COVID-19 Workforce and Mobility

A pragmatic guide to protecting your people, operations and values through a global crisis
COVID-19: a crisis not seen in our lifetime

COVID-19 brings unprecedented threat, disruption at scale, velocity and severity

Significant workforce impacts are being felt as a result of the COVID-19 crisis. These vary according to the nature of the business, and include:

- **Essential services are overwhelmed by demand**, resulting in concerns about workforce availability
- **Cost burdens** from revenue loss in non-essential services, particular hospitality, retail and education, are being acutely felt and workforce actions initiated
- **Labor instability with labor shortages** due to workforce illness, caregiving and people ‘opting out’ due to feelings of hopelessness. Conversely, this is set against labor surpluses as some businesses have to close their doors
- **Redistribution of skills** as communities go into lockdown and the shift from service industries to core/essential sectors increases. This requires an approach to labor portability within, and across, industries
- **Changes to work conditions** with increased health and safety protocols, social distancing measures and new ways of collaborating when working remotely
- **Decreased mobility** with restrictions to international and domestic travel resulting in increased remote working arrangements, where possible

This document supports CHROs and business leaders consider the critical ‘now’ people challenges, and formulate effective responses, within this fast-moving and complex crisis. Importantly, it also suggests considerations for the recovery phase, or the ‘next’ and ‘beyond’ horizons.
Organizations fall into three groups in response to COVID-19, each with their own challenges to navigate

**Resilient**
Essential services that have to keep running
*E.g. Healthcare, Human Services, Emergency Services, Essential Retail*

**Main workforce concerns include:**
- Workforce supply and continuity
- Staff exhaustion and keeping people safe and well
- Identification of sources of workforce beyond existing and traditional employees, including labor portability across organizations and industries
- Moving people safely whilst adhering to social distancing
- Building a contingent workforce to safeguard against illness impact so there is always a proportion of the workforce available to work

**Reinvent**
Organizations that can move to remote working or reassign workforce to new delivery models
*E.g. Financial services, social media corporations, brewery becomes hand sanitizer producer*

**Main workforce concerns for these organizations include:**
- Transitioning of workforce to remote and/or new ways of working
- Technology capacity uplift and increased connectivity
- Combating against employee feelings of isolation when moving to home based working
- Change experience whilst transitioning to new delivery models
- Maintaining productivity through transition to new ways of working, including brand management

**Endure**
Organizations that need to close or pause
*E.g. Hospitality, sport clubs and facilities*

**Main workforce concerns include:**
- Managing people costs when there is either little or no revenue coming into the organization
- Transitioning staff to other forms of employment as a temporary measure
- Wellbeing of employees who need to be stood down or made redundant
- Focusing on post COVID-19 recovery and restart plans to rapidly recommence BAU operations
Our COVID-19 workforce response framework

1. Understand People Impacts and Priorities
   1. Determine key workforce and leadership principles
   2. Assess people exposures and risks
   3. Determine which group the organization falls into (Resilient, Reinvent, Endure)
   4. Define crisis scenarios and business priorities
   5. Model anticipated workforce gaps
   6. Develop workforce response alternatives for relevant scenario

2. Protect People
   1. Activate leadership and establish effective communications
   2. Implement work environment changes to safeguard staff
   3. Monitor mental wellbeing and respond accordingly
   4. Recognize that growth emerges from disruption and embed positive workforce changes, now

3. Maintain People Capability and Capacity
   1. Determine availability of critical skills and required workforce capacity
   2. Optimize resource deployment in line with business priorities and changing customer demand
   3. Establish crisis-setting organization design and work conditions to maintain productivity

4. Manage People Costs
   1. Analyze total workforce and labor cost profile
   2. Understand government support options to manage workforce cost base
   3. Model workforce capacity requirements and cost implications against crisis scenarios and develop workforce alternatives
   4. Assess economic, legal, social and political trade-offs and select preferred cost management action(s)
   5. Adjust labor costs and move to retrenchment if required

5. Move People
   1. Identify locally and globally mobile staff and dependents
   2. Assess impact of crisis for global travellers, in line with identified scenarios
   3. Determine action plan for locations, groups and individuals
# Understanding people impacts and priorities

