

Snap Survey Series: Covid-19

Survey 8: The New Landscape

21st Century would like to thank all organisations that have participated in our COVID-19 survey series. This survey, the 8th in the series, relooks at important topics that were previously covered in this survey series, to see how the market has adjusted from the initial responses.

Now that much of the economy has opened, albeit with many restrictions, there is a better understanding of the impact on organisations. Some organisations will relook at decisions that have been made, both as a response to the pandemic and as a possible future way of work. We believe that organisations may now be dealing with issues differently to when the crisis first disrupted our lives. Business responses to the pandemic are filtering into policies.

The primary purpose of this survey is to reveal the variety of national market practices, from the least prevalent, to the most prevalent, without necessarily declaring them as best practice or as recommendations for any specific organisation. This data represents a picture of how the market is responding to the challenges posed by the pandemic and is not prescriptive in any manner. An organisation would therefore refer to their unique policies and any prevailing legislation, changes to regulations, guidelines, and affordability issues to decide their course of action.

The process followed in this survey is that employers on the 21st Century database were invited to participate in the survey. Interested parties are each provided with a unique link to a web-based survey, where questions are posted. These responses are then analysed and inform the content of the report. Responses are treated as confidential and no individual company practice is identified.

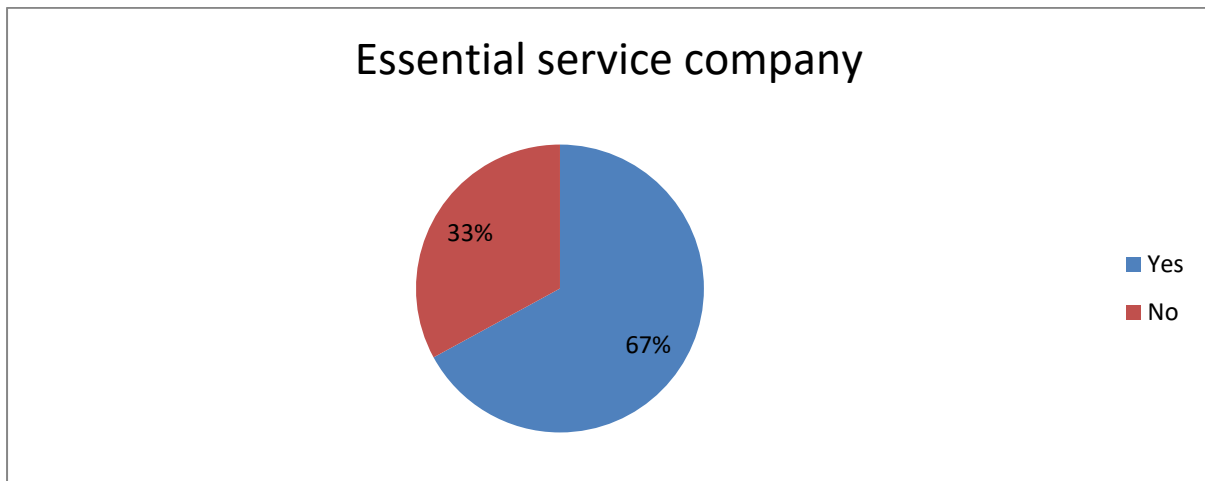
88 organisations across all industries, in both private and public sectors participated in this survey.

Survey Sample: Participating organisations include

2U	Michaelhouse
AECI Limited	Momentum Metropolitan Holdings
African Bank Limited	Moonstone Information Refinery (Pty) Ltd
African Unity Life	mothers2mothers
AfriSam	NCT FORESTRY CO-OP LTD
AVI Limited	Netafim
BELL EQUIPMENT CO SA (PTY)LTD	Oceana Group Limited
Bombela Concession Company	Ooba
C. Steinweg Bridge (Pty) Ltd	Osborn Engineered Products

Cape Town International Convention Centre
Coca Cola Peninsula Beverages
Concor Construction
Continental Tyre SA
Curro Holdings
Danone
Deloitte
Department of Defence
Development Bank of Southern Africa
Dole SA
Engineering Council of South Africa
Fedgroup
FEM
Foundation for Professional Development
Gammatec NDT Supplies SOC Limited
German International School Cape Town
Gildenhuys Malatji Inc
Graham Beck Enterprises
Hannover Reinsurance Group Africa
Hogan Lovells
HWSETA
Icon Oncology Holdings
Ideafruit (Pty) Ltd
Ithala Development Finance Corporation
K2 Software
Kelp Products International Pty Ltd
KPMG
LabourNet
Legacy Hotel Management Services
Malda Pack cc
Mazars
MCS (Pty) Ltd
Medihelp
MEDITECH South Africa
Metier Mixed Concrete
Ovations Technologies
PackSolve Packaging
Pick 'n Pay
Power Construction
Rhodes University
Road Accident Fund
SA Power
SAA
SABMR
Sandvik
SANSA
Sasfin Bank
Sasol South Africa Ltd
Saxon Hotel Villas and Spa
South African Reserve Bank
South African Revenue Service
Spier Resort Management
S-RM Intelligence and Risk Consulting
Standard Bank
Stegmanns Inc. Attorneys
Strate (Pty)Ltd
Suidwes Landbou
Sun International
TE Connectivity South Africa
Telesure Investment Holdings
The Automobile Association of South Africa
The BANKSETA
The Small Enterprise Foundation
Tracker Connect
Vasdex Associates
VBKOM
Virgin Active South Africa Pty Ltd
Werksmans
Wits commercial enterprise (Pty) Ltd

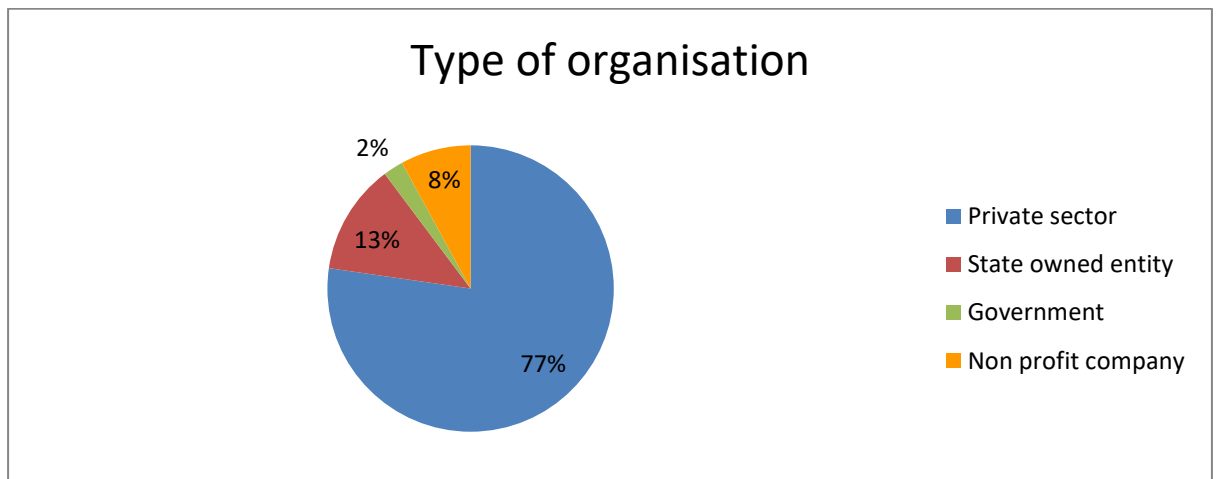
Within this list of survey participants, below is the breakdown of organisations that are operating as Essential Services during the lockdown, and those that are not.



The majority of participating organisations are listed as an essential service company.

Type of Organisations

Below is a breakdown of categories used in determining participating organisations:



- The majority of participating organisations (77%) are Private sector organisations.
- State-owned entities and Non-profit companies are the second largest participant groups at 13% and 8% respectively.
- This leaves 2% of participants as the Government sector.

