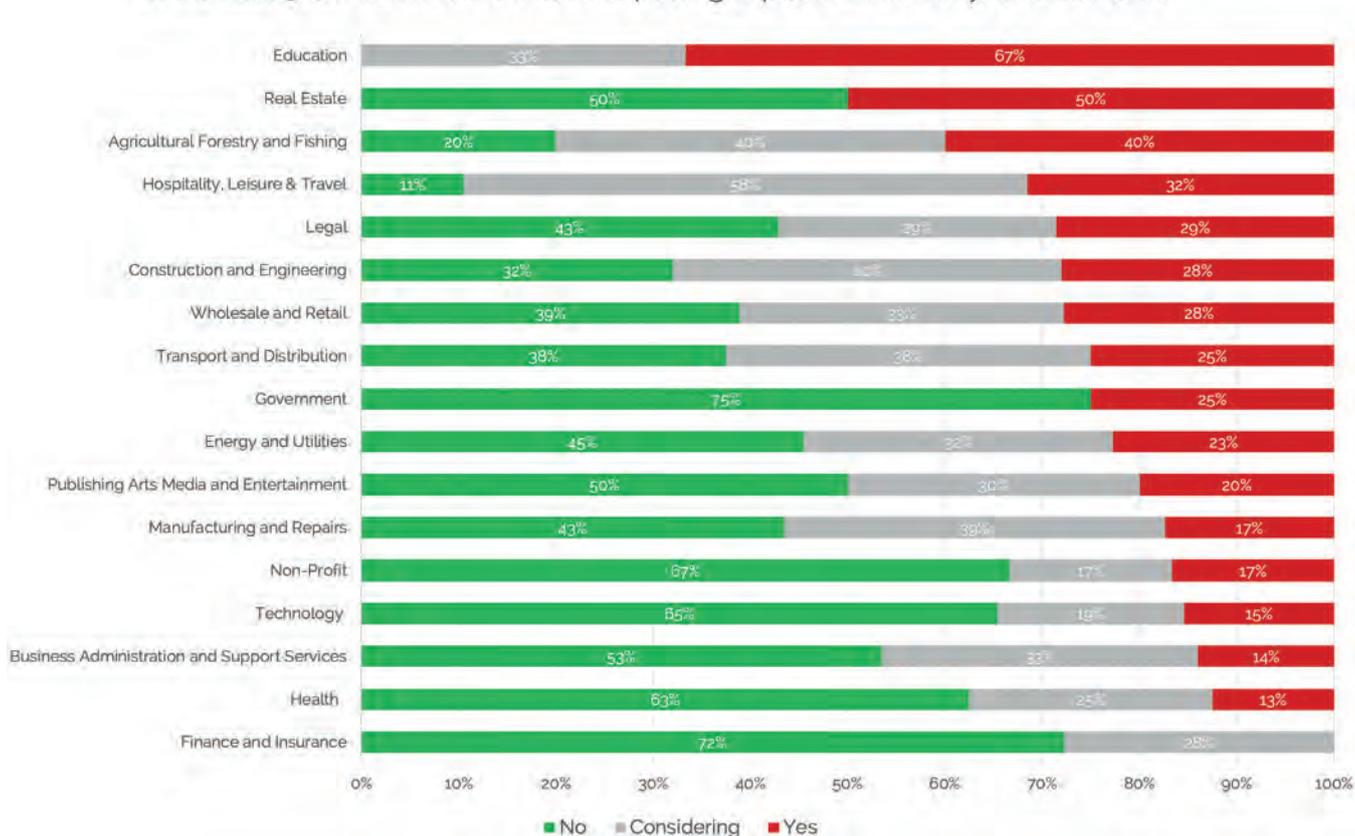
## Observations

- Generally the picture looks very bleak with almost all of the companies implementing some drastic measures to make sure their business survives through the COVID-19 crisis.
- Most companies have or are considering a recruitment freeze which is not a surprise given the economic uncertainty. Whilst this is a logical step to preserve the current workforce first, care does need to be taken when implementing a blanket ban that key roles are replaced where necessary. This percentage has increased since our first edition of this survey which indicated 59% of participants had implemented a recruitment freeze and 26% were considering. Now only 17% do not anticipate a recruitment freeze.
- It is positive to see a change in working patterns as the second most used measure with many companies showing flexibility to provide home working. This is up from 42% in our first survey to 52% now. The 21% not considering it may have workforces who need to be on-site such as care or construction workers, hence this may not indicate a lack of flexibility but a reality of the job.
- The last survey showed responses of 32% for both adopted approach and considered approach. This change may reflect companies having taken advantage of the government furlough scheme to maintain their existing workforce and the uncertainty of any short term economic recovery.
- A large number of companies are reviewing their organisational design which is likely to lead to redundancies for those companies in hardest hit sectors. Furloughing was a short term measure to prevent redundancies but longer term, reviewing the shape of the workforce is likely to be necessary. Arguably the most drastic decision a company can make is to implement redundancies – 21% of organisations have already taken the decision to undertake involuntary redundancies with a further 32% considering this approach. 14% have offered voluntary redundancy with a further 27% considering.
- We have seen a significant jump in the number of businesses implementing reduced pay (from 15% to 23%) and even more so in Leadership teams taking a reduction (10% to 25%). Leading by example at this time is critical and so it is reassuring to see an increase in this approach.

# Section One: Business Impact

Having noted that involuntary redundancy is perhaps the most extreme measure that businesses can take, and the one the Government were trying to address in the short term with offering a Government Furlough Scheme, we wanted to understand by sector where businesses were still looking at this option.

In the next 3-6 months is the business putting in place involuntary redundancies

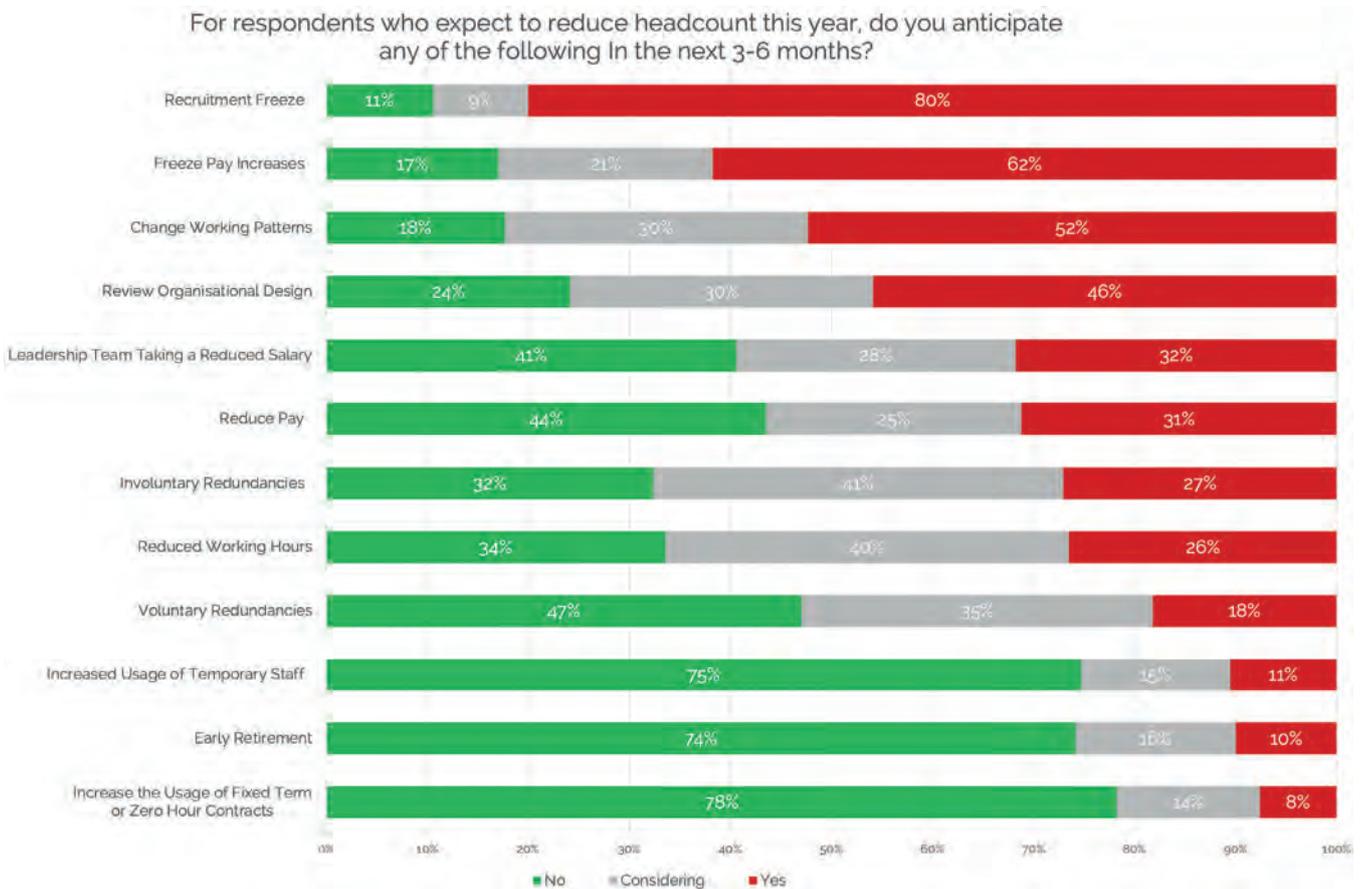


## Observations

- Overall 21% of organisations have already taken the decision to undertake involuntary redundancies with a further 32% considering this step. This chart shows how this breaks down by sector.
- This data should be considered hand in hand with the number who have gone down the road of voluntary redundancy - 14% - with a further 27% considering. This is really only a difference in process.
- We should also note that the redundancies are not necessarily triggered by COVID-19 but could have already been on the cards.
- Whether the figures here come to pass will be a key test of the Government's strategy on Job Retention - furloughing is designed to prevent redundancies in the short term and incentivise organisations to keep people employed. Later we will look at how organisations have responded to this initiative.
- What will be key is whether we see the tendency to increase redundancies, voluntary or otherwise, after the furlough scheme ends, and how many people this impacts.
- We can see that this is a real concern for sectors like real estate and hospitality. Later we will see that they expect significant impacts on their revenues and headcount in 2020.
- Conversely sectors such as Government, Health and Finance and Insurance have a majority actively saying this is not a strategy that they will pursue. This is likely to be due in part to being very busy as a result of the current situation.

# Section One: Business Impact

What type of actions are companies taking who anticipate major impact to their business?



## Observations

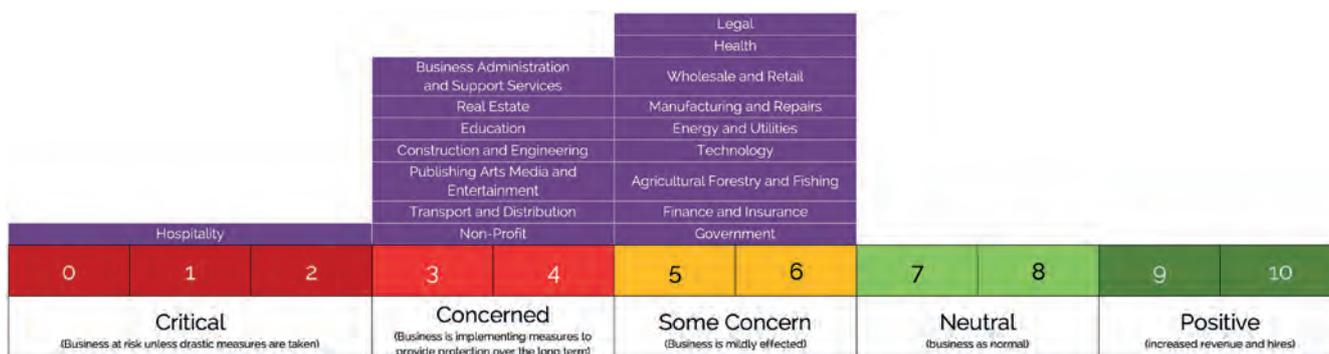
- 65% of participants responded that the impact to their business would be critical or concerning.
- At this moment in time, these impact predictions do not appear to be affecting their HR decision making, which do not differ extensively from the overall population response.