## COVID-19 | The key ‘get rights’

### Key ‘get rights’

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>1</strong></td>
<td>Anchor workforce decisions and scenario planning around delivery of critical business priorities</td>
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<tr>
<td><strong>2</strong></td>
<td>Identify the few critical positions without which your organization will fail and do whatever it takes to preserve supply of these roles</td>
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<tr>
<td><strong>3</strong></td>
<td>Think creatively about how to manage excess capacity and fill potential workforce gaps</td>
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<tr>
<td><strong>4</strong></td>
<td>Don’t just focus on threats - look for response opportunities to improve productivity and ways of working</td>
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### What we are seeing

- The global crisis is evolving rapidly and the responses of governments, markets and customers are complex, volatile and difficult to anticipate
- Traditional business and workforce planning lacks the agility to be appropriate in this environment. However, businesses that simply ‘react’ will be too slow to seize opportunities and manage workforce risk appropriately
- Organizations taking a scenario planning based approach to workforce management are able to anticipate, prepare and mobilize their teams to respond in real time to the crisis and emerging challenges in their operating environment

### What we are hearing

- How do I rapidly set up a PMO to coordinate all areas of my organization’s response to COVID-19?
- How can we work together as an industry to minimize skill loss?

### Response actions

1. **Determine key workforce and leadership priorities**
   - Agree key business and people functions that are essential and needed under the current revenue projections. Use these identified priorities to inform outcomes and actions, providing guidance to inform next steps of how to continue to operate. This includes where to pivot resources.

2. **Assess people exposures and risks**
   - Identify critical roles and key people within the organization, who are vital to ongoing value creation. Develop mechanisms to safeguard these workforce groups and contingency or succession plans to access these capabilities in the event key people become unavailable.

3. **Define crisis scenarios and business priorities**
   - Identify best to worst case workforce crisis scenarios, to stress test the organization’s ability to manage disruption. Evaluate the business impacts of each scenario and likelihood of risks materializing during the crisis period.

4. **Model anticipated workforce gaps and excess employees**
   - Analyze current workforce profile to assess vulnerabilities (e.g. demographic correlation with infection exposure, caregiving requirements). Identify within each disruption scenario, key gaps within current workforce model and impacts.

5. **Develop workforce response alternatives for each scenario**
   - Identify mechanisms available to mitigate workforce vulnerabilities, including cross-skilling, deployment to alternative locations and sourcing back up workforce.
Understanding people impacts and priorities

COVID-19 | Practical steps to get to action fast

Now

► Determine and action immediate workforce priorities, risks and required actions
► Identify external and business scenarios with potential to become future organizational reality
► Identify eligibility for government assistance for workforce and employer
► Formulate alternative workforce management responses for each identified scenario
► Establish crisis management team and governance framework to monitor ongoing business continuity and workforce management requirements

Next

► Identify key COVID-19 information sources and data, market indicators and internal metrics with influence over business planning and workforce decision-making
► Using available information sets, monitor the operating environment for indications a scenario response may need to be triggered
► Where required, select best fit response, adapt to unique circumstances of the challenge to be managed and implement the changes
► Harvest lessons learned, then revisit both identified scenarios and workforce management plans to validate these adequately reflect the appropriate external context and workforce response

Beyond

► Develop business recovery plans for different market normalization scenarios
► Ascertain workforce requirements across each recovery scenario and determine appropriate response
► Agree leading indicator macro-environmental, market and internal metrics which suggest market recovery conditions are emerging
► Initiate appropriate recovery scenario and trigger long lead workforce management actions
► Continue to monitor market / business recovery and implement workforce management action items to transition towards normal operations

What planning activities should we be undertaking?

► Are additional controls required to safeguard workforce members from exposure to the virus?
► What impact will social distancing, economic shifts and government policy have on our workforce?
► How will we manage our workforce cost, capability and capacity in response to any changes in demand for products / services?
► What are the critical skills and talent we must safeguard through the crisis?
► Where can we flex our workforce to respond to changing external factors and shifting business priorities?

What people questions do you need to answer?

► How can productivity be optimized, while adapting work conditions and locations to protect the workforce?
► Are there workforce groups more susceptible to direct (infection) and secondary (caregiving) COVID-19 impacts and is additional support required?
► What workforce levers are available to better align workforce capacity with business demand, and which approach(es) are appropriate to utilize in the current environment?
► How do we optimize our workforce composition in response to changes in internal and/or external supply of talent?