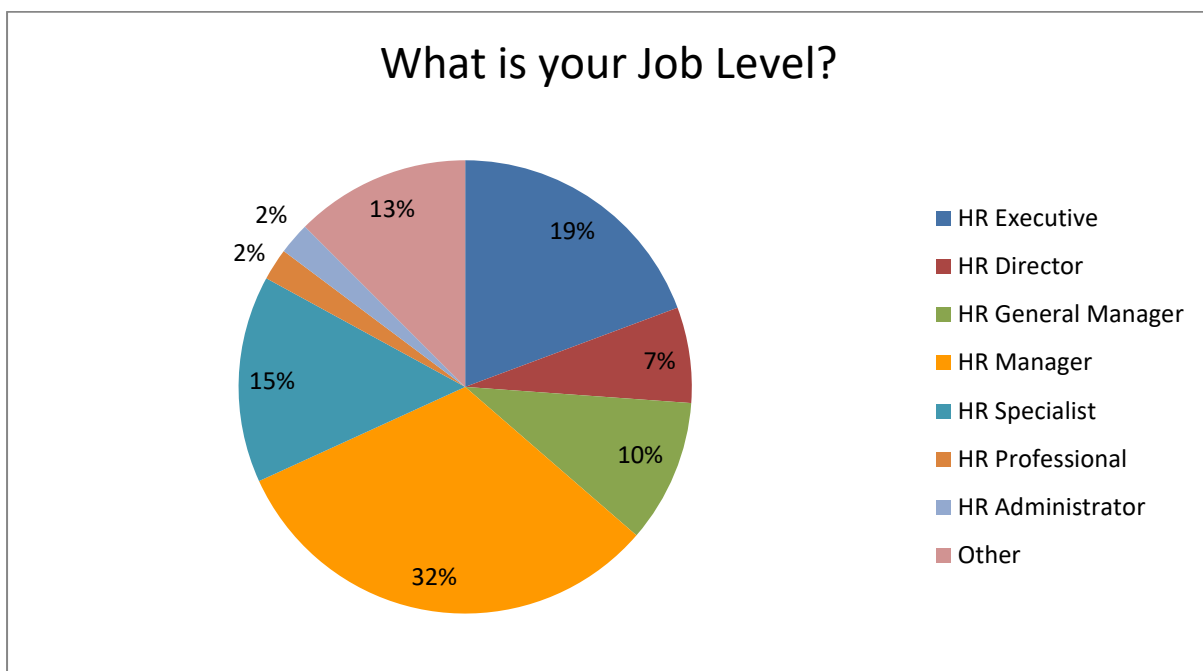
The results in this survey will not make a distinction between essential and non-essential services, or between organisation type. The results will reflect the position of the market as a whole

Return to Workplace

Employees from 82% of participating organisations can return to the workplace during lockdown level 3. Employees from 18% of participating organisations are not allowed to return to the workplace. This could be as a result of the industry in which they operate not yet being permitted to return to work, or a decision by the organisation to continue operating remotely.

Respondent's Job Level

- The majority of respondents are HR Managers (32%), followed by HR Executives (19%), then HR Specialists (15%).
- The balance of respondents is spread within the HR practitioner population at various levels, as indicated below.



“Other” includes the following:

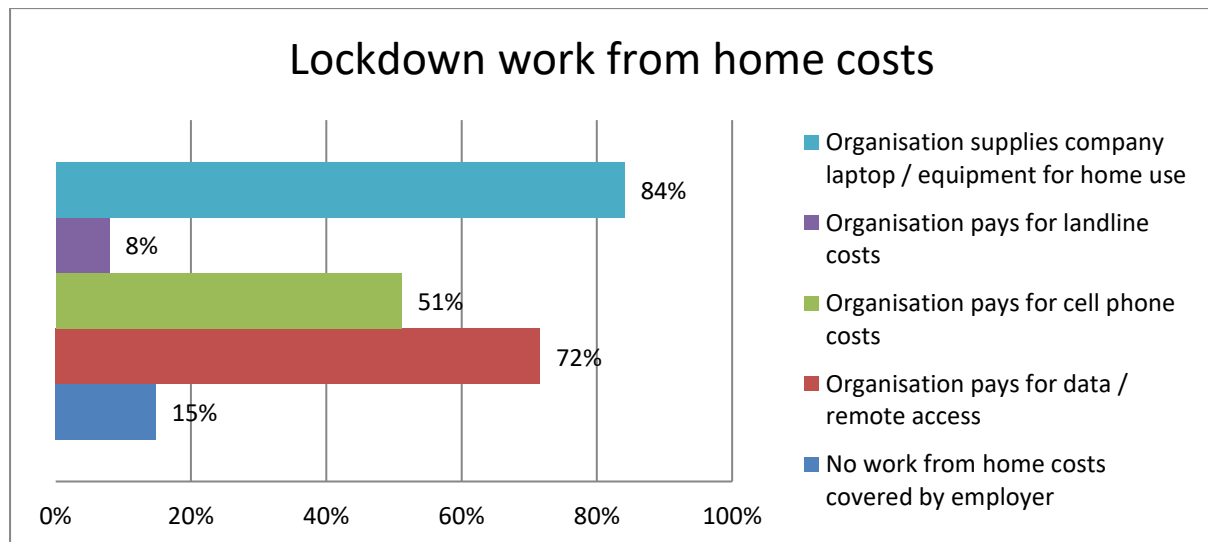
- Administration Manager
- Chief Executive Officer
- Compensation and Benefits Manager
- Compensation Manager
- Deputy Director Strategy
- Group Company Secretary
- Head of Compensation/Remuneration & Benefits
- Senior Manager - Reward & Analytics

Survey Results

Work from home practices

Question 1

Please indicate how work from home costs are covered during the lockdown period.

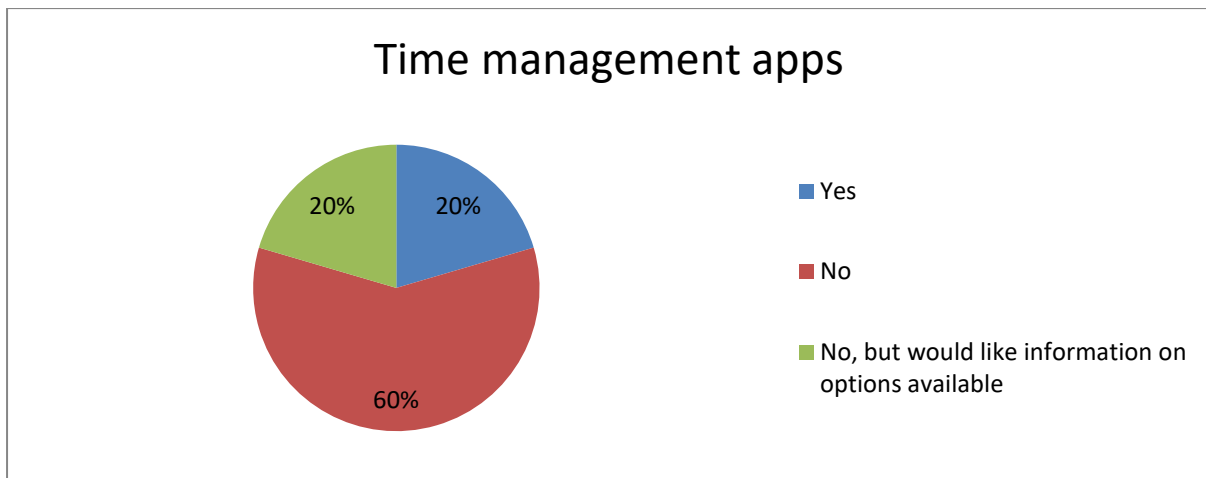


The majority of organisations (84%) supply their employees with a company laptop/equipment for home use. 72% pay data/remote access costs. This high percentage could be due to there being an extraordinary rise in the use of alternative internet-based communication platforms globally, with organisations using platforms such as WhatsApp, Zoom, Skype, and Microsoft Teams.

15% of organisations indicated that no work from home costs are covered by the employer. This is an unusual practice, especially since the costs associated with working from home are regarded as tools of trade and are a requirement in this unusual time.

Question 2

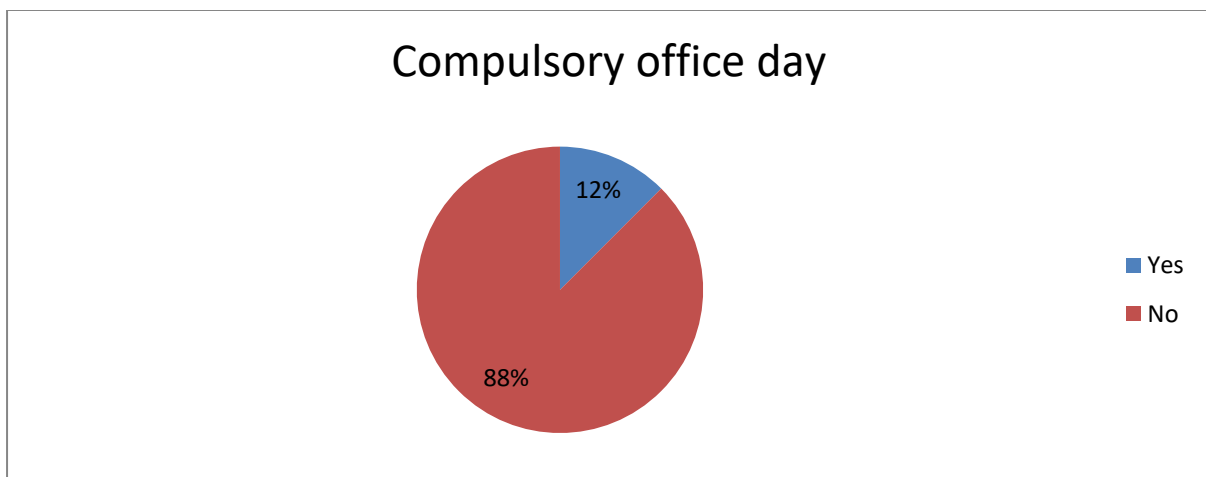
Are you using any time-logging software?



