

## Strategic HR Reward Dialogue #3 / 2020 – Key Takeaways

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Here are some Key Takeaways from our 3rd strategic HR Reward dialogue 2020 with HR executives of leading multinationals and growth companies:

### Topic 1: Post lockdown working world – what does the new "normal" look like?



- Many companies have defined phase plans to manage office occupancy depending on the pandemic situation. Differing by region and sector, occupancy is often still below 30%. Staff with a need to work in the office have to pre-register with reception, who allocates work stations assuring distance and monitoring occupancy. Some companies have made working from home for multiple days a week the rule for any job where this is feasible. Teams may be asked in based on weekly color codes. Hygiene rules must be adhered to, with pandemic teams steering and advising.
- Some employers have sent pandemic kits with hygiene essentials to employees' homes for use upon 1st return to the office. Facial masks are compulsory in public meeting areas and conference rooms, increasingly also at desks. Few companies have set up their own Covid-19 test centers or provide self-test kits to staff to gain control of the situation.
- Corporate cultures and attitudes are shifting with companies showing unusual flexibility and tolerance of disruptive factors at employees' homes.
- Office expansion plans are put on hold, shared office buildings seen as less safe as more difficult to enforce hygiene standards with external staff. For similar reasons, despite attractive offers, hotel rooms are not considered a viable alternative for senior staff with no suitable work space at home.
- Occupational physicians have shown concern about the health challenges arising from sustained working from home in sometimes cramped living conditions. Ergonomics consultants offer video-based online courses and advice on optimal home office set-up and provide posture and loosening exercises.



- Travel bans continue, education is delivered online and meetings are held via videoconference. Regarding private travel, e.g., for holidays, companies appeal to employees' common sense and personal responsibility.
- Company parking spaces are being expanded to support individual mobility, shuttle buses may be operated if public transport is unavailable or unsafe. While leasing bike or e-bike plans are highly popular with staff, various safety, insurance and administrative questions must be clarified in advance.
- In employee benefits, some self-optimization trends are noticeable with increasing requests for financial compensation of benefits that can only be used on site, or reimbursement of extra costs incurred at home. With less daily commuting and business travel, some benefits may be replaced by multi-purpose cash allowances.



### Topic 2: Covid-19 impact on 2020 performance – are there any STI cushioning measures considered?

- In accordance with variable pay principles and capital market expectations bonus guidelines for current plans are generally maintained, as are performance metrics and thresholds (except in Sales). Some metrics provide maneuvering space in the calculation or opportunities for "ex post" adjustments. For STIs with an individual component, this part is usually maintained, though some goals may be reprioritized or discretion used.
- Leverage is greatest with salary increase mass, yet, staff motivation and talent retention need to be managed. Cash, extra share or share-based awards may be considered to recognize extraordinary achievements in a pandemic-driven framework of salary freezes and reduced bonus pools. Nominations are likely to be managed centrally and tightly controlled.
- Companies with STIs that have more of a profit share nature look into realigning their plans. Some financial bridging may be needed.
- The alignment of interests and fairness are key considerations with any reward related changes during the pandemic, equally, company reputation and brand.