► Does the current workforce profile have sufficient capacity and capability to support normal operations?
► How quickly can we transition our workforce back to normal operations and does this align with the projected trajectory of market recovery?
► What are the workforce transition states and key milestones we should be planning around, while minimizing risk and exposure to ‘false dawns’?
### Understanding people impacts and priorities

#### COVID-19 | Case studies

<table>
<thead>
<tr>
<th>A major airline</th>
<th>A major hospitality company</th>
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<tr>
<td>▶ A major airline needed to respond to a rapid collapse in aviation revenue while managing the high fixed cost of its aircraft fleet</td>
<td>▶ Temporarily stood down their 3,000+ employee base</td>
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<td>▶ To avoid widespread redundancies, 8,000 staff have been temporarily stood down with access to accrued leave entitlements or leave without pay</td>
<td>▶ Casual employees who meet certain criteria can access a one-off support payment and permanent employees are able to access their accrued annual leave</td>
</tr>
<tr>
<td>▶ This illustrates the trade-offs between managing cost base and the social implications of COVID-19</td>
<td>▶ Established an Employee Financial Hardship Support Program for employees who are experiencing financial hardship, with access to grants of up to $1,000</td>
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**Balancing people impact versus business priorities**

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**Preparing for the future and supporting their employees**
Protecting people

COVID-19 | The key ‘get rights’

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<td>1 Strike the right tone with communications</td>
<td>Come across as reassuring and proactive. Acknowledge the situation and lead your employees by staying grounded in your organization’s purpose and values</td>
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<td>Monitor employee wellbeing</td>
<td>Find ways to safeguard employee wellbeing to keep employees healthy and positive throughout the change, including promoting self care or dedicated forums for employees to discuss concerns</td>
<td>Keep employees safe and healthy in line with the evolving government guidance needs to be a top priority</td>
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<td>On demand health and wellbeing services is key</td>
<td>Establish multiple mechanisms for employees to access health and wellbeing services. This includes EAP, peer support and supportive leadership networks</td>
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<td>Stay up to date with health and safety guidance</td>
<td>As guidance from government is shared, evaluate whether your working environment complies with the latest regulations, allowing flexibility for your workforce</td>
<td>A wide range of organizations have closed down and stood down a significant portion of their workforce</td>
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<td>Monitor employee wellbeing</td>
<td>I’m concerned my payroll team isn’t across all the government grants and tax relief initiatives being announced</td>
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Response actions

1 Activate leadership and establish effective communications
2 Implement work environment changes to safeguard staff
3 Monitor mental wellbeing and respond accordingly
4 Recognize that growth emerges from disruption and embed positive workforce changes

► Keeping employees safe and healthy in line with the evolving government guidance needs to be a top priority
► A wide range of organizations have closed down and stood down a significant portion of their workforce
► Essential services have to protect their people and maintain a well workforce at all times
► Ways of working are changing and organizations are looking to provide appropriate levels of flexibility for alternative working and that employee rights are not compromised
► Support mechanisms need to be in place to help with employee mental and physical health and wellbeing, regardless of the nature of the organization

► Strike the right tone with communications
► Come across as reassuring and proactive. Acknowledge the situation and lead your employees by staying grounded in your organization’s purpose and values

► Monitor employee wellbeing
► Find ways to safeguard employee wellbeing to keep employees healthy and positive throughout the change, including promoting self care or dedicated forums for employees to discuss concerns

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► Stay up to date with health and safety guidance
► As guidance from government is shared, evaluate whether your working environment complies with the latest regulations, allowing flexibility for your workforce

► Activate leadership and establish effective communications
► As leaders, there’s a need to focus on personal and connected leadership to optimize feelings of assuredness. Communication to employees needs to be agile, regular, timely and provide clarity as to next steps and support, addressing true concerns of its people.

► Implement work environment changes to safeguard staff
► Ensure employees are aware of and are provided support to establish a safe and healthy work environment that corresponds with health and safety policy requirements regarding optimal conditions for working.

► Monitor mental wellbeing and respond accordingly
► We need to support our workforces’ physical and mental wellbeing so that they can successfully manage the current, anxiety provoking, rapidly changing, perpetually altered environment.