The majority of organisations (60%) are not using time management apps, neither are they looking to do so. On the other hand, 20% of the organisations are keen to find out information about options available in the market. Time management apps are mostly prevalent in industries where time is directly allocated to productivity and outputs, such as the outbound call centre industry; it is also prevalent in industries where clients are billed based on time spent per project/against a retainer e.g. advertising and design or professional services.

Question 3

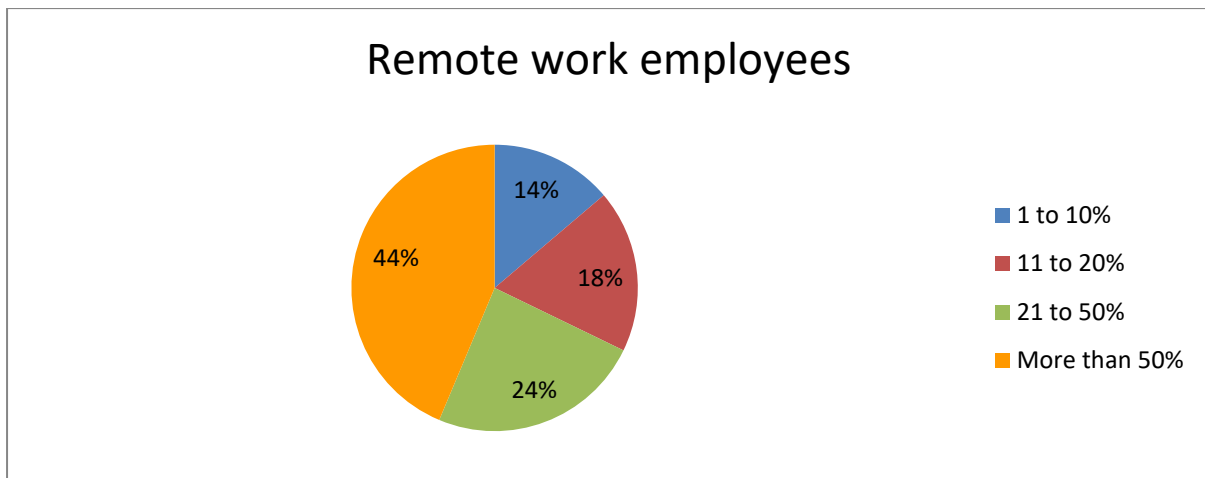
Is there a day when it is compulsory for employees to work from the office?



Most organisations (88%) do not have a compulsory office day. This figure might increase due to the recent spike in the new daily COVID-19 positive cases and as organisations encourage remote work where possible.

Question 4

As a percentage of your total staff complement, how many employees are currently working remotely due to the lockdown?

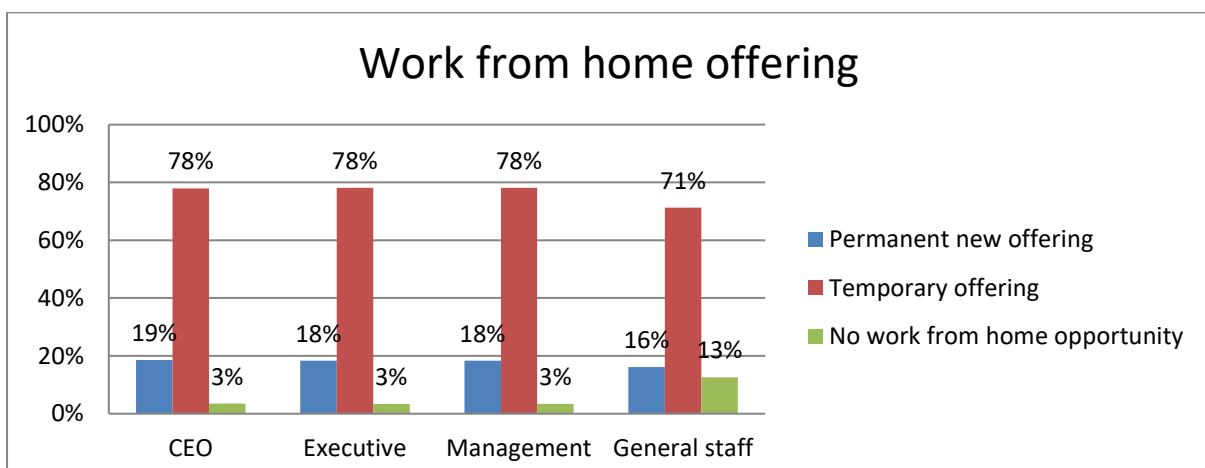


44% of organisations have more than 50% of their total staff complement working remotely due to lockdown. The percentage could decrease as we continue to move closer to lockdown level 1 and employees are expected to return to the office environment. We also see that remote working is a temporary offering and not likely to be a permanent new offering for all roles for the majority of organisations. 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.

- 24% of organisations have 21 to 50% of their total staff complement working remotely.
- 18% of participating organisations have 11 to 20% of their total staff complement working remotely.
- 14% of organisations have 1 to 10% of their total staff complement working remotely.

Question 5

Is work from home a permanent new offering or a temporary offering for your employees?

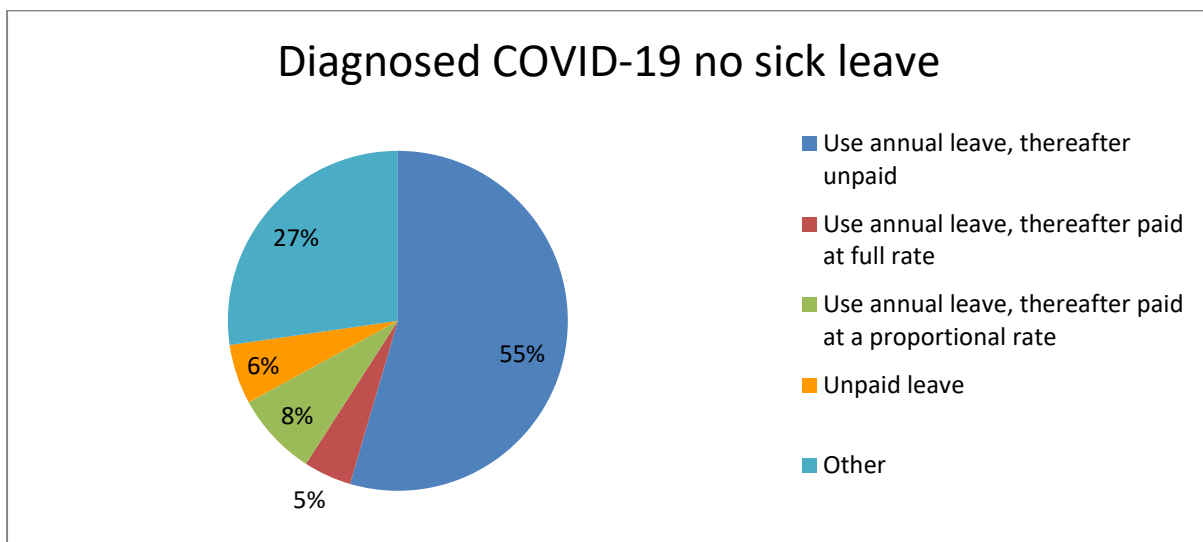


- Over 70% of organisations have work from home as a temporary offering for employees across all levels.
- Around 18% of organisations have work from home as a permanent offering for employees across all levels.
- Around 6% of participating organisations have no work from home opportunities.

Leave treatment

Question 6

An employee is diagnosed with COVID-19 but the sick leave has been exhausted; how does the organisation treat this?



Just over half of the organisations (55%) treat the leave as annual leave, thereafter it is treated as unpaid leave.

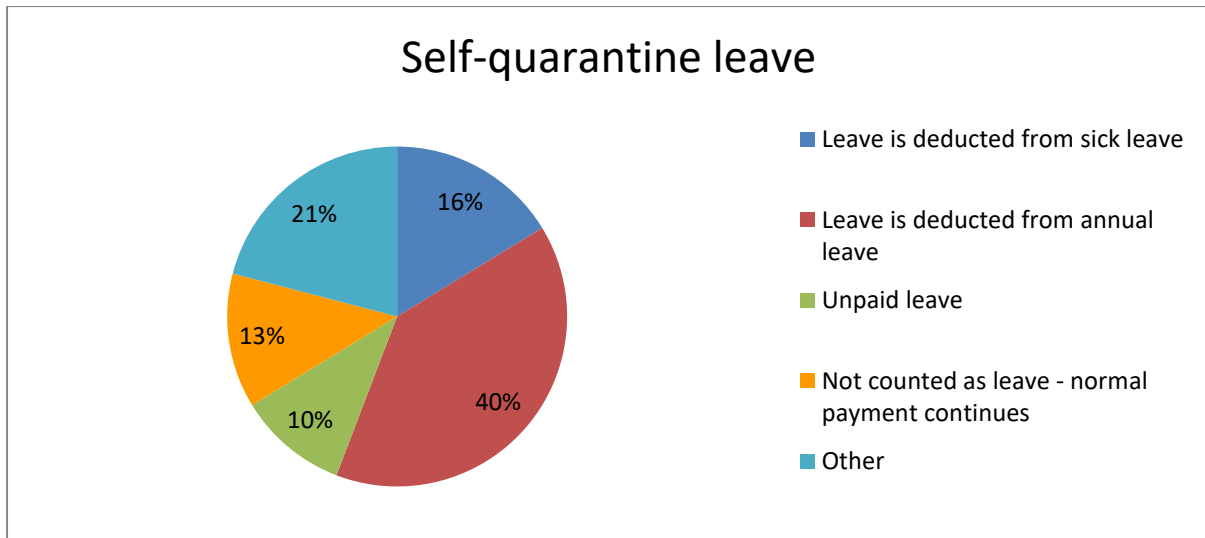
“Other” includes the following:

- Leave pool of donated leave (by other employees) that employees can draw from if needed.
- Special Leave.
- Special category of sick leave - COVID-19 introduced.
- We have created paid COVID-19 leave for employees who are diagnosed with COVID-19.
- We assess previous sick leave cycles and will pay up to 60% of unutilised sick leave from previous sick leave cycles.
- Workmans compensation.
- Management's discretion will be applied.

