

Survey reveals trends in SA employer response to Covid-19 pandemic

By [Morag Philipps](#)

14 Aug 2020

21st Century has been conducting surveys since the beginning of the formal lockdown, testing employer responses to the pandemic and to the changes organisations have had to make in terms of the Covid-19 virus. As a dominant impression, the trend has been that organisations have had to be creative and responsive, at times developing policies that did not exist before. Drastic changes have been influenced by the extent of impact on the organisation in terms of its survival or, at best, its sustainability post this period.



Morag Philipps, executive director, 21st Century

As organisations have moved to a higher percentage of operational functionality, more employees have returned to work, and those employees who can continue working remotely, are doing so. The results indicate that a large number of organisations currently have more than half of their employees working remotely due to lockdown, and that employees are typically supplied with the necessary tools of trade. Where employees are able to effectively work at home, the majority of organisations have neither unpaid nor partial pay periods; and it seems that organisations are returning to normal payment as work is resumed and revenue flows into the organisation.

As such, organisations are not having to make decisions regarding the deduction of leave for employees who cannot work at home. In general, organisations are only deducting annual leave in cases where an employee has run out of sick leave and is needing the leave, either because of being ill, or being forced to quarantine. In the area of leave management, organisations are faced with the opposite challenge of a growing leave liability and are considering creative ways to encourage employees to use their leave, for the benefit of both the employer and the employee. 21st Century is currently assisting organisations with these transitional leave management strategies.



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Remote working a permanent possibility

As a trend, we do see that the possibility of remote working is being considered as a more permanent possibility by employers in roles where it has proved successful. Over 70% of organisations have work from home as a temporary offering for employees across all levels. Around 18% of organisations have work from home as a permanent offering for employees across all levels.

As regards to pay responses, we see that employers are doing their utmost to avoid reducing salaries or not paying during this period, although the prevalence of pay freeze decisions is on the increase, with above 40% of our survey participants indicating a freeze from management level and above. We expect this to be a more common trend as time passes, and we are starting to see some organisations indicating a zero-percentage increase into 2021.

Survey results suggest that the change imposed on companies by the Covid-19 pandemic has affected various organisations in very different ways. But there were shared experiences that came to light.



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Revised budgets and strategies

Organisations have reacted quite quickly to the pandemic. 65% of organisations have revised their company budgets and more than 40% have adjusted their company strategies to cater for the pandemic and shutdown levels. The common thread is that most participants clearly acknowledged the need to change key policies, practises and processes beyond Covid-19; though, some organisations have not fully realised the impact the pandemic is likely to have on their organisations. These respondents hoped for minimal change that wouldn't impact their day-to-day workings too drastically. Given this, HR will need to be on board as a strategic partner to the organisation to facilitate and support this change as the results show that majority of organisations do not have trained change agents. In an initial survey, only 36% of organisations had a Covid-19 policy, now this figure has significantly risen to 81%. 64% now have a remote working policy.

Short- and long-term incentives

Regarding short-term incentives (STI), survey results indicated that although respondents were cognisant and wary of the impact of Covid-19 on the economy, many organisations have yet to solidify their decisions around the treatment of their STI schemes. At all levels, around 18% of participating organisations are putting their STI scheme on hold, and around 12% are continuing their STI scheme with no changes. Where changes are being made, it is in the STI measures.

With regards to long-term incentives (LTI), it seems that the majority of organisations are not making immediate LTI changes, especially given that LTIs are less pressing. At all levels, several respondents reported that schemes would be left as they are at this stage, with a significant proportion (around 30% at senior levels) continuing their schemes but with changes. Less than 10% of organisations have put share schemes on hold in terms of top-ups and new awards. 21st Century expects to see this practice shift as time goes on and will continue surveying market responses on LTI schemes. It's likely that the issue will require serious attention and decision-making in the future, depending on the ultimate impact of the pandemic on our economy.



Effective communication paramount in the new normal

Brian Eagar 31 Jul 2020



Managing skills gaps

It was abundantly evident that the changes organisations face will directly affect the way they harness talent post-Covid-19. 37% of respondents revealed that one of the biggest challenges they face is that managers are not skilled and equipped to deal with some of the most pertinent current organisational issues. These include managing skills gaps in critical roles (33%).

The most common focus area for the next six months – as revealed by 70% of respondents – looks to be a clearly defined talent strategy geared at filling key roles. 58% of the organisations surveyed, though, revealed that the immediate focus area will be identifying positions that are critical to the business's success.

Although most organisations are more concerned with vital operational requirements right now, prioritising talent as a competitive business driver is very much on the horizon in the next six months. "Predictive" talent solutions are going to become crucial in the months to come, as organisations will have to anticipate ongoing changes in the wake of Covid-19.

This time reminds us of the certainty of uncertainty, and gives all business leaders, including HR professionals, the opportunity to contribute in meaningful ways to sustainable people management decisions.

To view all the survey results, [click here](#).

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