► Recognize that growth emerges from disruption and embed positive workforce changes
► Disruption creates opportunities. The ability to reflect on individual and organizational responses during the pandemic will be invaluable to employee and organizational recovery, rebuilding and ongoing resilience enhancement.
## Protecting people

### COVID-19 | Practical steps to get to action fast

#### Now

- Work with your Workplace Health and Safety team to appropriately manage compliance, liability and risks
- Establish clear ways of working for your workforce during this time, particularly around remote working and virtual teaming
- Recognize that working environments may be further compromised (partners who may also be working from home; children not at school)

#### Next

- Monitor impacts on technology due to increased remote working – potentially increase IT support/provision of IT equipment
- Empower your middle management to drive new ways of working as this is a highly influential cohort

#### Beyond

- Establish psychological safety by fostering a safe environment for employees to express lessons learned
- Strengthen employee resilience by framing the crisis as an opportunity to review optimal working environments for business continuity

### Is your working environment safe?

- Come together as a leadership team and be clear on your plan to lead through this period of change.
- **Ensure you have the answers** to the questions that really matter e.g. how will you help employees when they can't cope?
- Communicate, even when you don't know the answer. If you say nothing people fill the gaps

### Do your employees trust you?

- Review employee assistance and benefits providers’ capacity and contracts to strengthen readiness for onsite and additional employee queries and service requests.
- **Have the answers** to the questions that really matter e.g. how will you help employees when they can't cope?
- Consider ability to deploy new collaboration tools (e.g. virtual teaming platforms) for remote workers to check in with employees, particularly where changes in working conditions are a big shift from the norm
- Develop in-house channels and hubs for employee questions and concerns as an extension of remote working enablement
- Clearly indicate where employees can find information, guidance and support

### How are you supporting your employees?

- **Ramp up transition services** for retrenched employees
- Maximize workforce wellbeing and immunity through temporary bans on overtime, enforcement of breaks, alternative roster patterns
- Establish regular check ins with your team members so they stay motivated.
- Encourage employees to continue to focus on self development, connecting with colleagues and teaming as well as prioritizing family and communities
- Implement a range of light hearted initiatives to support social adjustment (i.e. ‘virtual coffees’; ‘Teams Pictionary’)

- Support employees to optimize their work experience, incorporating the strengths and limitations experienced with remote connectivity during the crisis
- Listen with patience and empathy when an employee shares their experience of the crisis
- Continue to support employees to grow and develop and remain nimble in the face of change
Protecting people

COVID-19 | Case studies

**Support working through remote working**

**EY Oceania**
- Deployed cluster-based model and extended use of Microsoft Teams to maintain connectedness and sense of teaming
- Conducted series of rapid ‘experiments’ with different ways of working remotely which have led to practical improvements such as scheduling walking meetings, building in short gaps between tele-meetings to assist personal comfort, exploring more interactive methods for running workshops
- Implemented a range of light hearted initiatives to support social adjustment, including ‘virtual coffees’; ‘Teams Pictionary’; ‘best use of saved travel time’
- The change has so far been effective in safeguarding the workforce, without compromising wellbeing or significantly impacting revenue streams

**An Australian private health insurance provider**
- Employees impacted by store closures were redeployed across other customer channels, and in most instances were able to work remotely
- No expectation for their people to work from home if they have children under 6 years old to care for. Began to redeploy those with fewer critical responsibilities to pick up work for others whose workload has significantly increased or have young children to care for
- This provider is also helping to support the health and wellbeing of their employees with the introduction of paid Special Leave of two weeks to support any team member (permanent, fixed term or casual) who may be affected by coronavirus

**Social distancing practices**

**A major supermarket chain**
- This supermarket chain announced it will be installing screens across its checkouts to enforce social distancing guidelines
- Additional security guards have also been deployed to protect staff wellbeing during the COVID-19 pandemic
- Introduction of strict social distancing measures to combat the spread of coronavirus. When lining up at check-outs, customers must follow floor markings on where to stand in order to stand apart from other shoppers
Maintain people capability and capacity

COVID-19 | The key ‘get rights’