- All sick absence is paid in full.
- 10 days special leave and additional sick leave at half pay.
- Claim to disability fund.
- Staff applies for TERS Benefit.

Question 7

If an employee is not diagnosed with COVID-19 and is allowed to return to the workplace, but decides to self-quarantine of their own volition, how do you treat the leave?



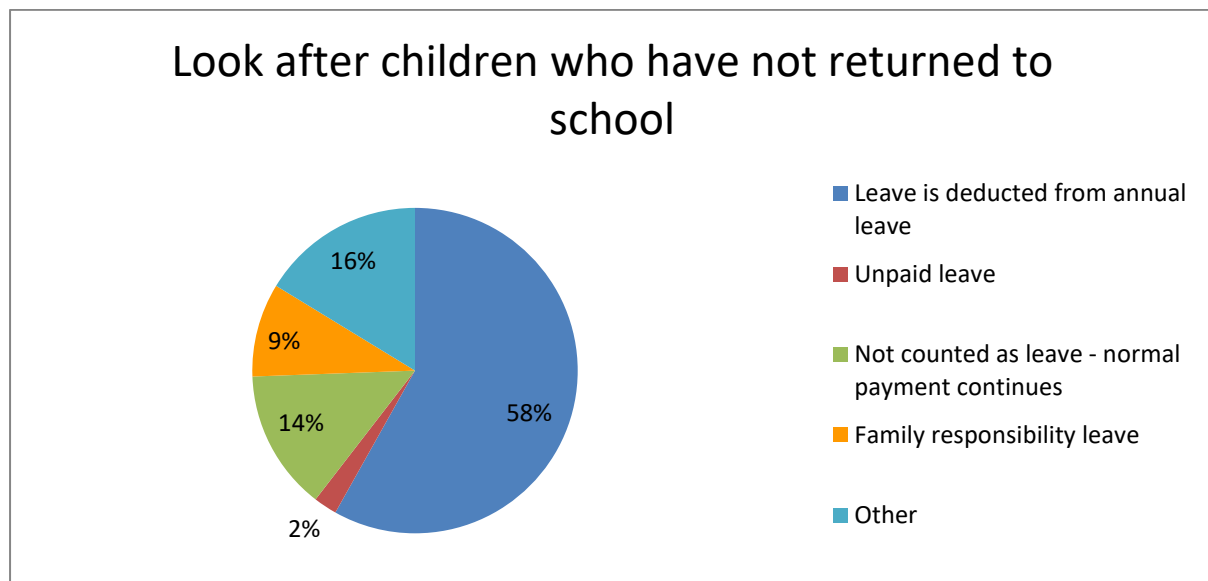
Annual leave is again the most prevalent.

“Other” includes the following:

- Annual leave, thereafter unpaid.
- Annual leave/unpaid if work from home is not possible.
- Special Leave.
- 10 days special leave then annual leave.
- Work from home, therefore normal pay.
- If the employee cannot work remotely, sick leave procedure.
- Sick leave if there is a medical certificate, if there is no medical certificate then unpaid leave.
- If employee had come into contact with COVID-19 positive people or attended a funeral/gathering they would be able to self-quarantine. No leave is required but required to log this absence on the COVID-19 app.
- Provided that there is a reasonable risk for the self-quarantine it is COVID-19 special leave. If there is no reasonable risk, then it is annual leave.

Question 8

If an employee stays at home to look after children that are not allowed to return to school yet, including unplanned school holiday care where elderly parents cannot assist, how is the organisation treating the leave?

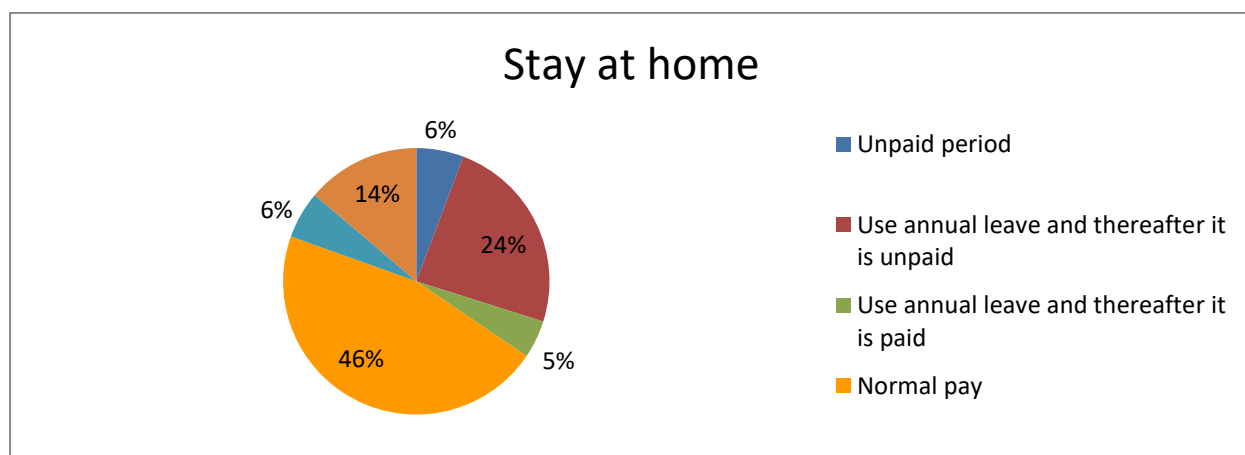


“Other” includes the following:

- Work from home, or special leave if the employee cannot work from home.
- Work from home, or annual leave if the employee cannot work from home, or case by case arrangement.
- Work from home has been provided wherever possible, special leave provided comprising 5 working days for employees to make arrangements for their children.
- Combination of annual leave, family responsibility leave, thereafter unpaid leave.
- We are allowing staff who cannot work remotely to rotate and stagger days and hours so that we can accommodate personal circumstances like childcare.

Question 9

If you force an employee to stay at home but they cannot do any work as a virtual employee, how do you treat the stay at home period?



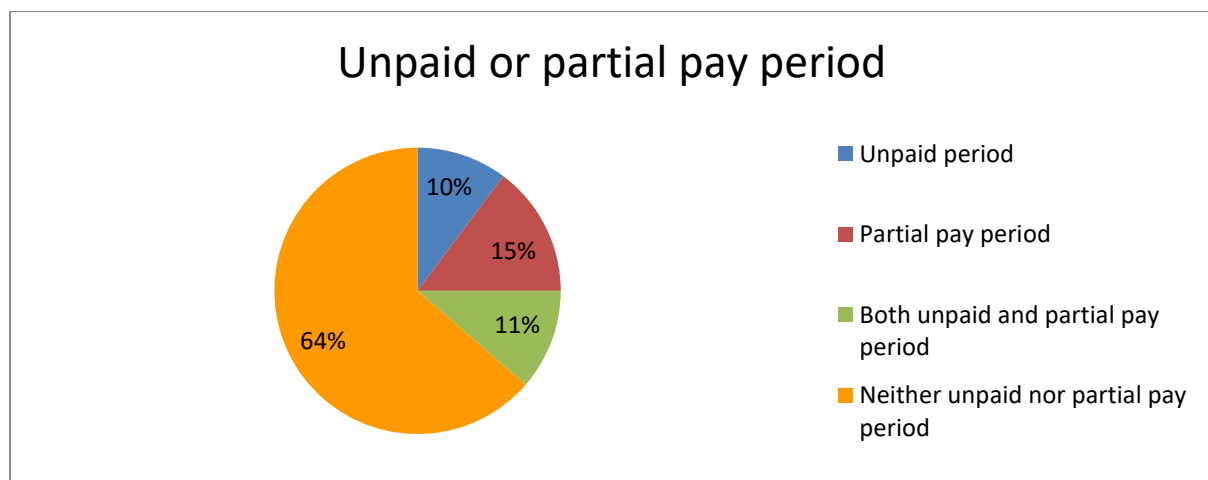
“Other” includes the following:

- Forced annual leave - claim from TERS.
- Annual leave, unpaid leave thereafter and apply for TERS relief.
- 10 days special leave, then annual leave, then negative leave balance up to 5 days, then unpaid.
- If vulnerable group, then provided with reasonable accommodation leave.
- They should claim UIF.
- Currently our comorbidity employees used all their annual leave and the firm keeps on paying full salary. If the employee was in contact with a positive case at work, it will be treated as sick leave once we receive a sick note. Should we not receive a sick note and no annual leave is available, then it becomes unpaid but provide employee with UIF documentation to claim UIF.