# Section One: Business Impact

We asked participants to rate the impact of COVID-19 on their business on a scale of 0 to 10 where:

0, 1,2	Critical	Business at risk unless drastic measures are taken
3,4	Concerned	Business implementing measures to provide protection over the long term
5,6	Some concern	Business mildly affected
7,8	Neutral	Business as usual
9,10	Positive	Increased revenue and headcount

We have summarised those results by sector

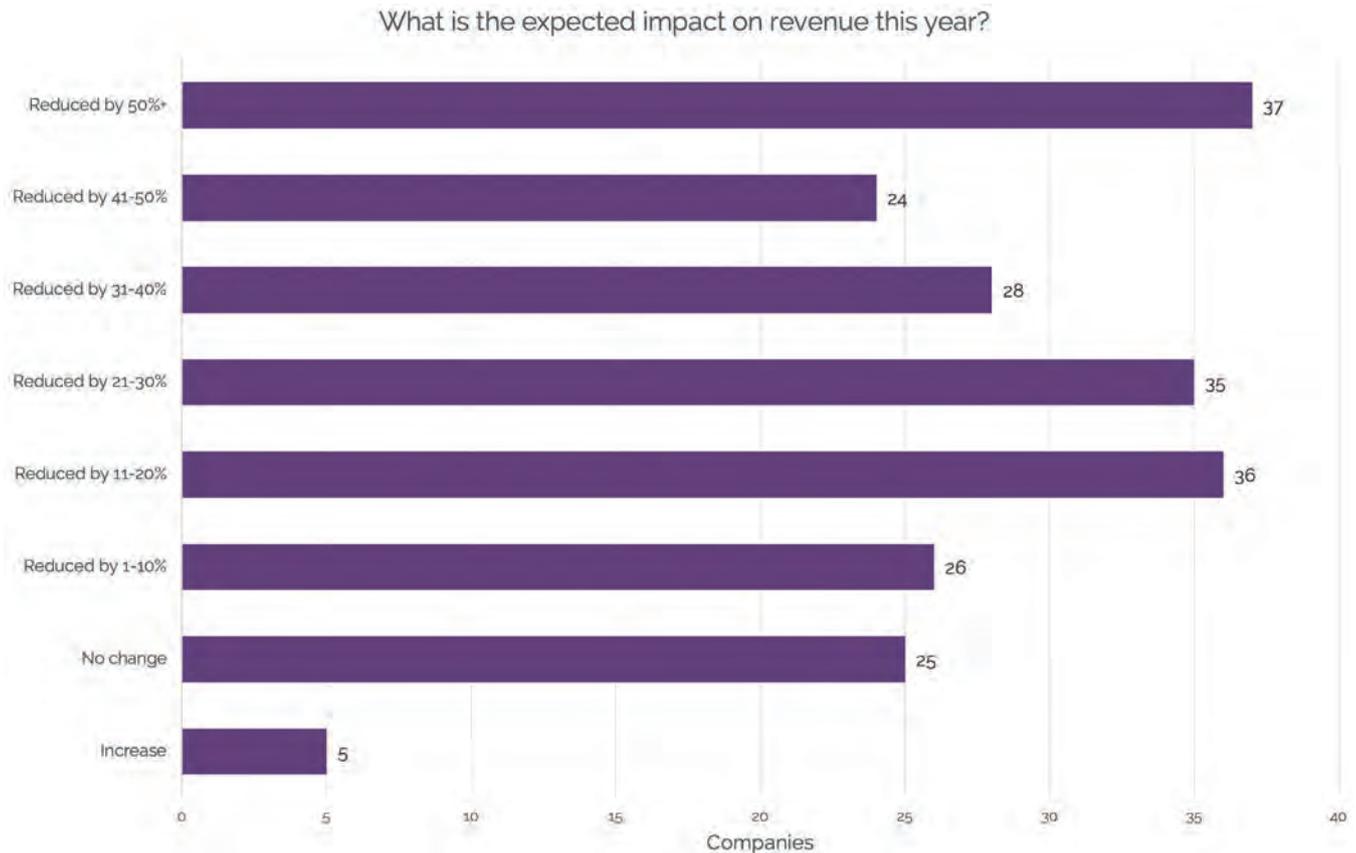


## Observations

- The hospitality sector is, unsurprisingly, most concerned about its long-term future. Restaurants, hotels and holiday businesses are, in effect, now closed indefinitely. Restaurants in particular were already suffering pre COVID-19 and we saw closures of whole chains like Jamie's. Chiquitos has already announced (March 26th) that it will not reopen post COVID, putting 1500 jobs at risk of redundancy.
- None of the overall sector ratings considered that they were positive or even neutral although some are less impacted than others and some sub-sectors will clearly profit from this situation. The sector scoring the highest overall, so feeling least impacted, was Government.
- As the next page will show, at an organisation level there are 5 in our sample (fewer than 2%) who see revenue growing and 25 (9%) who expect no change.

# Section One: Business Impact

We asked participants to assess the impact on revenue this year. Note that this question was asked when the UK was in its first period of lockdown and expecting this to be reviewed after 3 weeks. We cannot tell how long individual respondents were anticipating lockdown lasting and whether they expected more curtailments on their activities.



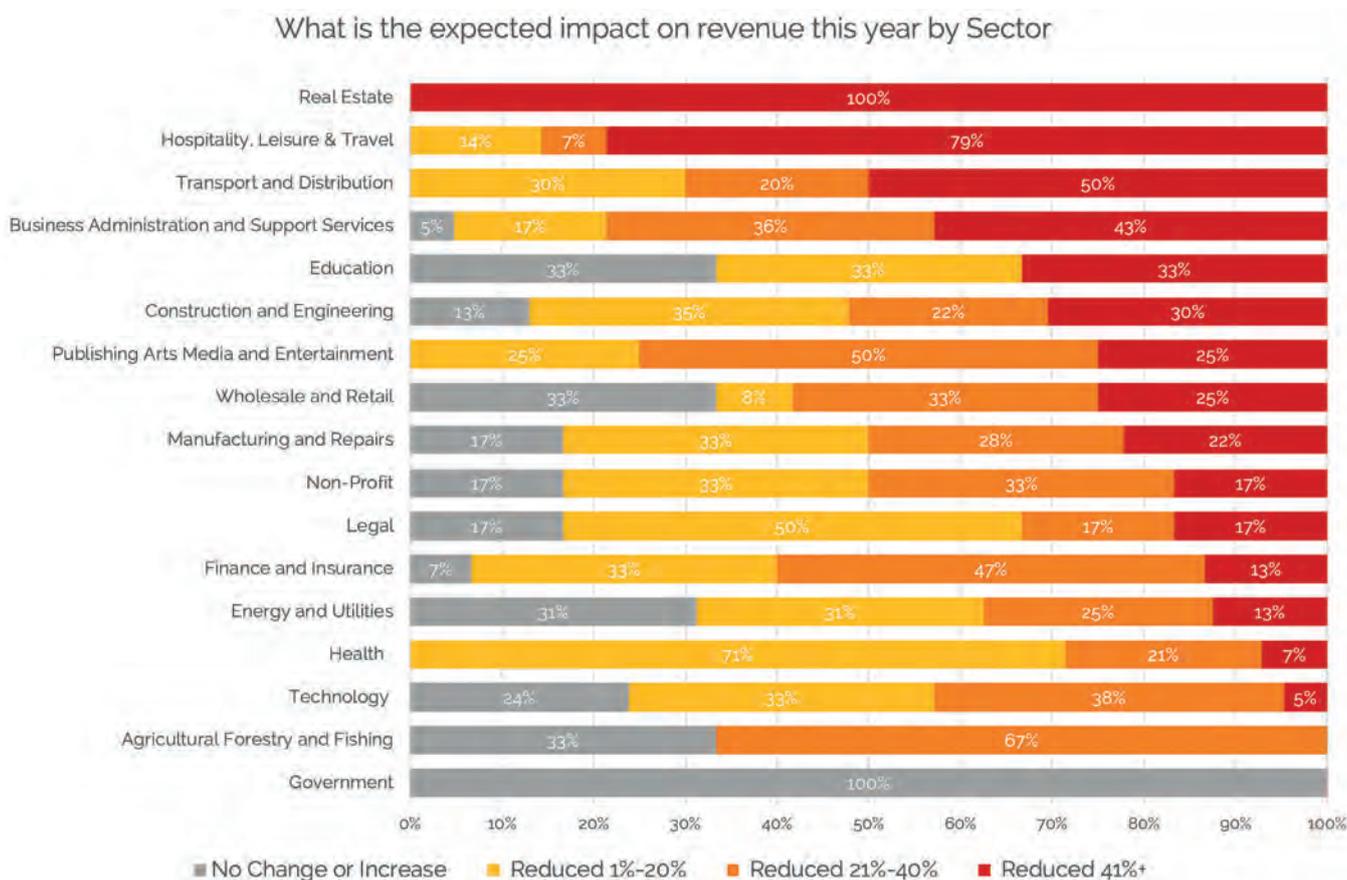
## Observations

- There is a glimmer of hope for some of our organisations - there are 5 (less than 2% of all respondents) who see revenue growing this year and 25 more (9%) who expect no change.
- However for most, the outlook is bleak. 89% are expecting declines.
- 37 of our organisations, 14% or one in 7, expect revenues to **more than halve** this year.
- 89 - a full third - expect the impact to be declines of more than 30%.
- The level of sustainability with reduced revenues is different by company and sector, but it is hard to see how organisations can lose a third of their revenue and and carry on without some element of change. The figure of 47% of organisations not even considering making any redundancies seems optimistic. With this level of expected impact on revenue, the percentage of organisations shown on P12 that are not making any redundancies (47%) seems optimistic

The sectors expecting the biggest declines are shown on the next page. >

# Section One: Business Impact

We asked participants to assess the impact on revenue this year. Below we summarise this by sector.



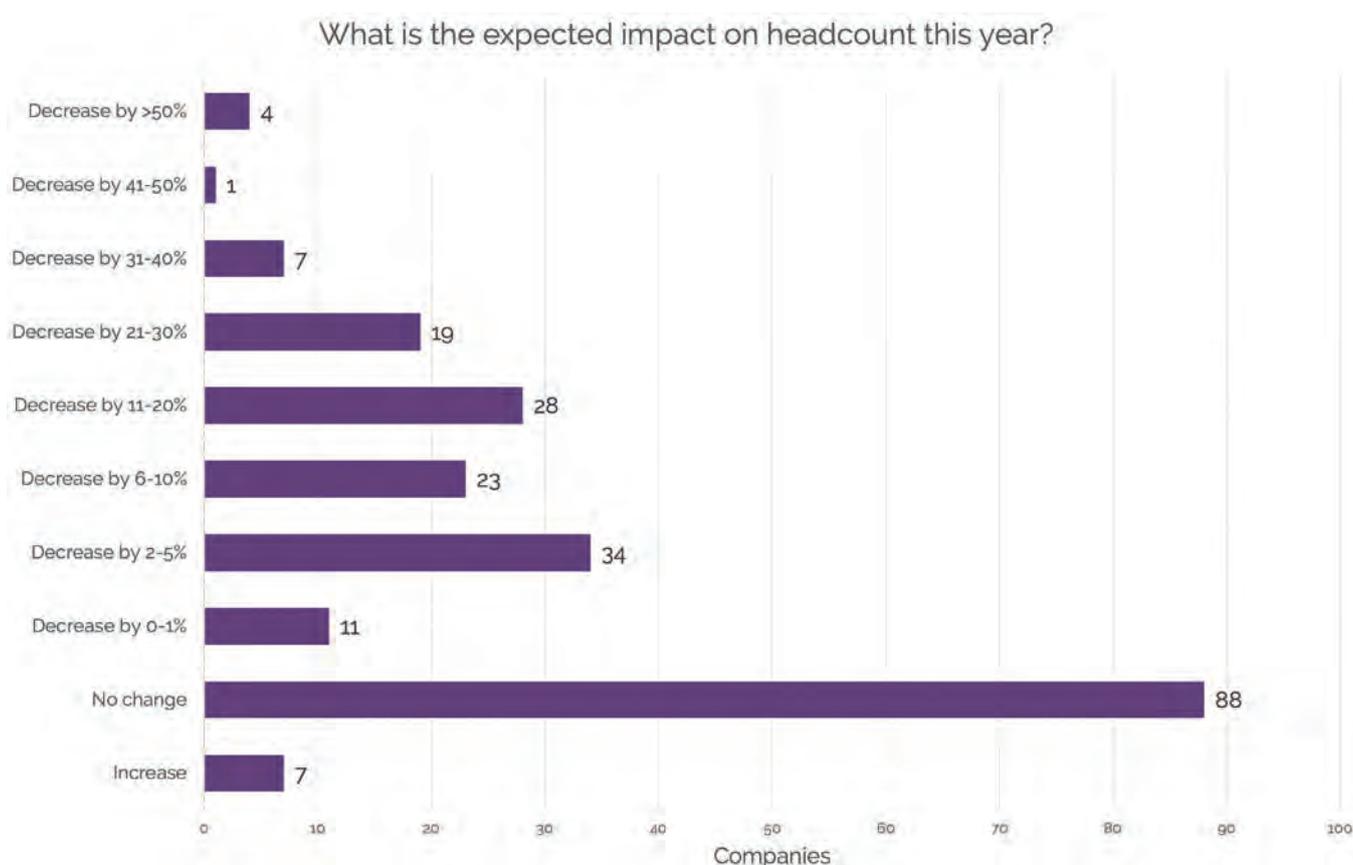
## Observations

- The main sector feeling positive about the future is Government – they have probably never been busier, and will continue to have plenty to do in implementing the Government initiatives already announced as well as those to come.
- Real estate is expecting the biggest declines, with every participant projecting significant revenue reductions. On March 26th, the UK Government issued guidance for home movers to be 'flexible' and in effect avoid moving while social distancing was in place. Whilst any viewings were most likely to have been cancelled, the situation for ongoing sales remains fragile with chains potentially broken due to changes in circumstances. It is therefore understandable that this sector predicts much lower revenues.
- As already noted, Hospitality as a sector is expecting significant declines -11 of the 19 companies responding are expecting to see declines of over 50% in revenues this year. Anything less seems optimistic with no date (at time of writing) for when lockdown will end and restaurants, bars, and cafes can re-open, unless they are operating where they can still trade e.g. in supplying hospitals. The impact for the hotel industry has been equally disastrous.
- In most sectors, the views of different organisations show different levels of optimism, or pessimism, but perhaps also different customer groups, as in hospitality.