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<td><strong>1. Stay connected with your employees</strong>&lt;br&gt;Create the conditions for communication and collaboration that will work for your organization</td>
<td>▶ My team are working remotely for the first time, how do I know if they’re productive?&lt;br&gt;▶ How do I keep my employees connected to the broader team?</td>
<td><strong>1. Determine availability of critical skills and required workforce capacity</strong>&lt;br&gt;Have oversight of the availability of resources and how they can flex according to workplace requirements. Overlay priority areas of work that will be needed to continue business operations.</td>
</tr>
<tr>
<td><strong>2. Establish a two-way efficient and effective communication channel</strong>&lt;br&gt;Communicate often and transparently to maintain morale and boost confidence among your employees</td>
<td>▶ Companies globally have implemented mandatory remote working for their employees in order to adhere to social distancing requirements designed to manage the spread&lt;br&gt;▶ A significant number of employees will be working from home for the first time and they will need to figure out how to perform their role in a new environment. This will have an impact on productivity, such as reduced level of production or output due to mandatory self-isolation or loss of morale as a result of working in isolation&lt;br&gt;▶ This impact on productivity will be felt even more so in workplaces where remote working is not the norm</td>
<td><strong>2. Optimize resource deployment in line with business priorities and changing customer demand</strong>&lt;br&gt;Examine whether business priorities are clearly defined and communicated throughout the organization. Communicate with the purpose of how and what support and actions are required from employees to mobilise quickly and effectively.</td>
</tr>
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<td><strong>3. Optimize the use of your capability and capacity</strong>&lt;br&gt;Identify priority areas and the right activities so that you can optimally leverage people productivity</td>
<td></td>
<td><strong>3. Establish crisis organization design and work conditions to maintain productivity</strong>&lt;br&gt;Define what team structures and tools are available and plot against what needs to be developed to enable/support employee productivity. Consider business continuity plans and how they support productivity in the uncertainty of the COVID-19 global pandemic.</td>
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| **4. Find creative solutions through uncertainty**<br>Approach resourcing and capacity evaluation differently by thinking about how employee skills can be transferred and utilize in varied ways | | }

- Determine availability of critical skills and required workforce capacity
- Optimize resource deployment in line with business priorities and changing customer demand
- Establish crisis organization design and work conditions to maintain productivity
## COVID-19 | Practical steps to get to action fast

### How are you managing your critical skills & resources?
- What are the critical skills you current have and what will you need to manage through COVID-19?
- What are the biggest risks to your organization’s productivity?
- Do you understand your current workforce capability, skillsets and structure?
- How can you retain those skills critical to your organization utilize them in an optimal way?
- Can you provide your staff with immediate job assurance whilst you are working through the next steps?
- What is impact of business performance on employee remuneration, benefits and incentives

### How are you maintaining productivity?
- Ready employees to take up the new working strategies and adapt to the pace and scale of change coming at the business and for themselves
- Equip your employees with the tools needed to support them to operate remotely including any uplift in capability (training)
- Set and communicate clear expectations of your employees as they adapt to working remotely or differently

### Now

- Is there a possibility to re-evaluate organization processes and operations and identify ways to remove human intervention?
- What contingency plans do you have in place?
- Can you utilize this time to re-train or re-skill your staff to meet business needs?
- Are you at risk of having to lay off staff and critical talent to manage operational costs? If so, have you considered changing your business model to utilize staff and create new revenue channels?
- How are your customers feeling when interacting with your front line staff?
- What is impact on employee engagement and motivation without incentives or pay rises

### Next

- Create touchpoints throughout the working week to check in and keep your employees feeling connected to the organization
- Evaluate employee productivity and compare it productivity levels pre COVID-19 versus now when remote working has been enabled throughout your organization
- Identify positive enablers of people productivity when workforce ways of working has been augmented

### Beyond

- Are there any improvement opportunities or innovations that you can leverage and re-direct your employees to think about?
- How will you continue to guide your staff on their career development for the future?
- What does career development look like in a long term remote working or differently working setting?
- What will be needed to retain key employees through the disruption and beyond?
- Evaluate how the shift to a different operational business model has worked for your organization and what needs to be amended to be successful moving forward
- Determine what permanent changes can be made that are sustainable beyond the COVID-19 global pandemic
Maintain people capability and capacity

COVID-19 | Case studies

A multinational mining and metals corporation

► Recognized criticality of their remote operations support workforce based in a metropolitan area who perform roles critical to supply chain continuity
► Split workforce into two – ‘blue team’ and ‘white team,’ with each team alternating weeks to work from home vs presenting at the remote operating centre
► Containing the risk of infection spreading across entire workforce groups while building in contingency plan for critical roles, with back up resources to be sourced from the other ‘team’