Guaranteed pay responses and considerations

Question 10

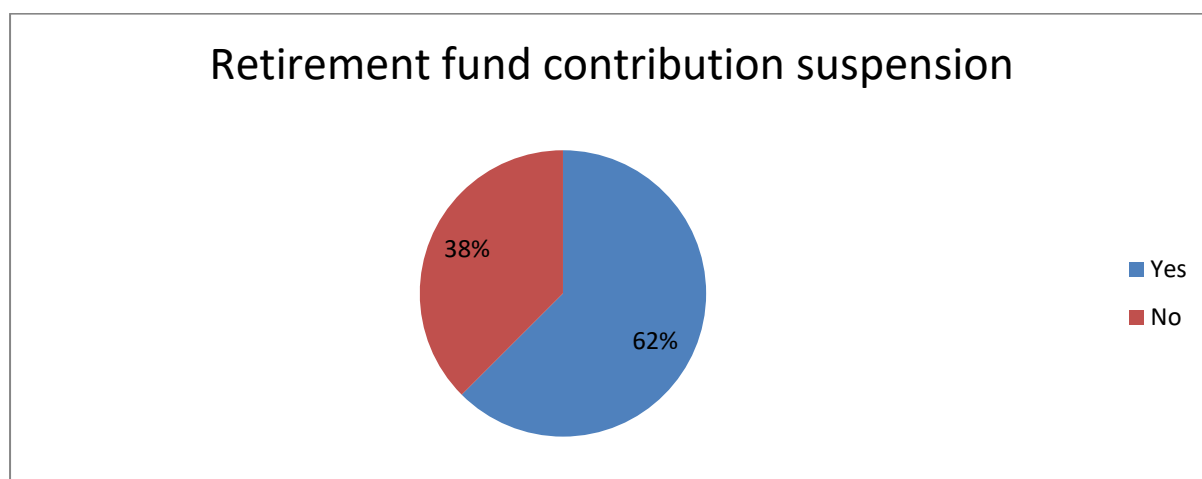
Does your organisation have an unpaid period or a partial pay period?



The majority of organisations (64%) have neither unpaid nor partial pay periods. The rest of the sample has one of or both unpaid/partial pay periods, and majority of them have not banked it for later payment. In summary, 36% of organisations have some form of pay management, whether unpaid, partial payment or both. This is a shift in responses versus lockdown period, where it seems organisations are returning to normal payment as work is resumed and revenue flows into the organisation.

Question 11

Does your retirement fund allow suspension of contributions over this crisis period?



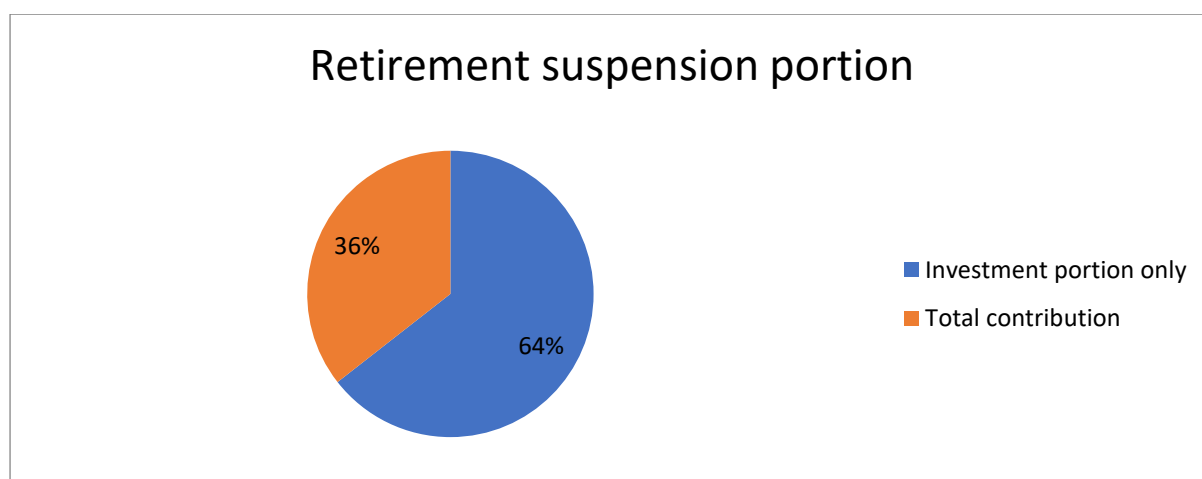
62% of organisations that answered this question have a retirement fund that allows for suspension of contributions during this crisis period (50 organisations). 38% do not have a retirement fund that allows for suspension of contributions (30 organisations).

Of the above mentioned 62%, around half of them (26 organisations) are planning to implement voluntary suspension of retirement fund contributions.

Although suspension of retirement fund contributions is allowed, only a small portion of organisations currently intend to use this option.

Question 12

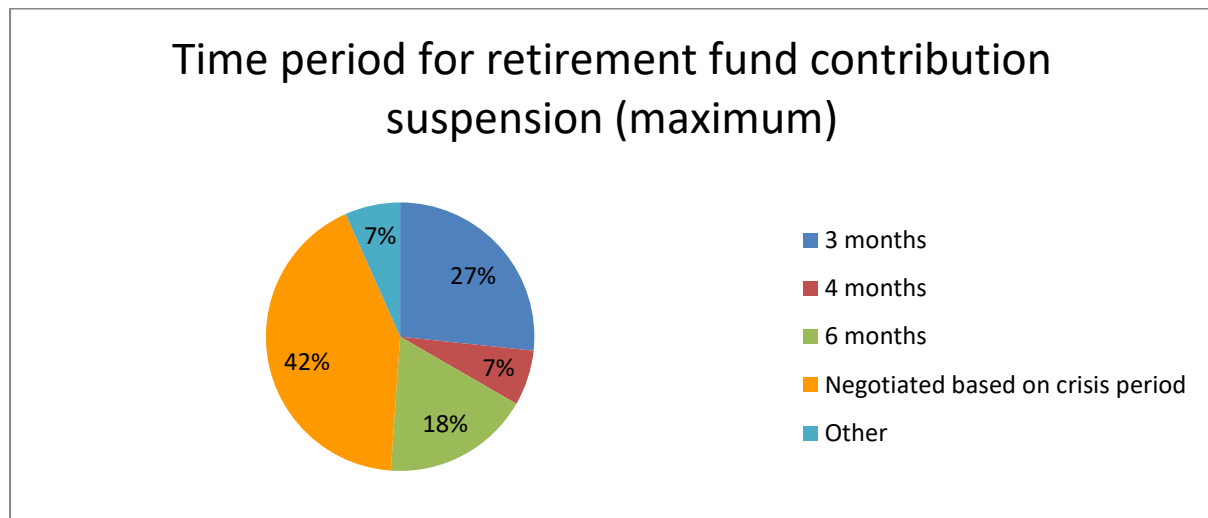
If yes to retirement fund contribution suspension, please detail the portion of the retirement contribution that can be suspended.



The majority of organisations report that only the investment portion of the contribution can be suspended. Only a small portion of organisations report that the entire retirement fund contribution can be suspended.

Question 13

Time period for retirement fund contribution suspension (maximum).



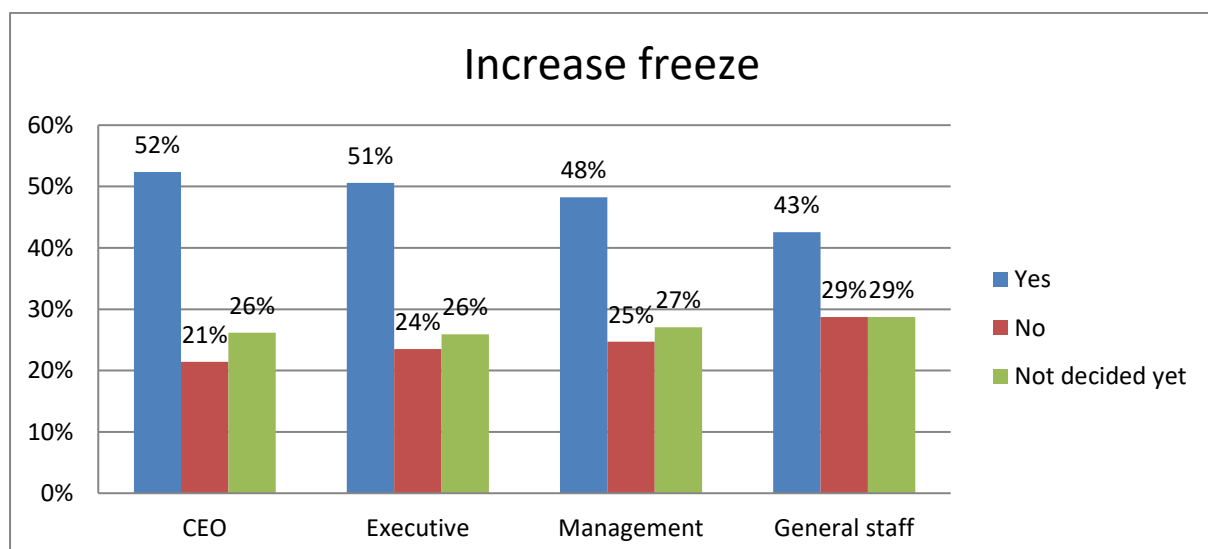
The majority of organisations that plan to implement voluntary suspension of their retirement fund contributions, indicated that the time period will be negotiated based on the crisis period. 18% of organisations plan to suspend contributions for 6 months. 7% of organisations will suspend it for 4 months, and 27% will only suspend contributions for 3 months.