# Section One: Business Impact

We asked participants to assess the impact on headcount this year.

Note again that this question was asked when the UK was in its first period of lockdown and expecting this to be reviewed after 3 weeks. We cannot tell how long individual respondents were anticipating lockdown lasting and whether they expected more curtailments on their activities e.g. the stopping of all construction work.



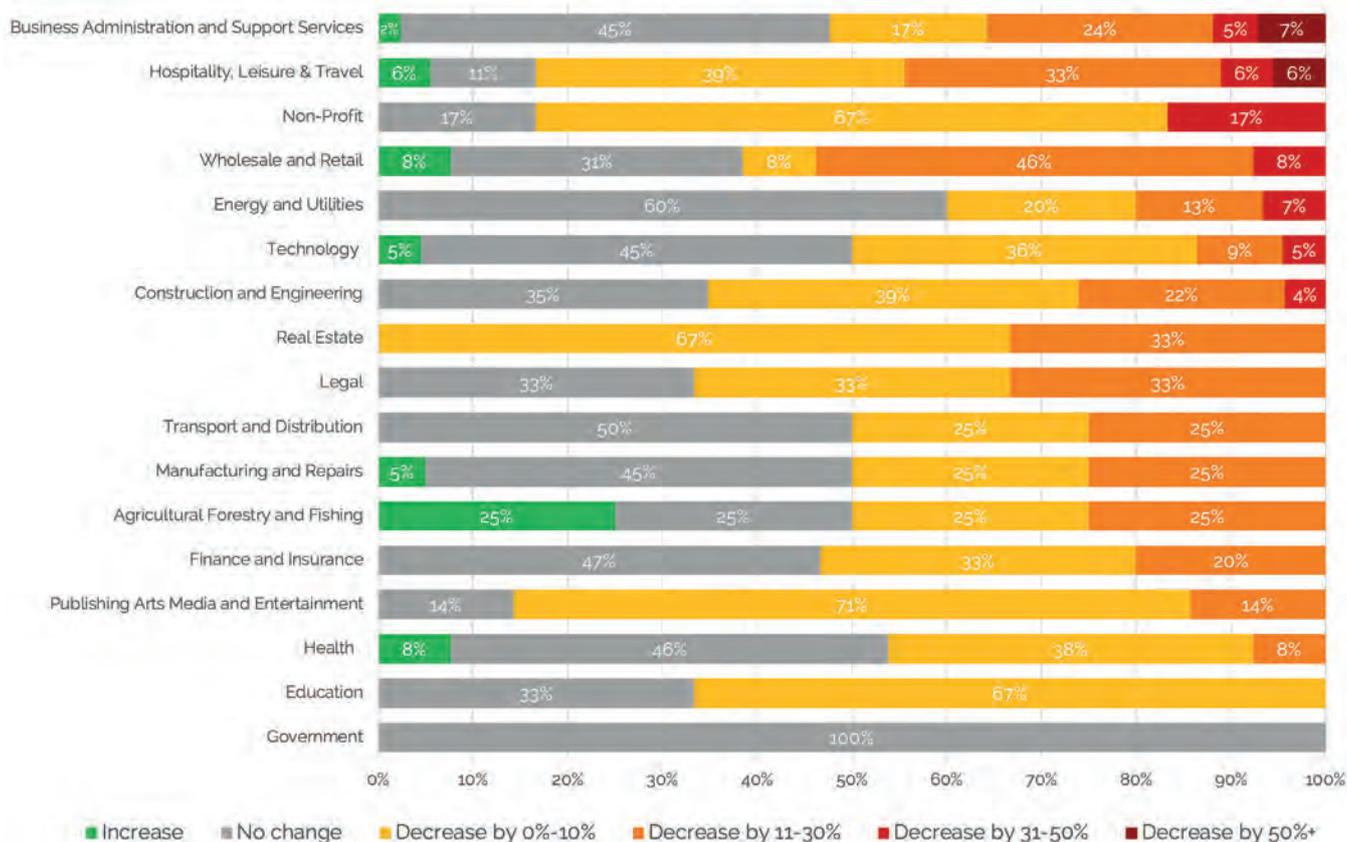
## Observations

- Participants are surprisingly bullish with 88 - a third - expecting no change to headcount and 7 an increase.
- Despite 37 organisations expecting revenues to decrease by 50% or more, only 4 expect headcount to similarly decrease by the same percentage. It is to be hoped that they are playing a longer game and are expecting to need their colleagues next year.
- Whilst we have already seen that 71% have implemented a recruitment freeze and another 12% are considering it, presumably for many, these were for new rather than replacement heads or respondents expect that this is only a 'pause' and they will begin replacing people later in the year.
- Whilst most participants are hopeful that the Government furlough scheme, measures around reducing and freezing pay and reducing hours will mean they can retain within 5% of their current workforce, just over 30% of participants are expecting to reduce their headcount by 6% or more.

# Section One: Business Impact

We asked participants to assess the impact on headcount this year.

What is the expected impact on headcount this year by Sector



## Observations

- Although we might expect to see a strong correlation by sector between those who expect significant declines in revenue and similarly in headcount.
- We saw above that the main sector feeling positive about the future in terms of revenue is Government and they feel exactly the same in terms of headcount. They will have plenty to do.
- Real estate is expecting the biggest declines in revenue, with every participant projecting declines over 40%. Whilst no one in that sector was positive, around one third were expecting to reduce headcount by 11-30% and two thirds by less than 10%, suggesting they think business will return.
- Hospitality as a sector is expecting significant declines –with most expecting to see a decrease of over 40% in revenues this year. Their views on what this means for headcount are very split, with revenue and headcount, its not so clear cut some businesses actually expecting to recruit whilst others are anticipating losing more than half of their headcount. This may reflect different levels of optimism, or pessimism, but perhaps also different customer groups, with those supporting hospitals and care homes very busy but not those with (closed) high street restaurants and pubs.
- Across the sectors, we can see very different viewpoints from organisations on their expected headcount change.

# Section One: Business Impact

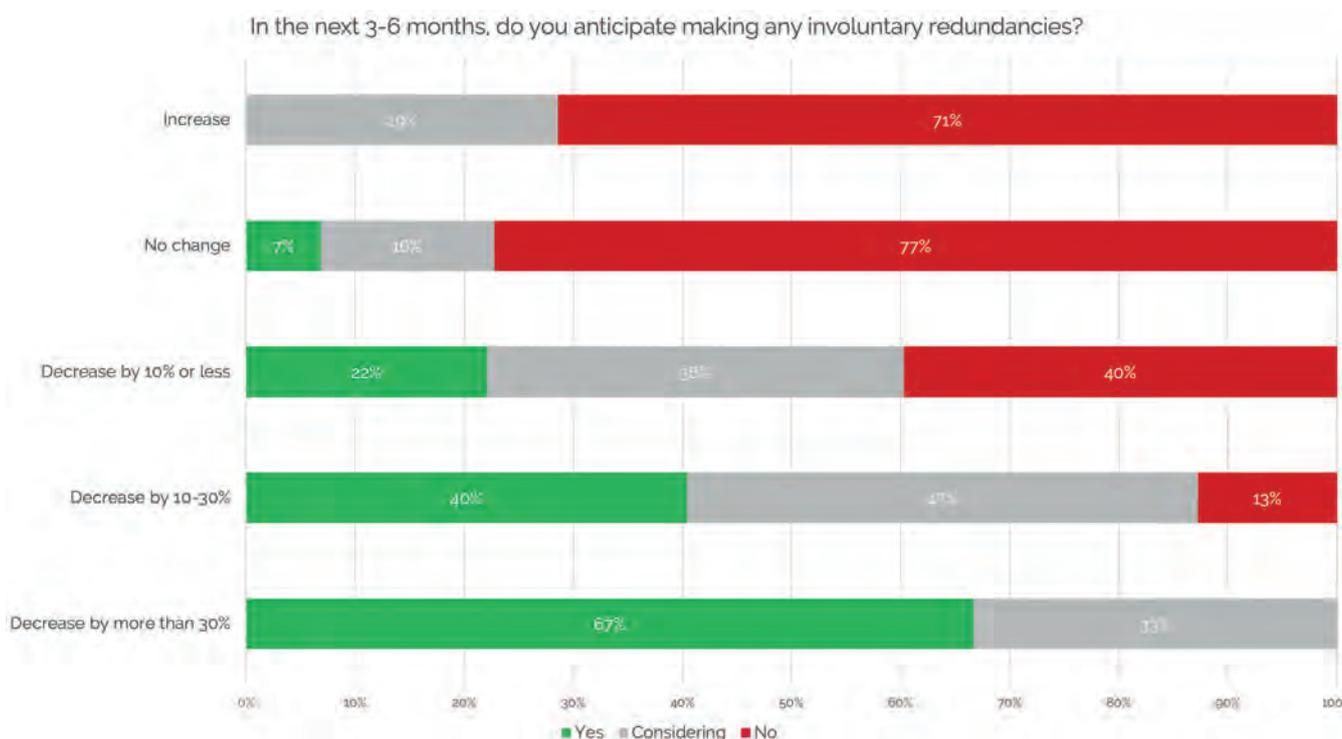
Will reductions in revenue result in higher job losses?

Do organisations that expect lower revenue this year also expect to reduce their permanent headcount?

		Expected impact on this years headcount					
		Increase	No change	Decrease by 10% or less	Decrease by 10% - 30%	Decrease by more than 30%	Grand Total
Expected impact on this years revenue	Increase	1%	1%	0%	0%	0%	2%
	No change	0%	9%	1%	0%	0%	11%
	Reduced by 1 - 10%	0%	9%	3%	0%	0%	13%
	Reduced by 10 - 30%	0%	11%	16%	6%	0%	33%
	Reduced by more than 30%	0%	8%	11%	15%	5%	40%
Grand Total		3%	39%	31%	22%	6%	100%