An online fact-checking website

► This online organization scaled back select projects to address misinformation published about COVID-19
► The organization has released a set of tweets commenting on its intention to scale back regular publication and shift its priorities to only those projects that will have a ‘significant impact’
► It is also providing financial assistance to its employees, providing cash bonuses and paid leave for those employees who need to care for themselves or their family

Consumer expectation management and employee care

Maintaining capability and capacity
Managing people costs

COVID-19 | The key ‘get rights’

Key ‘get rights’

1 Gain an understanding of all of your people costs
   Determine what information you need to gain a macro picture of your entire workforce and labor costs

2 Identify workforce capacity requirements
   Understand your capacity requirements and subsequent cost impost including what may be required at different stages of the COVID-19 pandemic

3 Identify labor cost management options
   Keep up to date with policy and stimulus package updates specific to your organisation. Seek legal advice for your employee groups

4 Align labor cost adjustments to the business continuity plan
   Control for any risks due to labor cost adjustments are mitigated and accounted for in your business continuity plan

What we are seeing

1 I need to rebalance my workforce to areas of high demand - but I need data
2 I need to be able to model workforce sizing scenarios, quickly!
3 BAU activity has stopped with the majority of industries rapidly ramping down activity
4 Organizations are now taking a hard look at their current workforce and how to minimize costs and bridge the gap between impacts to demand and planning for the future
5 There is a focus on redistributing resources and identifying areas of the business where costs can be stripped out
6 Organizations are looking to understand what changes they need to make, what impacts their workforce will face and how they will stay solvent and profitable through uncertainty
7 Organizations seeking to understand what Government assistance is available to mitigate need for redundancies

What we are hearing

1 Analyze total workforce and labor cost profile
   Examine total workforce costs taking into account both direct employee costs (e.g. salary and benefits) and indirect employee costs (e.g. recruitment and onboarding). Think about additional costs to the business such as turnover and productivity and access to Government support and stimulus initiatives.

2 Understand Government support to manage workforce cost base
   Consider government advice on the continued COVID-19 global pandemic and what it means for your future business. Create scenarios which examine different time horizons (e.g. six, 12, 18-months) and what it would mean for your business if COVID-19 continued.

3 Assess economic, legal, social and political trade-offs and select preferred alternative
   Identify labor cost management options taking into account key workforce risks associated with any strategy. Align with business continuity processes to create sustainable interventions. Model costs and cashflow impact of restructuring and other initiatives.

4 Adjust labor costs
   Once labor cost adjustment strategies are confirmed, identify how labor costs can be best adjusted including over what timeframe. Think about how you can re-direct capacity to other areas of the business. Consider what will minimize the impact once BAU activities recommence.
Managing people costs

COVID-19 | Practical steps to get to action fast

**Now**

- What is the total cost of your workforce?
- What are your minimum workforce requirements in order to keep doing business?
- How do you foresee your workforce costs ballooning out or shrinking in order to adapt to these forecasts?
- Which parts of your workforce are at most risk with sustained downtime and what can be done to mitigate this risk?
- Do you have the capability and capacity in your HR function to implement large scale changes?
- What are the legal and political options available to support your organization (e.g. government stimulus packages released as part of the response to COVID-19)?

**Next**

- Can you utilise your workforce in a different way to offset labor costs (align to workforce planning strategies)?
- Have you considered all alternatives to your workforce before redundancy (e.g. greater conversion to part time, increased pay/hours cuts, leave balance reduction)?
- Does your organization understand how to adjust costs according to each stage of COVID-19 intervention?
- Once your assessment of critical capabilities is complete what do your reward arrangements to retain them look like?

**Beyond**

- What cadence do you have in place to re-evaluate people costs and the thresholds you need to meet in order to increase / reduce these costs?
- When you stand up BAU, what are the cost levers you need to pull to rapidly augment workforce capacity requirements?
- What are your costs to rehire given critical roles given the war on talent?
- Is there an opportunity to reshape the workforce to minimise people costs and build in contingencies for events such as COVID-19?