“Other” includes the following:

- Not planning suspension.
- Not implemented yet.
- Dependant on resumption of business operations.

Question 14

Are you considering a freeze on increases for 2020?



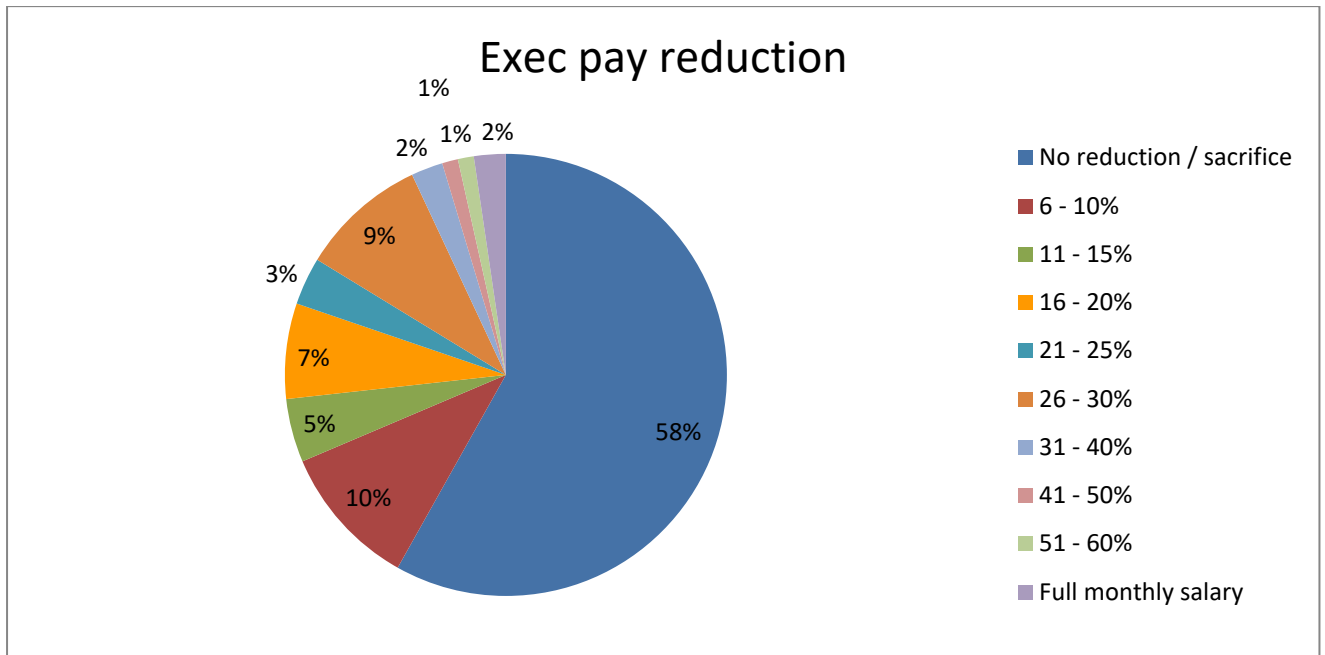
- There has been a marked increase in the prevalence of increase freezes in comparison to previous years, as expected. For Executive and CEO levels, this is just above 50%

of organisations. For Management and General Staff levels the prevalence of increase freezes is above 40%.

- Around 21% of organisations are not considering an increases freeze in 2020.
- Around 23% of organisations are yet to decide whether an increase freeze will be implemented in 2020.

Question 15

Are your Executives considering taking a reduction on guaranteed pay for a period?

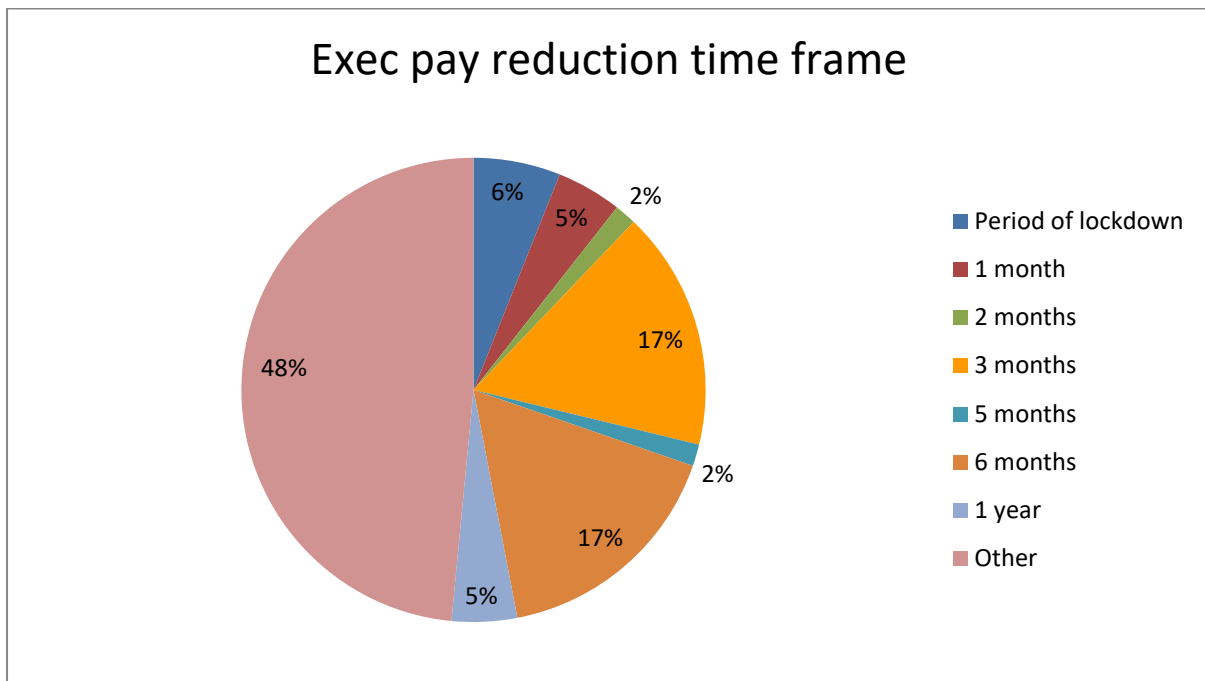


58% of organisations indicated that they were not considering a reduction or sacrifice in their executive pay. On the other hand, 42% of the organisations are reporting at least a portion to be sacrificed, with 2% indicating a sacrifice of the full monthly salary.

When this question was first asked at the beginning of lockdown, 76% of those participating organisations had indicated that they were not considering a reduction or sacrifice in their executive pay. We have seen more serious consideration given to executive pay cuts. The major reasons for implementing a reduction over a defined period would be to drive down costs, conserve cash, and empathy for employees and the country at large.

Question 16

For what time frame are Executives prepared to sacrifice a portion of guaranteed pay?



Of the organisations that are considering a reduction in executive pay, the most prevalent time periods after “other”, is 6 months and 3 months which are both 17%.