## Observations

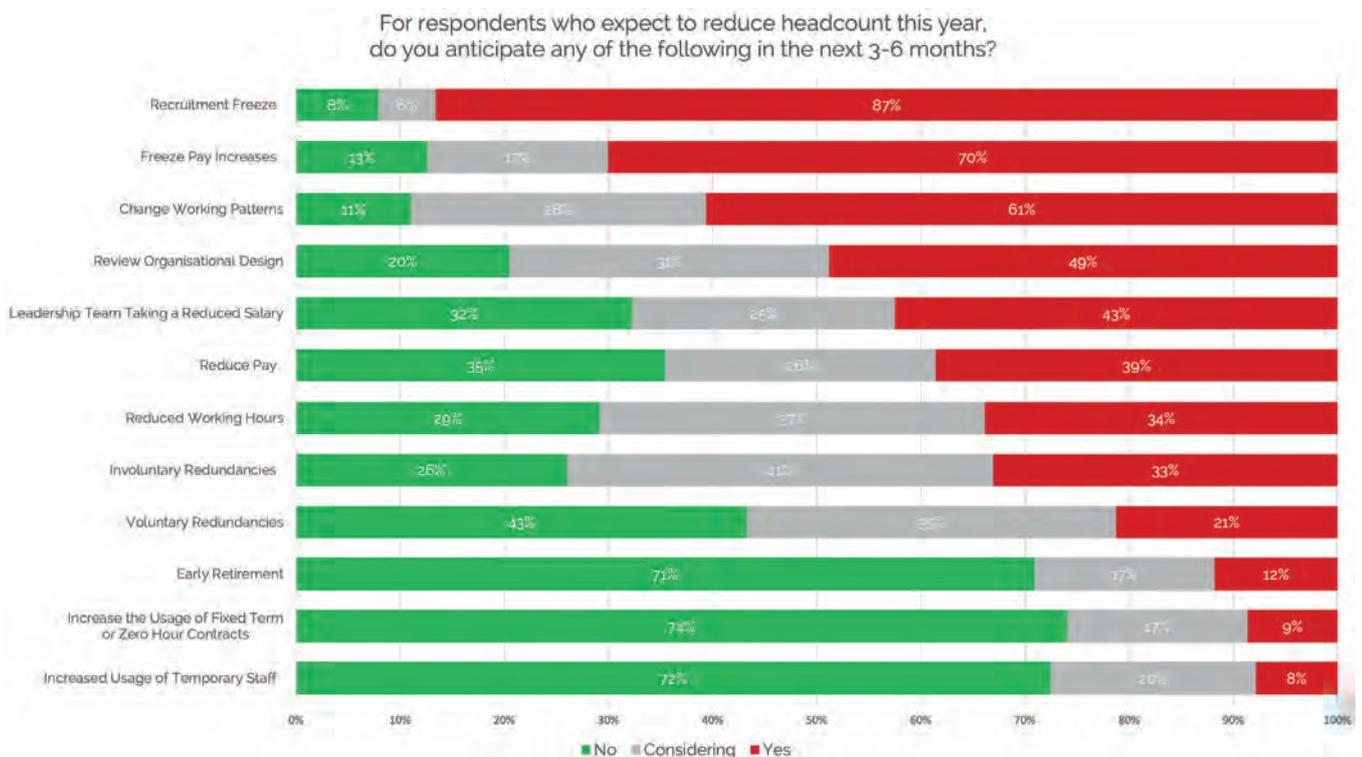
- 39% of all respondents do not expect to increase nor decrease their permanent headcount this year, despite the fact that nearly three quarters of those respondents expect to see a drop in revenue.
- 67% of respondents expect to see their revenue drop by more than 10% over the rest of the year. Of these respondents, 39% expect to decrease their permanent headcount by 10% or more.



## Observations

- Respondents that expect to decrease headcount by more than 30% this year are three times as likely to have decided on making involuntary redundancies than respondents expecting a 10% headcount decrease.
- Even organisations that expect to maintain or increase their headcount this year are at least considering making involuntary redundancies.

# Section One: Business Impact

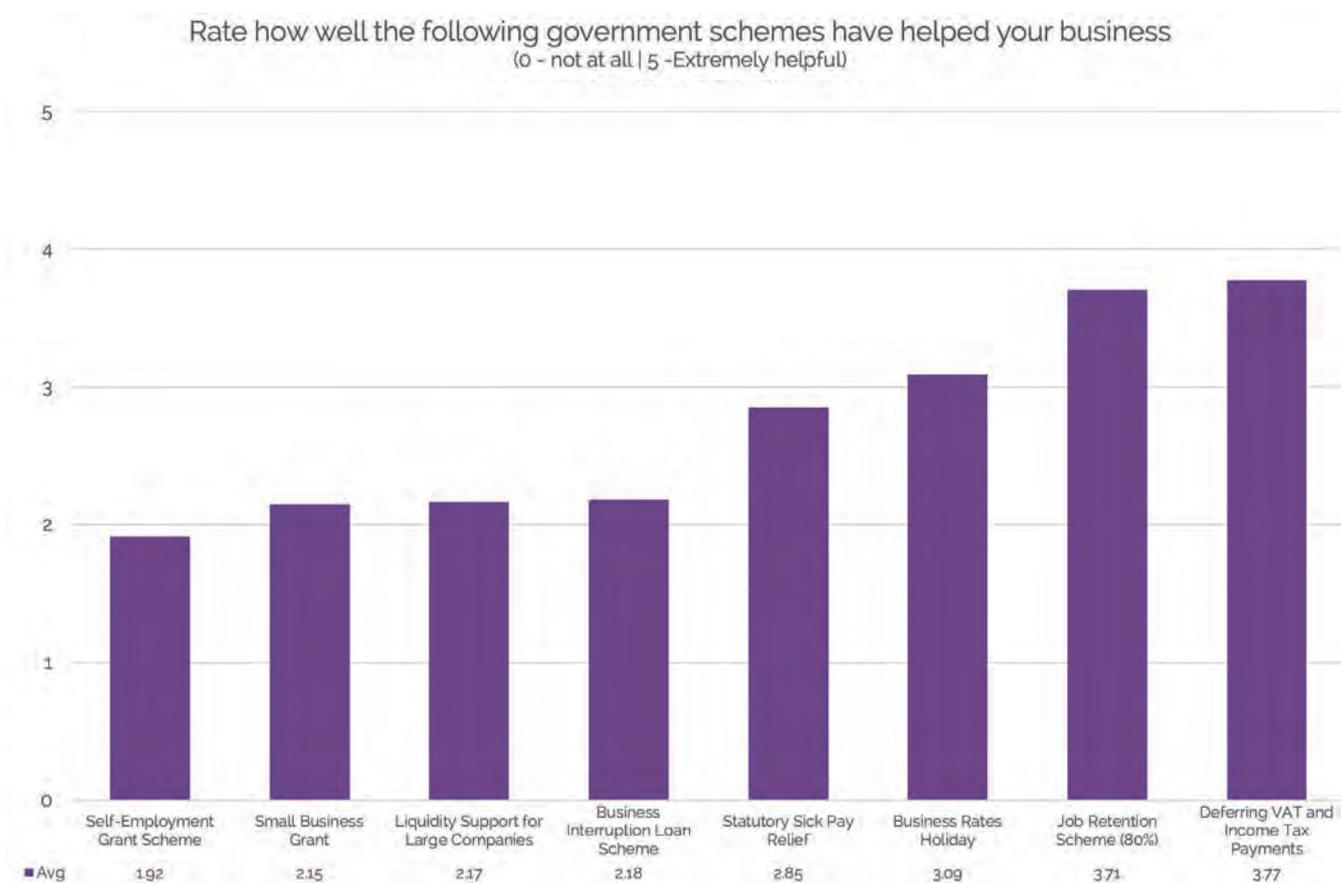


## Observations

- Respondents that said their organisation was expecting to reduce its headcount this year will be executing a variety of HR initiatives.
- 87% of respondents said that their organisation had already decided to freeze hiring, with a further 6% still considering it. Only 8% said they would continue to hire.
- Most organisations had already frozen pay increases for the 3-6 months, and 43% said their leadership would be taking a pay cut.
- Actions related to working patterns and organisation design were the next most common activity (61% and 49% said yes respectively), with 11% and 20% of respondents saying these would not be considered in their organisations.
- Despite 59% of respondents to the survey saying they expect headcount reductions this year, 26% said they would not be making involuntary redundancies, and 43% said they would not be offering voluntary redundancy.
- Less than a third of the respondents expect an increase in temporary or contract workers.

# Section One: Business Impact

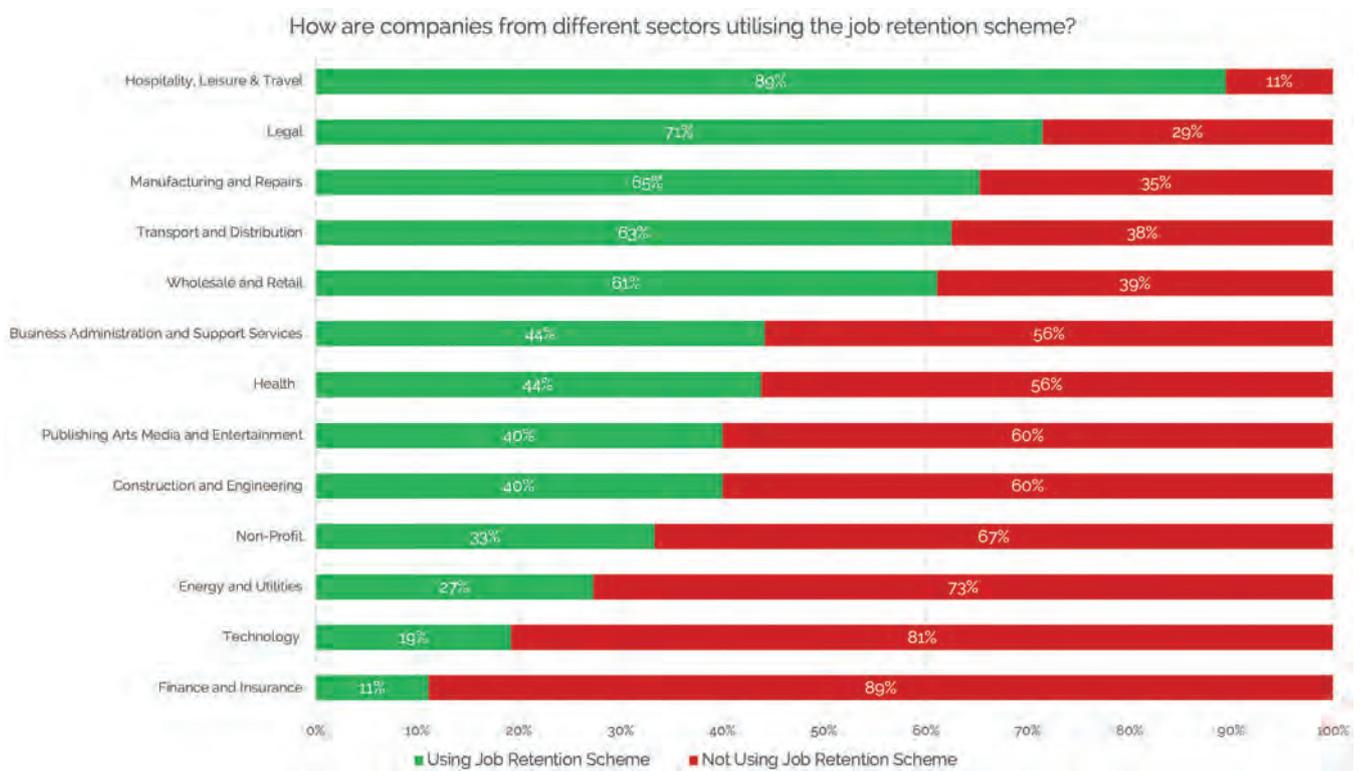
We asked participants to rate the schemes that the Government had in place at the time of answering in terms of how they have helped their organisation, on a scale of 0 to 5 where 0 is not at all and 5 is extremely helpful:



## Observations

- The most well rated scheme - scoring 3.77 out of 5 - was the ability to defer VAT and PAYE payments to HMRC. Whilst this does not save organisations money directly, this can make a significant difference to cash flow, and cash flow is a bigger determinant of business survival than profit. If a business cannot pay its people or its suppliers, it is effectively not viable. There can be a saving from not needing to borrow money. Organisations need to take care that they still budget for and have the cash to pay these tax bills later in the year. It perhaps would have scored higher if the tax was written off rather than deferred.
- The second most well received scheme, scoring 3.71 out of 5, was job retention, or what is commonly referred to as furlough. This offers employers the ability to temporarily lay off staff and claim back 80% of their pay up to £2500 a month. It has initially been put in place from 1 March to 31 May but just been extended to end of June. This is a direct cost saving. It is imagined that the reason it does not score more highly relates to the complexity below the headline - the devil being in the detail, as well as not knowing exactly when the money will be received from HMRC and hence a cash flow issue. As noted above, organisations need to be able to pay their people now and have the cash to do so, even if they are promised it is refunded to them at a future date. This impacts on profit but not cash flow.
- Taking a business rates holiday scored 3.09 out of 5 with respondents. This scheme is of less use to those organisations without significant premises. Note that this is only for retail, hospitality and leisure and only in England, not the rest of the UK, and for nurseries. This means rates are not due for the 2020/2021 tax year and could make a major difference to costs for some businesses.