**Temporary forced / voluntary leave without pay**

**Temporary stand-down**

**Reducing salaries and benefits**

**Removal of casual workforce**

**Conversion to part time / reduce hours**

**Transition full time employees to become contingent workers**

**Redundancies**

**Temporary forced / voluntary leave without pay**

**Temporary stand-down**

**Reducing salaries and benefits**

**Removal of casual workforce**

**Conversion to part time / reduce hours**

**Transition full time employees to become contingent workers**

**Redundancies**

*Before proceeding with any adjustments to labor costs you must seek legal advice*
**Managing people costs**

**COVID-19 | Case studies**

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<th>Stripping costs out of the business</th>
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<td></td>
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<tr>
<td>Senior executive and board member pay has been frozen</td>
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<tr>
<td>Annual management bonuses have been cancelled</td>
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<tr>
<td>20,000 employees (two-thirds of the workforce) have been stood down without pay until at least May 2020</td>
<td></td>
</tr>
<tr>
<td>This airline has been encouraging workers to transition into roles for a high demand supermarket chain given transferrable skillsets (e.g. transport and logistics)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major distilleries</th>
<th>Repurposing resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distilleries across Australia have pivoted their manufacturing facilities to producing hand sanitizer in light of shortages from panic buying</td>
<td></td>
</tr>
<tr>
<td>Hoping the Australia Tax Office will support them by fast tracking permits where required</td>
<td></td>
</tr>
<tr>
<td>The measure would help to provide work to staff and support the community</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Identifying non-essential costs</th>
<th>Australian entertainment business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service staff actions implemented with:</td>
<td></td>
</tr>
<tr>
<td>Casual staff stood down immediately</td>
<td></td>
</tr>
<tr>
<td>Part time staff stood down with minimum payment</td>
<td></td>
</tr>
<tr>
<td>Managers stood down on 50% pay</td>
<td></td>
</tr>
<tr>
<td>Head office staff retained and working 80% of normal hours and pay, situation to be reviewed on a week to week basis</td>
<td></td>
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**COVID-19 | The key ‘get rights’**

### Key ‘get rights’

1. **Be able to identify who and where your employees are**
   - This includes:
     - Local employees;
     - Temporary visa holders; and
     - Expatriates

2. **Keep up to date with immigration and travel restrictions and communicate regularly to employees and the organization on the plan to address each**

3. **Make upfront and ongoing assessments for requests to work remotely, ensuring appropriate work permits are in place, and any tax exposure is minimized for the employee and the organization**

4. **Continue to prepare for the future**
   - Agree how assignments will be managed based on phase;
   - Assess whether employees possess critical skills and therefore may be exempt from travel bans;
   - Continue to process visa applications for roles required in the future

### What we are hearing

- I’ve left the country and now not sure I can get back! What do I do?
- How do I deal with skilled workers on visas, when I need to downsize?
- My visa’s expiring and I may not be eligible for another one?

### What we are seeing

- In light of COVID-19 global pandemic mobility restrictions, organizations and their employees are concerned about inadvertently breaking visa requirements
- Being able to quickly identify who and where your affected employees are is key to being able to take action quickly and effectively to support the best outcome possible for the employee, their family and organization
- Being unable to identify who is affected and where they are located can lead to employees being stranded inside or outside their primary location. This could cause stress to the employee and their family, limiting their ability adequately perform their role

### Response actions

1. **Examine your mobile workforce and determine which roles are critical**
   - Categorize your mobile employee population based on the type of assignment they are on, or the phase in the relocation they are at allows organizations to assess each category individually and prioritize the actions and position the organisation will take. Examples of categorization include relocations in progress, temporary visa holders and assignments due to end in the next six months.

2. **Determine next steps for any in progress mobility assignments**
   - Consider temporarily suspending any new international assignment initiations, unless deemed critical to the organization. Alternatively consider an interim sign off process so that all moves are considered in the longer term objectives of the organization.

3. **Keep clear lines of communication open**
   - Consistently and regularly communicate with business and employees with up to date and accurate information.

4. **Continue to plan for the future**
   - Assess what engagements and roles will be most viable for the business long term so that when the organization is ready, employee can be quickly deployed. For organizations where roles are deemed to have critical skills, assess whether a submission can be made to the government to be exempt from travel bans.
COVID-19: Workforce and Mobility