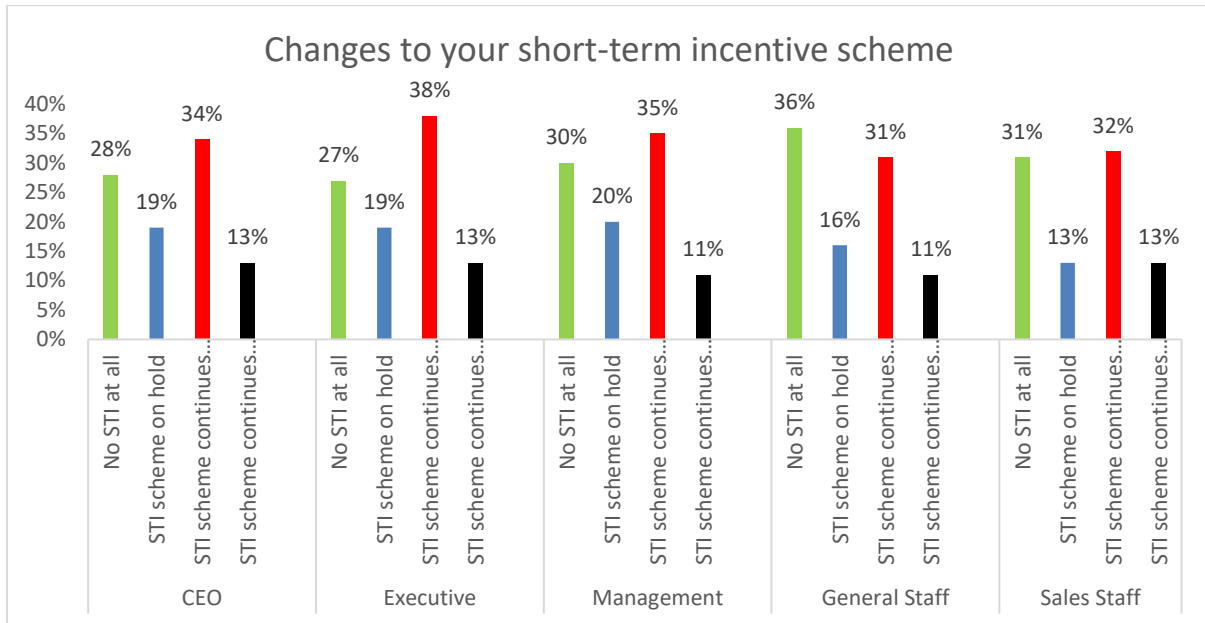
“Other” includes the following:

- Determined monthly.
- 8 months.
- Until operations are 100% back to normal.
- For as long as the crisis has a negative financial impact on the business.
- No time stipulated.
- Executives are paid only for actual hours worked.
- Voluntary contribution to Solidarity fund or charities of their choice.
- Executives are not taking a reduction on salary, but rather donating to different charity organisations for a period of 3 months.

Short-term incentive responses

Question 17

Are you making changes to your short-term incentive scheme?

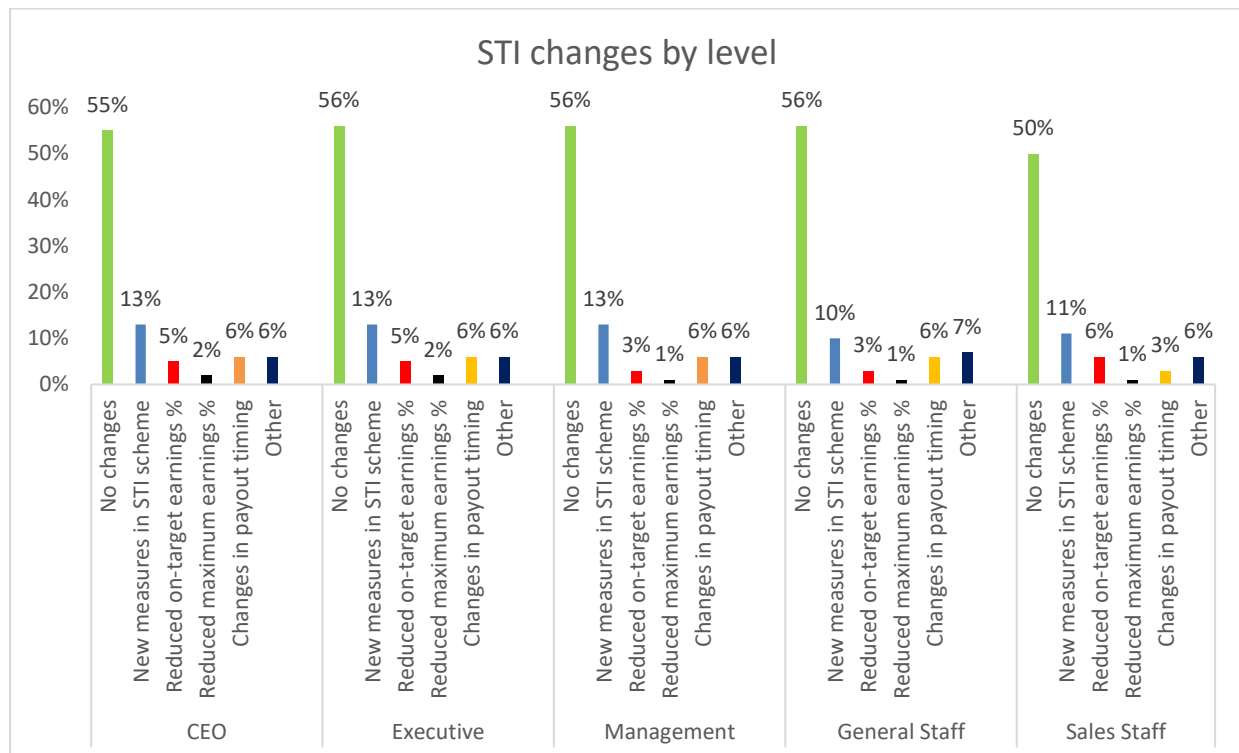


Around 30% of participating organisations do not have a STI scheme at all levels. The highest prevalence of “No STI at all” is reported for general staff (36%) STIs are more prevalent at higher job levels as variable pay plays a larger role in the employee’s total annual remuneration.

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. The majority of organisations (around 34%) are continuing their STI scheme as is.

Question 18

Please detail the changes you are making by level.

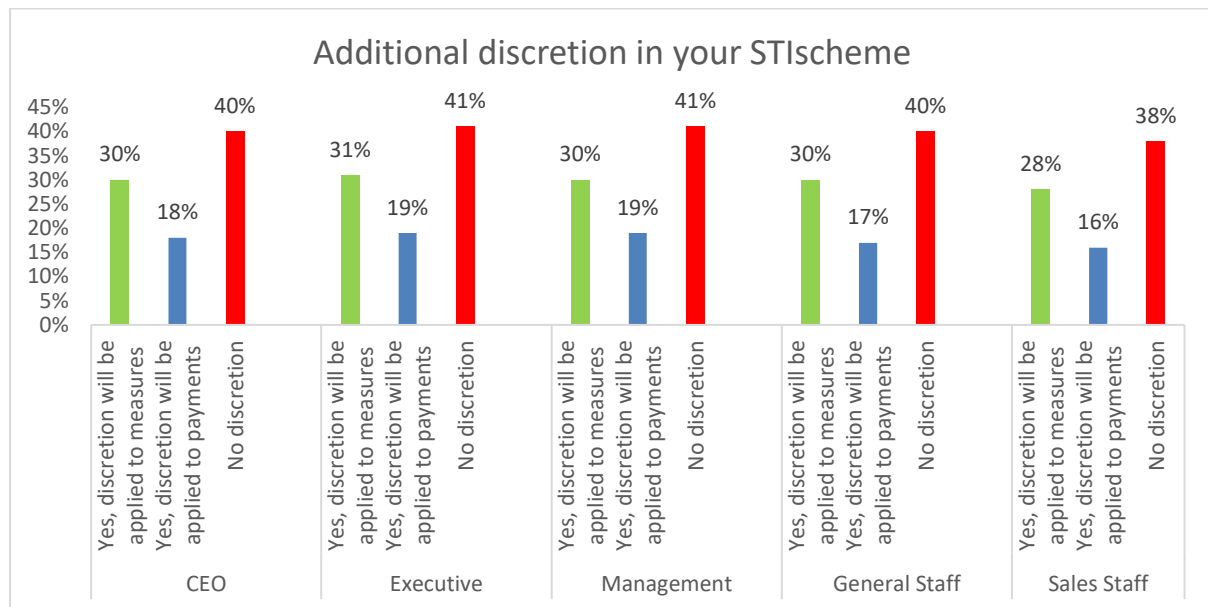


At all levels, around 54% of organisations are not making changes to their STI scheme. Where changes have been made to the STI scheme, introducing new measures is the most popular means of making a change, followed closely by the “Other” category.

Around 6% said “Other”, which includes “potential hold on annual bonus” and “yet to be decided”. Most of the feedback received in this category indicates that currently it is uncertain whether they will be implementing changes as the decision is still pending. This is an indication of the pervasive uncertainty facing organisations.