# Section One: Business Impact

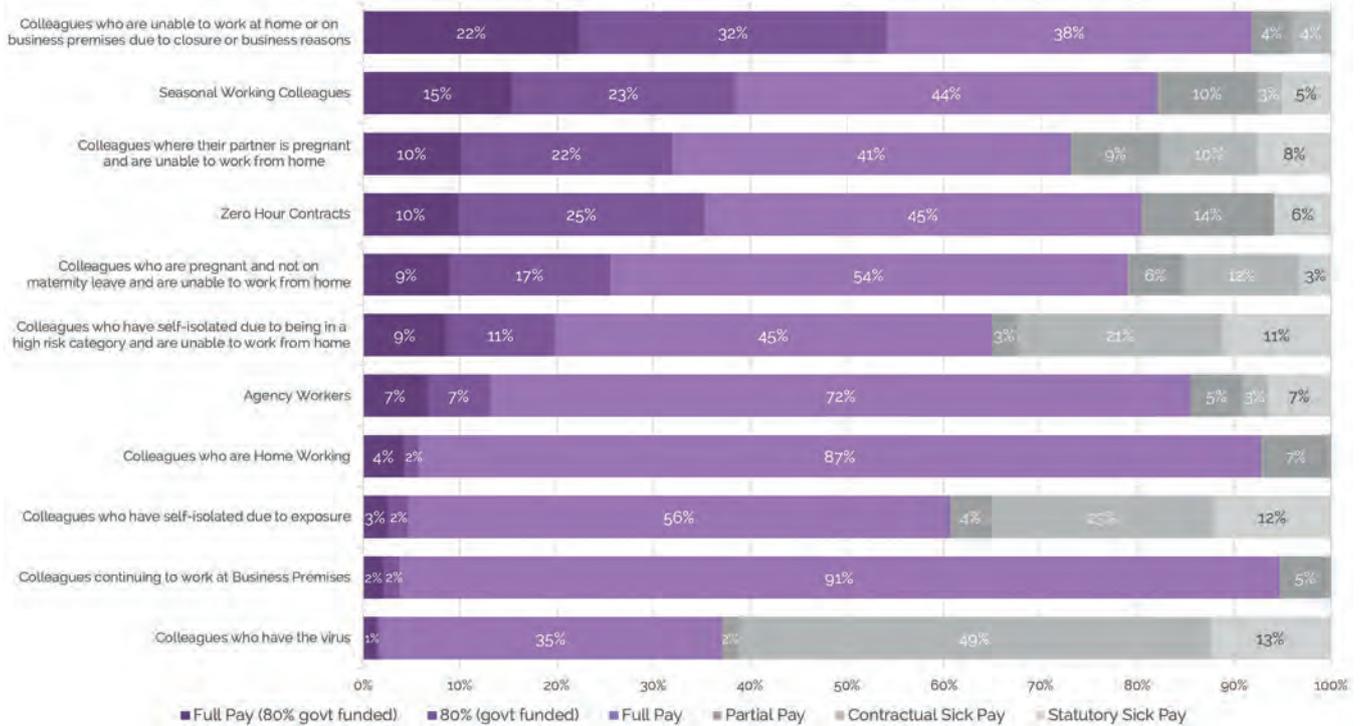


## Observations

- As all respondents from the Hospitality, Leisure and Travel sector said they expect revenue to drop this year and 86% expect to see headcount reductions, it is unsurprising that this sector has the highest take up of the governments job retention scheme with 89%.
- Finance, Technology, Energy and Utilities and Non-Profits were the least likely to be using the scheme to protect jobs.

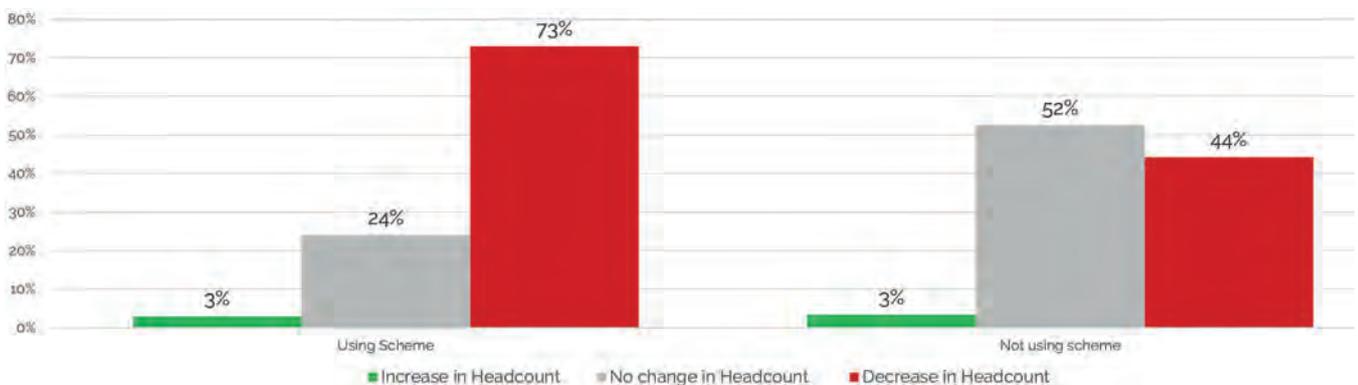
# Section One: Business Impact

What types of employees are organisations using the Government Retention Scheme to help?



## Observations

- When asked about pay arrangements most respondents said that colleagues were being kept on full pay (unless they were ill), regardless of whether their organisation was using the job retention scheme.
- 60% of respondents said that if colleagues were unable to work, they were being kept on full pay, with just over a third of those using the government scheme. 32% of respondents said these respondents were receiving the government funding but no more.
- Most respondents said that colleagues who could work from home or who were still working from their business premises (87% and 91% respective) were being paid normally, on unsubsidised full pay.



## Observations

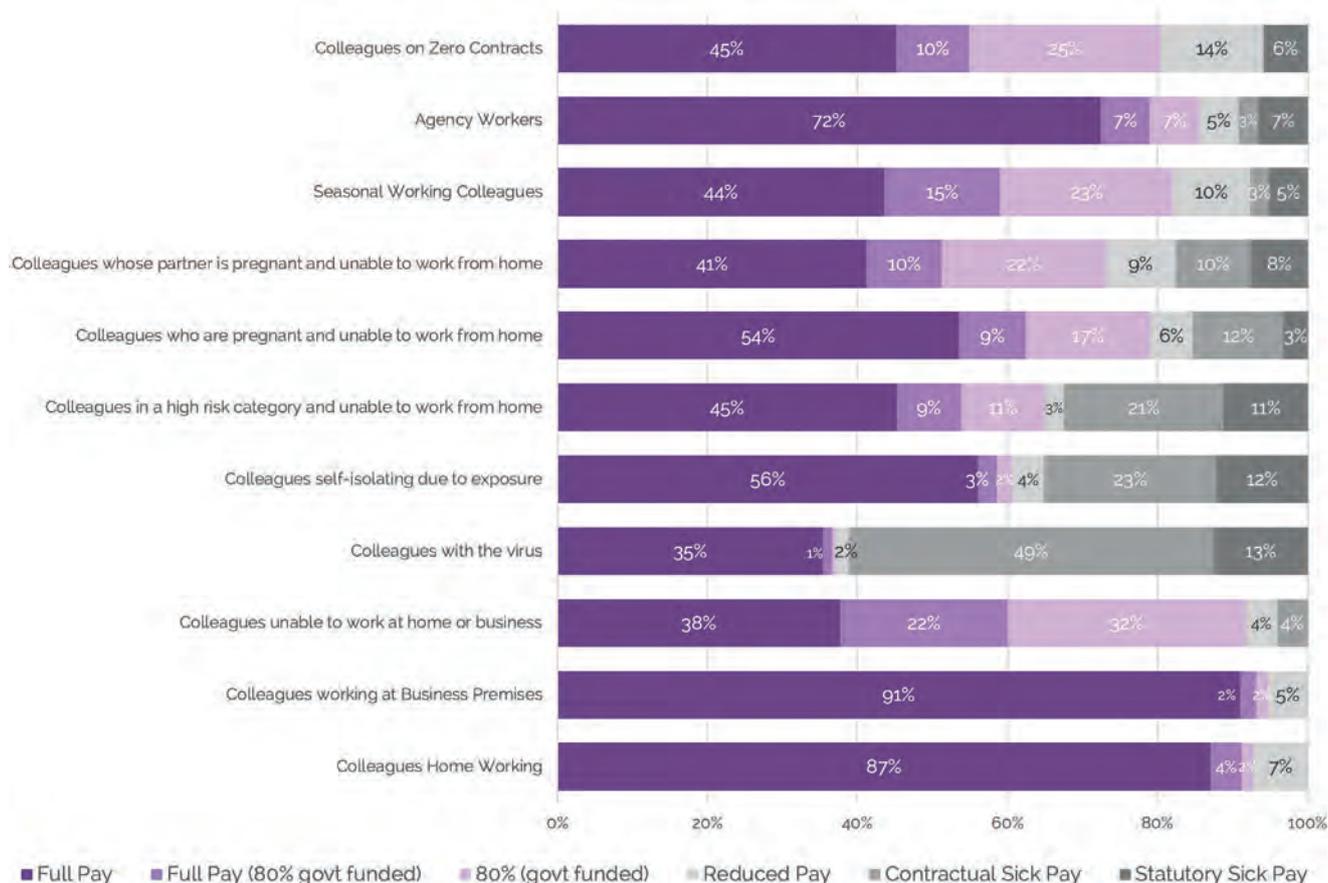
- Just 24% of respondents who said their company would be using the scheme to help pay arrangements said they expected to maintain their headcount.
- 73% of respondents expect to reduce their headcount despite the scheme.

# Section Two: Pay Arrangements

We asked participants to detail the approach that they were taking for various different colleague types:

- Full pay without furlough ie still considered to be working
- Furloughed on full pay i.e. with 80% funded by the government
- Furloughed on 80% pay funded by the government
- Reduced pay
- Contractual Sick Pay
- Statutory Sick pay only

Pay Arrangements by Colleague Situation



## Observations

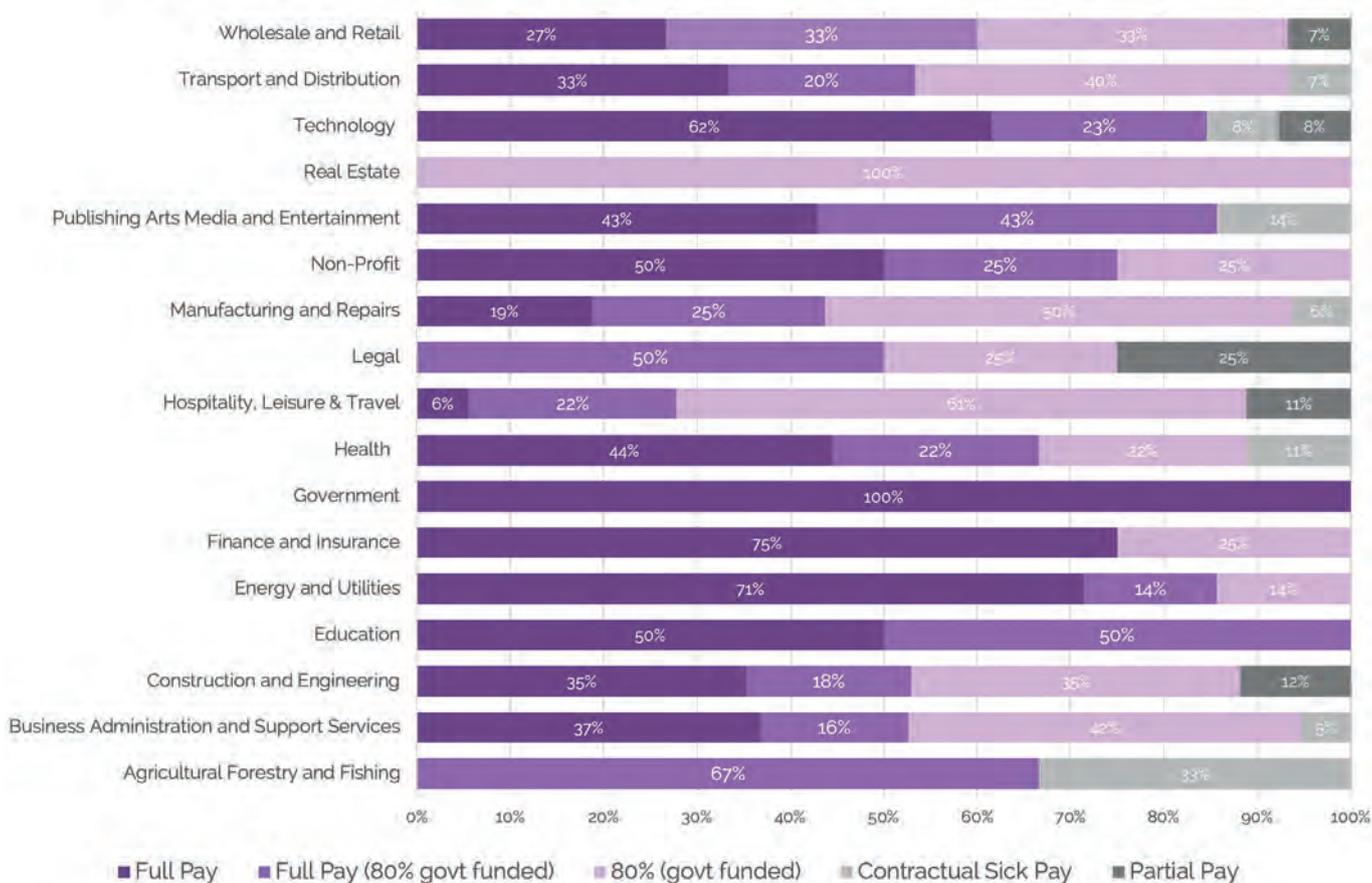
- For colleagues still working and doing so from home, 87% remain on full pay. This is heartening as it suggests that pay cuts and reduction of hours cuts are not commonly used for those still working as they were pre COVID-19. For those still at business premises, this is even higher at 91%.
- For those not able to work from home due to the nature of the work or lack of technology rather than being ill, self isolating or high risk, 54% appear to have been furloughed, 22% on full pay. A further 38% remain on full pay. We have further broken this group down by sector on the next page.
- For those with the virus, 62% are receiving sick pay, company enhanced or statutory and most of the rest are still on full pay with only 2% on reduced pay.
- For those not ill themselves but unable to work for another reason - self isolating, high risk, pregnant or living with a pregnant partner - instead of, being on full pay is still the most common scenario.
- For those who are on zero hours contracts or seasonal workers the picture is not quite so rosy. 38% of seasonal workers and 35% of zero hours workers have been furloughed and are more likely to be on the Government minimum than other colleagues. 10% of seasonal workers and 14% of zero hours workers have seen pay reduced compared with around 5% of their colleagues.