Moving people

<table>
<thead>
<tr>
<th>现在 (Now)</th>
<th>未来 (Next)</th>
<th>长远 (Beyond)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Identify current mobile population, and determine how the organization will respond to each situation.</td>
<td>- Work with business leaders and the talent team to understand changes to short and long term business objectives, to assess how the mobility program will need to respond.</td>
<td>- Re-assess the short and long term program strategy and objectives, so that it remains fit-for-purpose now and in the future.</td>
</tr>
<tr>
<td>- Organization is aware of potential delays to in-progress relocations or assignments due to vendor constraints, travel bans or immigration restrictions.</td>
<td>- Assess the visa applications and relocations in progress, and determine whether these will be required in 6 months.</td>
<td>- Make adjustments to policy, program and processes to facilitate efficient and effective deployment of resources.</td>
</tr>
<tr>
<td>- Have a plan in place so that you can act quickly on current cases and requests from employees on assignment or stranded (on or offshore). Understanding the appropriate work permit in that location is key.</td>
<td>- For employees relocating into future crucial roles, continue to progress these applications and relocations so that when travel bans are lifted, individuals can be quickly deployed. Consider suspending those who are not deemed viable, with appropriate messaging taking place to the employee and organization.</td>
<td>- Identify what challenges your mobility program will need overcome to achieve the long term mobility strategy. Common challenges will include:</td>
</tr>
<tr>
<td>- Determine whether a submission can be made to the government to exempt employees with ‘critical skills’ from travel bans.</td>
<td>- Determine if skills gaps need to be filled, due to employee repatriations or voluntary departures and how to fill these gaps (e.g. upskills locals, international candidate, recruit externally).</td>
<td>- Difficulties keeping individuals on assignment for the full length.</td>
</tr>
<tr>
<td>- Determine the criteria and assess whether you need to formally suspend new projects that require travel.</td>
<td>- Determine whether assignments will continue to their full assignment term, or if there is a need to repatriate early or extend. If there is an early termination, consider the impact on the employees performance measures.</td>
<td>- Requirement to provide financial incentives for employees to accept an international assignment.</td>
</tr>
<tr>
<td>- Implement a process to adequately assess tax exposure due to remote working arrangements (including the type of work, work permit, and how long the employee can continue to work in that location).</td>
<td>- Determine if there will there be tax impacts for the employees on assignment, as a result of legislation updates in-country.</td>
<td>- Cost pressures from the business.</td>
</tr>
<tr>
<td>- Assess whether mobile employees and their family need an additional level of support, and identify what the organization can do to assist.</td>
<td>- Identify impact of workforce changes on visa holders eligibility to remain in country.</td>
<td>- Ability to move people to key locations.</td>
</tr>
<tr>
<td>- Consider if there will be continual changes to immigration and taxation legislation.</td>
<td></td>
<td>- Continual changes to immigration and taxation legislation.</td>
</tr>
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</table>
### Health care organization

- Reviewing all matters to determine how the travel ban applies to each individual
- Due to critical nature of some medical practitioner roles, a major health care provider in Australia is working with EY to assess whether the skills the individuals possess would be considered critical and are working on Government submission for each case accordingly. They have provided a letter from their Chief Medical Officer to substantiate the submission with a technical insight of the role the individual will fill
- If considered critical, applications may be able to progress which are exempt from travel bans
- Assessment is unprecedented, and therefore no certainly around whether roles will be approved for exemptions

### Mining, metals and construction organization

- Circulated detailed plan and approach to the business for all categories of internationally mobile workforce (including temporary workers, assignments due to end, assignments in progress etc.)
- Agreed policy position for each category and what support would be provided by the organization
- Implemented process so that tax exposure risk is assessed prior to agreement with employee
- All upcoming initiations must be approved by the Executive Committee
Our team is ready to help you navigate this crisis

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► Maintaining people capability and capacity
► Protecting people

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Our team is ready to help you navigate this crisis

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► What are my legal rights and obligations  
► Legally what do I need to be aware of

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► Understanding people impact and priorities  
► Protect people
About EY
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As the world continues to be impacted by globalization, demographics, technology, innovation and regulation, organizations are under pressure to adapt quickly and build agile people cultures that respond to these disruptive forces. EY People Advisory Services believes a better working world is helping our clients harness their people agenda – the right people, with the right capabilities, in the right place, for the right cost, doing the right things.

We work globally and collaborate to bring you professional teams to address complex issues relating to organization transformation, end-to-end employee lifecycles, effective talent deployment and mobility, gaining value from evolving and virtual workforces, and the changing role of HR in support of business strategy. Our EY professionals ask better questions and work with clients to create holistic, innovative answers that deliver quality results.