# Section Two: Pay Arrangements

We asked participants to detail the approach that they were taking for colleagues who could not continue to work because of illness, being high risk, pregnant or with a pregnant partner.

- Full pay without furlough i.e. still considered to be working
- Colleague furloughed on full pay with 80% funded by Government
- Colleague furloughed on 80% pay, funded by Government
- Reduced or partial pay
- Contractual Sick Pay

Pay arrangements for colleagues who can not work at business or home

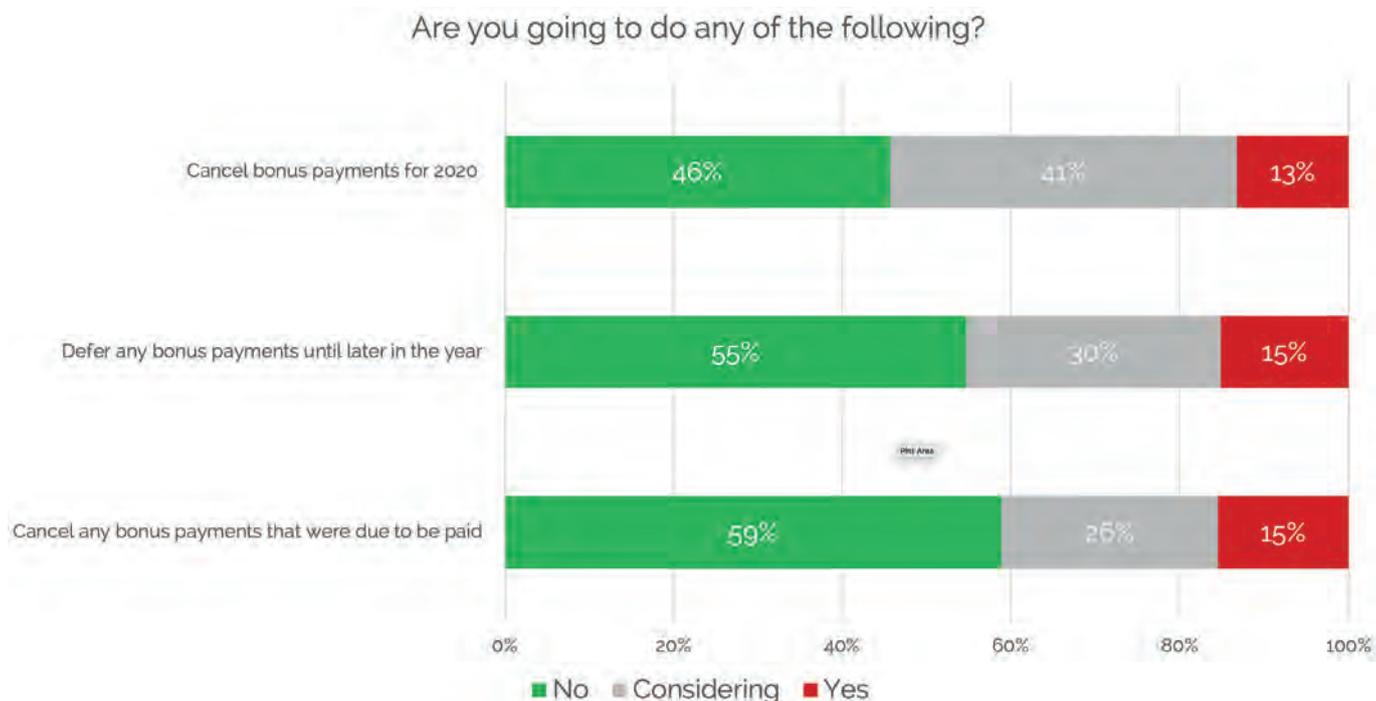


## Observations

- Perhaps it is not surprising to see that it is in the government where 100% of these colleagues remain on full pay.
- Adding in those furloughed on full pay, we see Education, Technology, Energy and Utilities, Publishing, Finance, and Non Profit all with at least 75% of their people on full pay.
- The sectors most like to have colleagues furloughed are Real Estate (100%), Hospitality (83%), Manufacturing, and Legal, both 75%.
- For those high users of furlough, Real Estate are uniquely paying only the government 80% whereas there are more differences of approach in the other sectors.

# Section Three: Bonus

Organisations were asked about the impact of COVID-19 on their bonus plans both for 2020 and payments due for past periods but not yet paid.



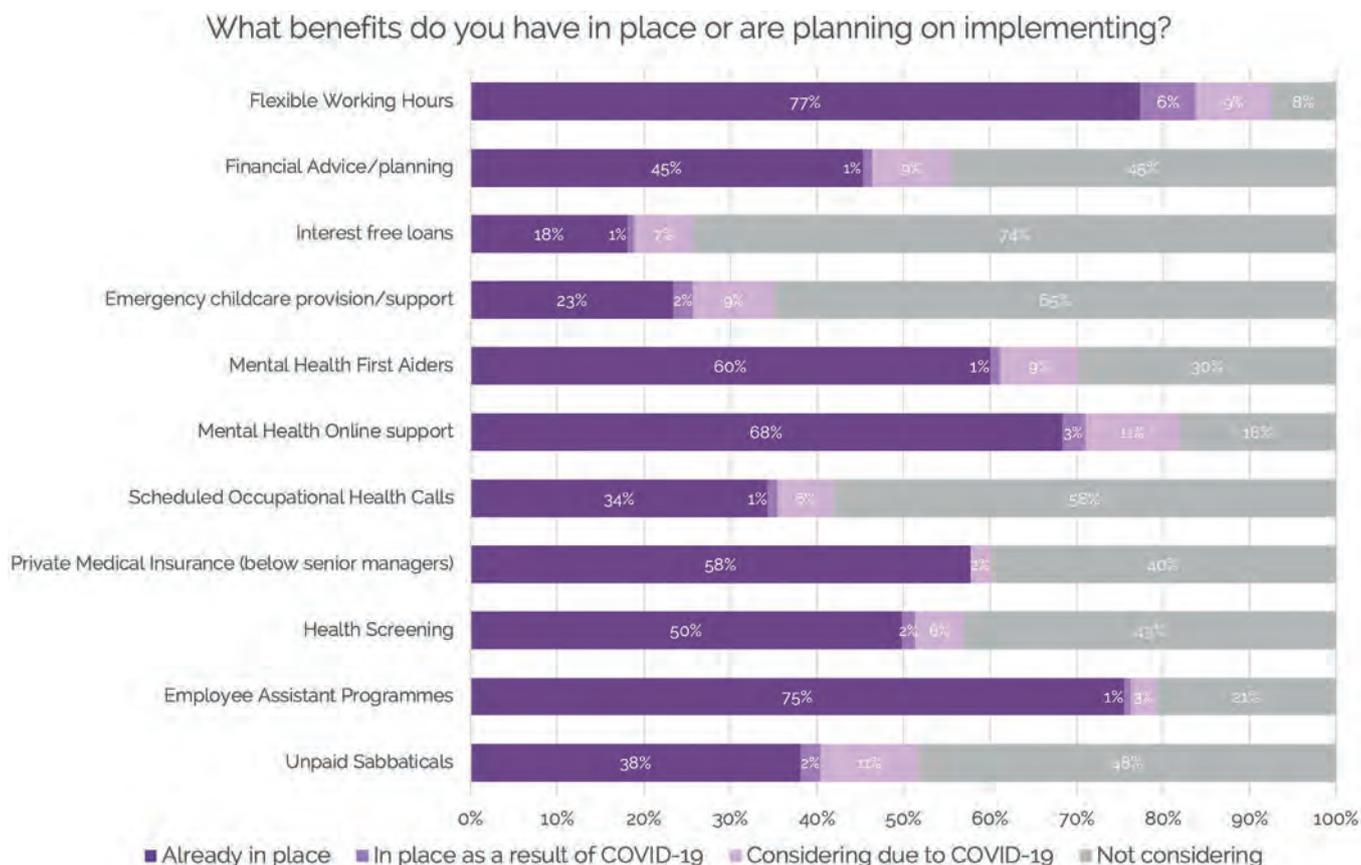
## Observations

- So far few organisations have determined to change their plans. Just 13% plan to cancel bonus payments for 2020 and another 15% to defer payments to later in the year, with 15% planning to cancel any bonuses due to be paid. All of these figures have significantly increased since our previous survey which may simply show that they were not in the first wave of actions under review.
- These options do, however, remain on the table for many, with high numbers of businesses still considering each of these options.
- That said, changes to plan may not be necessary as many will not hit previously set threshold and these may need to be reviewed for the bonus plans to be meaningful.

# Section Four: Benefits

Organisations were asked what benefits they have in place or considering putting in place to support colleagues through these challenging times and whether they were:

- Already in place before COVID-19
- In place as a result of COVID-19
- Not considering due to COVID-19
- Not under consideration



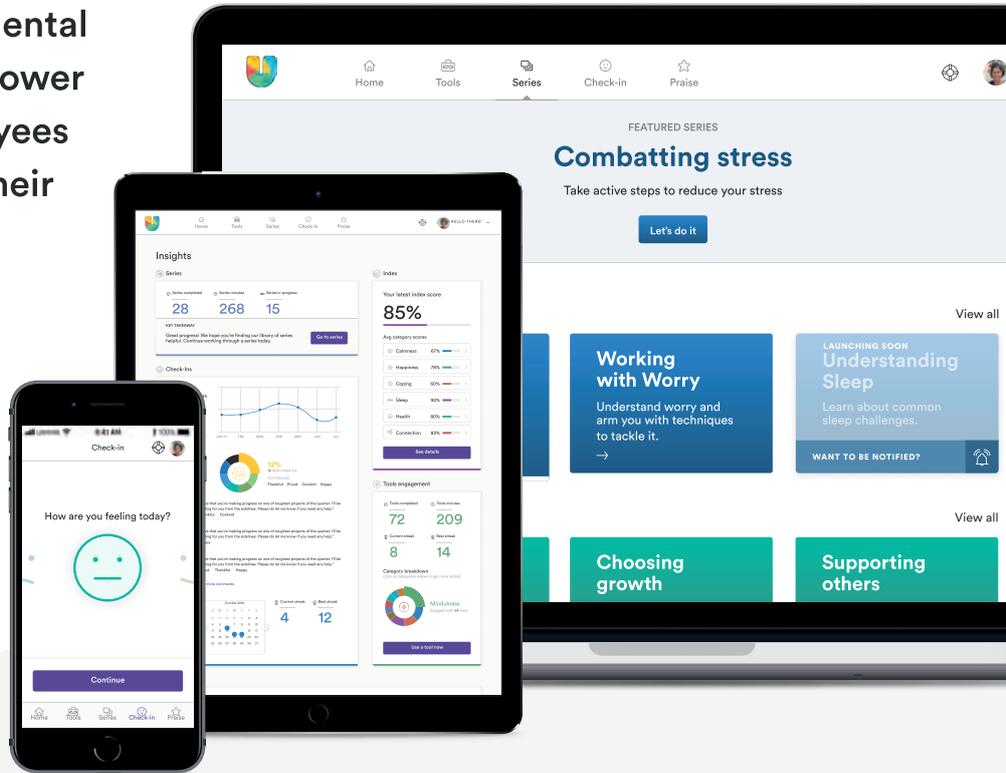
## Observations

- Flexible working is far and away the most popular benefit. Whilst most had it in place before (and would have had to have mechanisms for dealing with statutory requests), the need to work from home or change hours to deal with caring responsibilities, notably for children not in school, has increased hugely.
- Just 8% are not considering flexible working. What is surprising is that these 20 organisations are not necessarily in sectors where location flexibility is difficult like agriculture and construction, but include technology, business administration and finance businesses.
- Once we are 'out the other side' this ability to successfully work from home or work non-standard hours could be seen as a key part of the Employee Value Proposition of a business, and those who have proven it works could be in a strong position.
- There have been few of these benefits put in place already as a result of COVID-19 but it is welcome to see that many more are being considered that were not in place before, particularly in the areas of mental health online support, as this topic has been growing strength in recent years. There is good evidence that the demand is there as employees adjust to the physical aspects of working from home more easily than the emotional and social ones.
- Employee Assistance Programmes (EAPs) were the second most common existing benefit in 75% of organisations but it is surprising that most of the rest - 21% - are not considering this benefit. This can be a valuable benefit to colleagues in providing legal, financial and health advice. This benefit is traditionally underused but in a time of crisis could be very beneficial so it is recommended that businesses work with their providers to make sure the service is running well and providing the right support.

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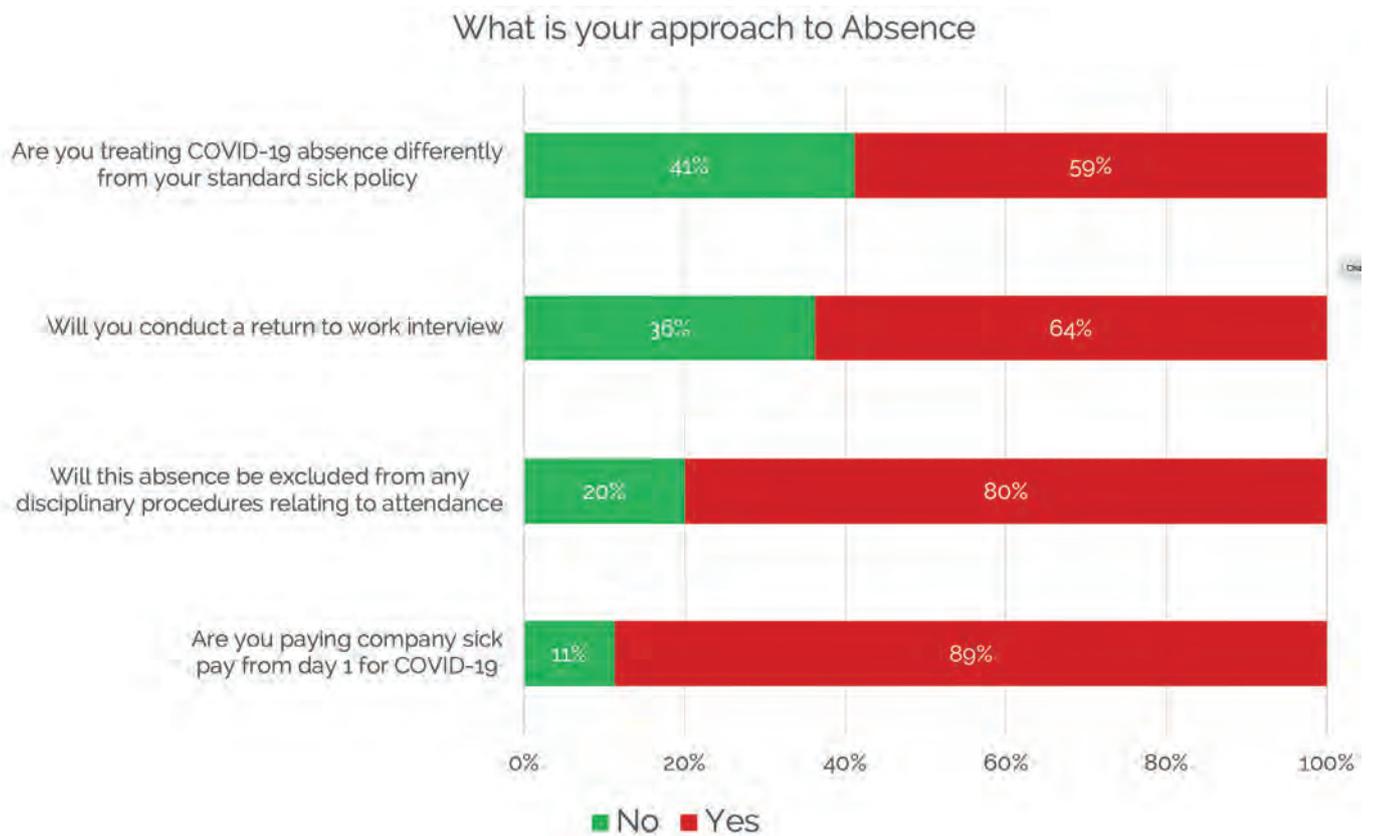
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Hear from our panel of experts, leading employers and thought leaders discussing what the future might look like and the implications for employers. [Join us to find out.](#)

# Section Five: Absence

Respondents were asked how they would be treating absence from work.

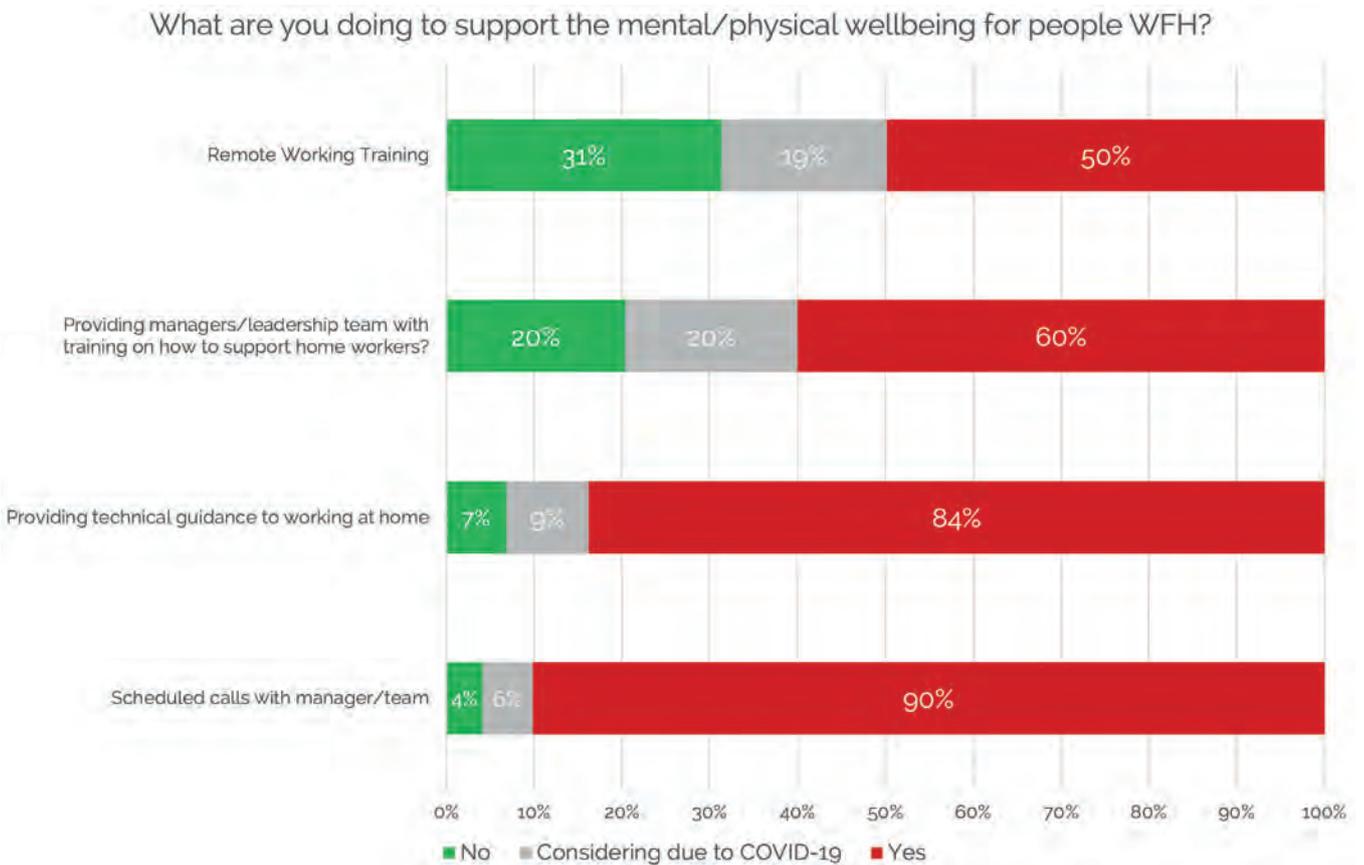


## Observations

- 89% of organisations pay company sick pay from day 1 for COVID-19 even if this is not their normal practice. One of the first announcements by the Government on 4th March was that SSP would be payable from day 1.
- 59% of organisations are treating COVID-19 related absence differently from their usual sick pay policy. This may be in line with SSP or because of the high profile of these absences and the desire to ensure that those who are ill do not come to work and infect others because they cannot afford not to be at work.
- Most plan to still do return to work interviews (64%) although presumably this is only 2/3 of those who normally would.
- Surprisingly, 20% still plan to include COVID-19 related absence in any attendance related disciplinary.

# Section Six: Supporting Colleagues Working from Home

Respondents were asked what they were doing to support the mental and physical health and wellbeing of their teams now working from home.



## Observations

- It is good to see that most businesses were actively taking steps to support their teams.
- The vast majority (90%) were scheduling calls with their manager or team to ensure social contact is maintained. It is surprising that the other 10% were not as this feels like a minimum standard of duty of care.
- 84% were providing technical guidance to working from home and a further 9% considering this. This should help or reduce the stress around using new systems and software that can really support home working.
- 50% provided explicit training around remote working and 60% training for managers on supporting their teams.
- Whether more is necessary depends on whether individuals, teams and organisations already had home working in place.

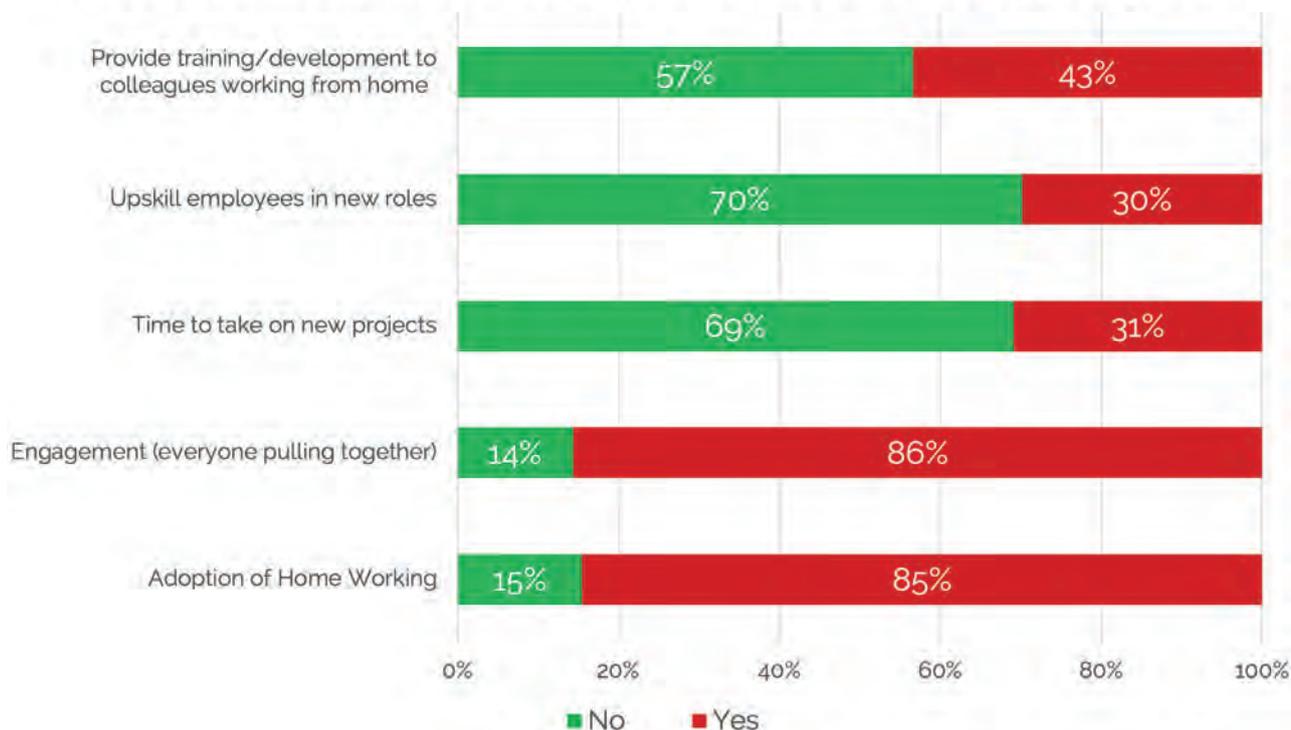
# Section Seven: Positive Impacts

It is clear that COVID-19 has brought about massive changes in the work patterns and reward approaches of organisations across the UK, but this may not be all bad. We have also explored whether the crisis could be a positive force for change in the future.

We explicitly asked around 5 key areas:

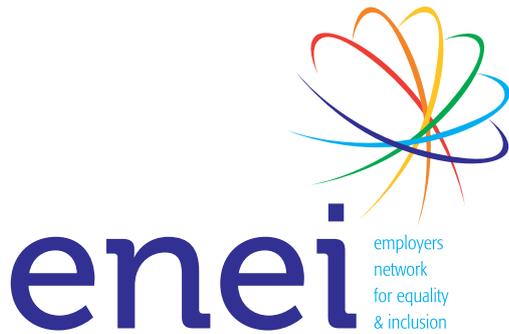
- Adoption of home working
- Training for colleagues working from home
- Upskilling employees into new roles
- Time / capacity to take on new projects
- Engagement / all pulling together

Has the crisis had a positive effect on your business in any of the following areas



## Observations

- The biggest benefit seen by businesses was in everyone pulling together and being engaged, cited by 86% of businesses.
- 85% of businesses felt that one positive impact was the adoption of home working. Whilst this clearly has benefits in terms of flexibility to individual employees, there are definite business benefits both in the diversity of people they are able to attract and retain, and in saving costs such as office space, travel and accommodation.
- The 15% who did not cite adoption of home working as a benefit may not necessarily see it as an issue to overcome, although this has been the view of some businesses in the past, but it may be that their work does not lend itself to working from home eg healthcare, construction or agriculture.
- Of the 224 organisations who responded that they felt that the adoption of home working was a positive step, 102 have provided training to colleagues on working from home. They were 89% of the providers of this training, which 43% felt was another positive benefit.
- There are also potential benefits in the work that colleagues are doing with 30% seeing the benefits of people upskilling into new roles and 31% having time to do those important but less urgent projects that often end up on the back burner. We would expect this to increase over time.
- 39 businesses, almost 15% of our sample, agreed with all 5 of these positive outcomes. Perhaps this represents something about the organisational culture or mindset of the persona completing the survey to see a silver lining in a crisis!
- Only 13 organisations saw none of these 5 positive benefits – 95% saw at least one.



We're supporting HRDataHub's research because you don't have to catch COVID-19 to suffer from it.

The actions of employers often disproportionately affect those in the most disadvantaged groups; the Race Inequality in the Workforce report published in March 2020 found that young people from BAME backgrounds are more likely to be in unstable employment and 47% more likely to be on zero hours contracts than their white peers.

This research paper shows that those on zero hours contracts are more likely to be on reduced pay or the non-topped up furlough pay rate of 80% than other groups. And let's not forget that those in unstable employment arrangements are easiest to make redundant.

We're looking to our HR professionals to implement huge changes at high speed, but we also need to ensure that these changes are fair and lawful. Quick decisions are most at risk of unconscious bias, and failing to deliver fair selection procedures for redundancy, furlough and pay reductions will undo all the hard work being done right now.

But HRDataHub's research shows that most employers are going above and beyond to support their employees.

From their bullish approaches to staff retention (remembering, perhaps, that hiring, training and onboarding costs can be far more than a year's salary), to rapidly adapting to home-based working, employers have a lot to be proud of.

In these unprecedented times enei Members have a secret weapon that is helping them **react faster, work better** and **plan more effectively**.

It's a **key advantage** that other organisations have ignored.

It's the **diversity** of their workforce, and the **inclusive behaviours** they demonstrate.

As part of their work in the areas of diversity and inclusion our employer Members have already invested in **engagement, mental health support** and **flexibility** around where, when and how employees deliver their work.

We're helping them through these challenging times with **advice, guidance, support** and **training**.

And we're finding that in this time of social distancing that the **connections** we have made between our **people**, our **Members** and their **employees** are more important than ever.



**Find out more at [www.enei.org.uk](http://www.enei.org.uk)**

# Impact of coronavirus: risks, opportunities and next steps for flexible workplaces

Claire Campbell, Consultancy Director, Timewise

One of the most visible examples of the impact of coronavirus on workplaces is the growth of remote working. And as we're flexible working specialists, you might imagine we'd be delighted. But although it's great to see companies adapting to the need to work together while apart, it's time to take stock of where we are – and where we might end up. Are the changes we're seeing for the better – and will they last?

Certainly, it's true that there are a number of positives coming out of the crisis. On a societal level, having been [working to support work-life balance for nursing staff](#), we feel the outpouring of appreciation for NHS employees is long overdue. And we sincerely hope that their value, and that of other frontline workers such as teachers, retail staff, carers and government employees, who are putting themselves at risk for all of us, continues to be respected and rewarded once the crisis is over.

## Opportunities that we believe could lead to change

Additionally, on a practical level, this enforced remote working experiment has overturned some long-held objections to remote working, creating real opportunities to change the narrative:

- Many professions which were previously considered unsuited to remote working are learning what's possible through goodwill and innovation. For example, whole teams of lawyers are working from home, exploring new ways of working such as sending and approving documents electronically. And some schools are now streaming virtual lessons through platforms like Google Meet and Microsoft Teams.
- Employers are discovering that prioritising outputs rather than inputs doesn't mean lower productivity. This will hopefully lead to a widespread understanding that it doesn't matter when or where people do their work, as long as they get the job done.
- Leaders and managers are juggling work and family life, and discovering, like Professor Robert Kelly, that video calls sometimes get interrupted (and that it isn't the end of the world). Increased awareness of the balancing act some employees manage on a day-to-day basis can only be a good thing.

It's our hope that, as a result, the reasons often given for not allowing remote working just won't wash. And so the debate can move on from whether it should be used to how to make it work successfully – and the focus onto practical solutions like job design and culture change.

## Risks that we need to work together to avoid

However, there are other ways in which the impact of coronavirus is more negative. For example:

- Working mums are very likely to be taking on more of the home schooling, childcare and elder care, even when both parents are working from home. While this may be more understandable in families where the male parent has a more high-powered job, it is important that the coronavirus doesn't reinforce outdated stereotypes of domestic responsibility being 'women's work'.
- There is also anecdotal evidence of working mums and carers being prioritised for offers of furlough or reduced hours. This may be because employers are trying to do the right thing, offering these options to people they believe need it most. But there is a potential impact on the value, perception and salaries of these employees.
- Both of these issues are likely, in turn, to have a negative impact on the gender pay gap. It's understandable that the government has postponed the requirement for gender pay gap reporting, but it's a real step backwards if Covid-19 affects our hard-fought gender equality at work.
- Workload creep has always been an issue for remote workers, who don't have a fixed end to their working day. But right now, with people working at odd times to balance their other responsibilities, and the threat of redundancy looming, it's harder than ever to switch off. Excessive hours shouldn't be normalised by widespread remote working; as Helena Morrissey recently stated, "We are in danger that instead of learning to work from home, we will end up learning to live at work."

## Work needs to start now for a more flexible future workplace

And of course, we also need to beware the assumption that this is a temporary reaction to Covid-19, and that everything will go back to normal once the restrictions are lifted. Despite the pitfalls outlined above, I certainly hope that isn't the case. Indeed, I would argue that there is no normal to go back to.

I believe that some of the more positive experiences caused by the impact of the coronavirus – such as avoiding the commute, spending more time with family and being able to work at times that suit us – will encourage employees to push for greater flexible working. And forward-looking employers will therefore need to incorporate it as part of their offer.

If that's the case, what should employers do now to set the right tone? Here are three suggested ways to start:

- 1 Make time to speak to each of your employees about their long-term working pattern preferences, and support them to find one that works with their other commitments. Employees often talk to us about 'needing permission' to work flexibly; now is a key time to give it to them. Make sure discussions about caring commitments are gender inclusive.
- 2 Evaluate the impact of the current situation on your business and your employees. Find out what the glitches are, and work out how to improve them. Ask your people what they have learned from the current circumstances, and encourage them to share their successes and challenges with others; there is great power in storytelling. Continue to review and improve.
- 3 Start work now on the culture you want in place when the restrictions are lifted. What policies, plans and support would you need to provide to permanently improve your employees' work-life balance?

Here at Timewise, we're already exploring the best ways to turn the impact of coronavirus into a positive force for change. And we're creating a programme of webinars, training sessions, toolkits and advice for employers, with two core aims:

- Firstly, to help employers support their employees and their business during this difficult time.
- And secondly, to help employers start designing sustainable, flexible-friendly cultures and strategies that will allow them to build on what they've learned once the virus has passed.

It's a challenging time right now; there's no question about that. But it's also an opportunity to change workplaces for the better, for the long term. If you'd like to know more about the programme we're building, or need support with anything I've noted here, do please [get in touch](#).

[www.timewise.co.uk](http://www.timewise.co.uk) and [info@timewise.co.uk](mailto:info@timewise.co.uk)

# Section Eight: Key Observations

- This continues to be a time of great change with almost all of the companies implementing some drastic measures to make sure their business makes it through the COVID-19 crisis.
- It is positive to see a **change in working patterns** with a majority of companies showing flexibility to provide home working. 85% of businesses felt that one positive impact of COVID -19 was the adoption of home working. Whilst this clearly has benefits in terms of flexibility to individual employees, there are definite business benefits both in the diversity of people they are able to attract and retain, and in saving costs.
- A large number of companies are reviewing their **organisational design** which is likely to lead to redundancies for those companies in hardest hit sectors —furloughing was a short term measure to prevent redundancies but longer term, reviewing the shape of the workforce is likely to be necessary. Arguably the most drastic decision a company can make is to implement **redundancies** – 21% of organisations have already taken the decision to undertake involuntary redundancies with a further 32% considering, and 14% voluntary ones with a further 27% considering. Whether the figures here come to pass will be a key test of the Government’s strategy on Job Retention - furloughing is designed to prevent redundancies in the short term and incentivise organisations to keep people on the books.
- 89% of respondents are expecting **declines in revenue** – 1 in 7 expect revenues to **more than halve** this year. However, participants are surprisingly bullish with a third expecting no change to headcount. It is to be hoped that they are playing a longer game and are expecting to need their colleagues next year.
- The **hospitality sector** is, unsurprisingly, the one most concerned about its long term future. Restaurants, hotels and holiday businesses are, in effect, now closed indefinitely. None of the sectors considered that they were positive or even neutral although some less impacted than others.
- There have been **positive responses to government initiatives** especially to defer tax and furloughing.
- For colleagues still working and doing so from home, 87% remain on full pay. This is heartening as it suggests that pay cuts and hours cuts are not commonly used for those still working as they were pre COVID-19. For those still at business premises, this is even higher at 91%.
- For those not ill themselves but unable to work for another reason - self isolating, high risk, pregnant or living with a pregnant partner, being on full pay is still the most common scenario.
- For those who are on zero hours contracts or seasonal workers the picture is not quite so rosy. 38% of seasonal workers and 35% of zero hours workers have been furloughed and are more likely to be on the government minimum wage than other colleagues.

# Section Eight: Key Observations

- So far few organisations have decided to change their bonus plans but remain on the table for many. Changes to plan may not be necessary as many will not hit previously set targets and these may need to be reviewed for the bonus plans to be meaningful.
- In terms of benefits, flexible working is far and away the most popular benefit. Whilst most had it in place before, the need has increased hugely. Just 8% are not considering flexible working.
- Once we are 'out the other side' this ability to successfully work from home or work non – standard hours could be seen as a key part of the Employee Value Proposition of a business and those who have proven it works could be in a strong position.
- There have been few of these benefits put in place already as a result of COVID-19 but it is welcome to see that many more are being considered that were not before, particularly in the areas of mental health online support and first aiders, as this topic has been growing strength in recent years. There is good evidence that the demand is there as employees adjust to physical aspects of working from home more easily than the emotional and social ones.
- Employee Assistance Programmes (EAPs) were the second most common existing benefit in 75% of organisations but it is surprising that most of the rest - 21% - are not considering this benefit.
- 89% of organisations pay company sick pay from day 1 for COVID-19 and 59% of organisations are treating COVID-19 related absence differently from their usual sick pay policy.
- Surprisingly, 20% still plan to include COVID-19 related absence in any attendance related disciplinary
- It is good to see that most businesses were actively taking steps to support their teams. The vast majority (90%) were scheduling calls with their manager or team to ensure social contact is maintained. 84% were providing technical guidance to working from home and a further 9% considering this. This should help or reduce the stress around using new systems and software that can really support home working.
- The biggest benefit seen by businesses was in everyone pulling together and being engaged, cited by 86% of businesses.
- 95% saw at least one of a list of 5 positive benefits that could come out of the crisis in terms of engagement, home working flexibility or upskilling



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