Question 19

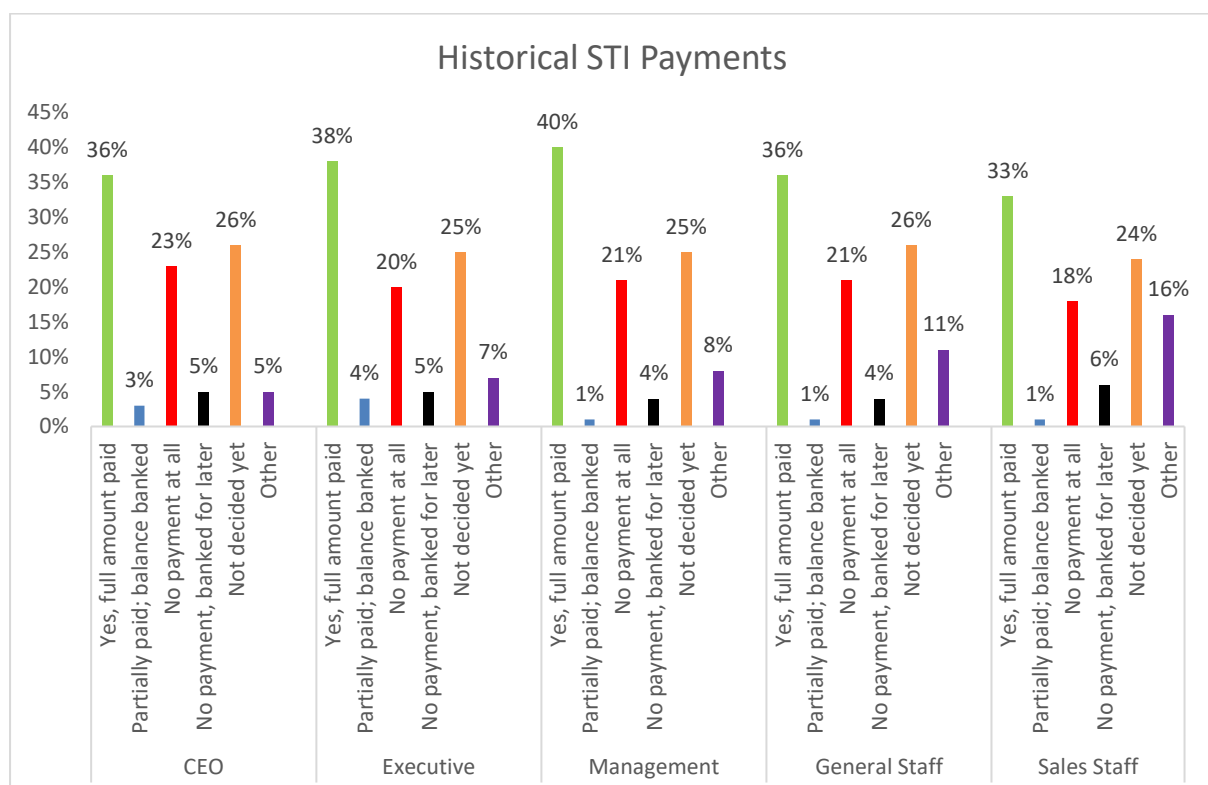
Are you applying additional discretion in your short-term incentive scheme?



The majority of organisations will not be applying additional discretion to both measures and payments in their STI scheme. Results from a previous STI scheme survey that was conducted in the first week of May 2020 indicated that using discretion when applying the STI scheme was the dominant view across all levels.

Question 20

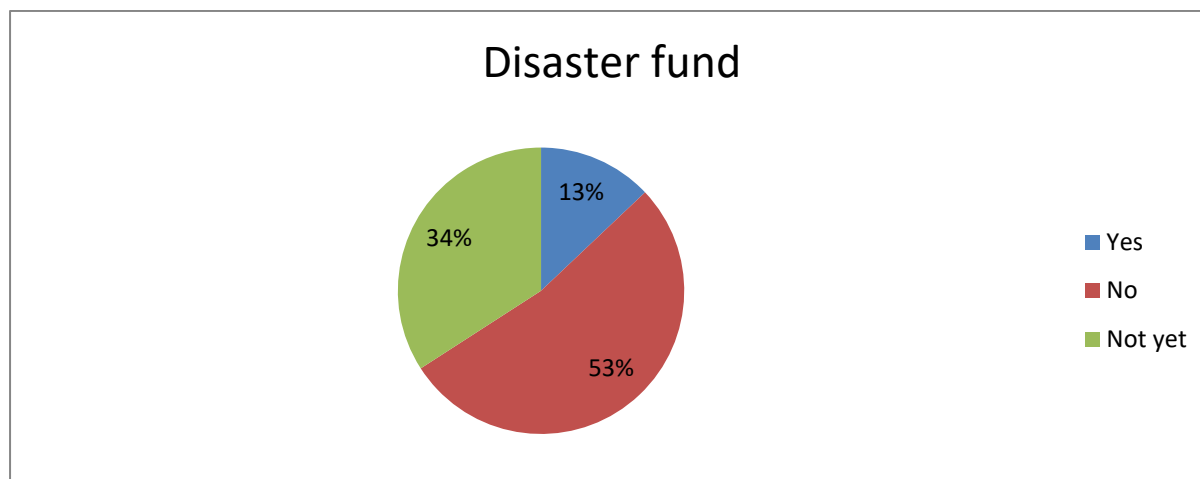
For incentives already earned in the previous period, what is your intention regarding payment?



Over 30% of organisations will be paying all levels the full amount of their STIs that they have already accrued in a previous period. Management has the highest prevalence. Many organisations (25%) have not made a final decision on how to treat these payments.

Question 21

Are you planning to create your own company disaster fund through pay reductions?



Only 13% of organisations are planning on creating their own disaster fund through pay reductions. 34% of organisations are yet to decide in this regard.

Long-term incentive responses

Question 22

Are you making changes to your long-term incentive scheme?

Around half (51%) of the participating organisations do not have an LTI scheme across all levels. Of the 49% that have an LTI scheme, around 28% have one that will continue as is across all levels. 5% will continue their LTI scheme with changes, 4% will put new awards on hold and about 2% will put their top-up allocations on hold

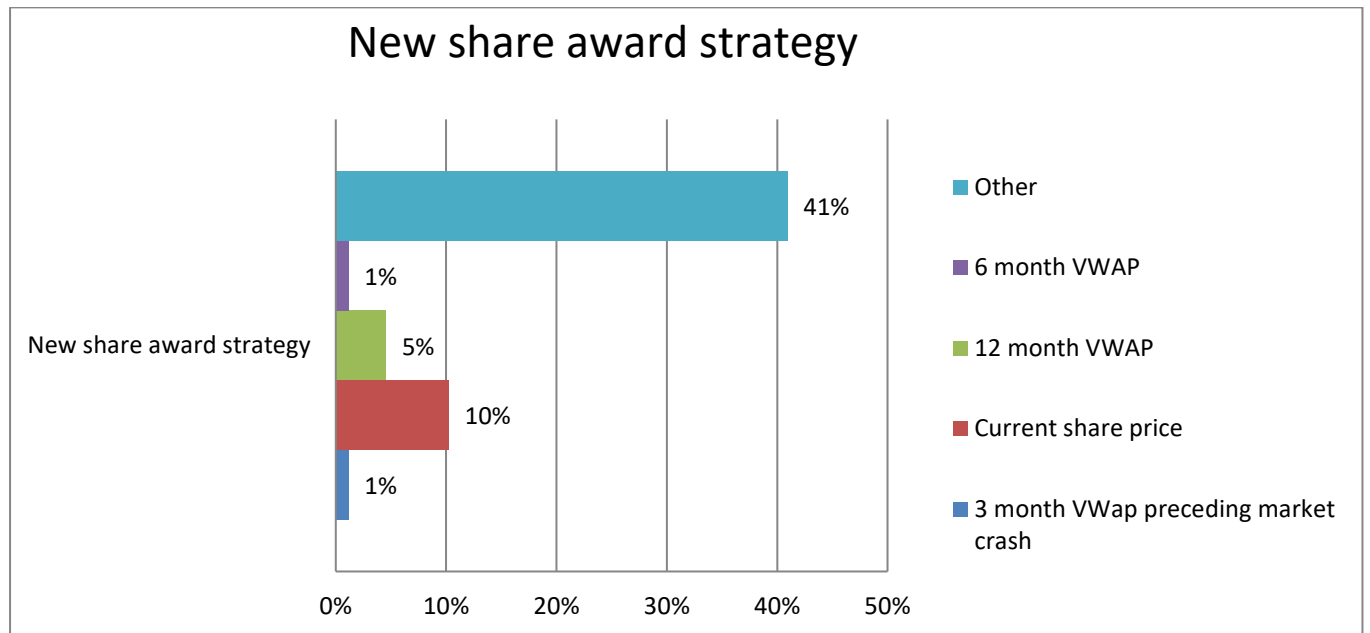
The following changes will be taking place by level:

	CEO	Executive	Management	General staff
Changes to performance conditions in LTI scheme	X	X	X	X
Changes to targets / thresholds	X(most prevalent)	X	X	X
New eligibility criteria	X(most prevalent)	X(most prevalent)	X(most prevalent)	X(most prevalent)
Changes in vesting timing			X	

- Changes to targets/thresholds and new eligibility criteria are both the most prevalent changes for CEOs. New eligibility criteria is the most prevalent change at other levels.
- Management will experience all changes.
- CEOs, Executives and General staff will experience all changes except changes in the vesting time of their LTI.

Question 23

At what award (strike) price will you make new awards?



“Other” includes the following:

- Current VWAP to be used.
- 30 days VWAP.
- 20 day VWAP at time of award.
- Under consideration no final decision.
- We will wait to see.

In our opinion, the granting of new allocations could be done since they have 3 to 5 year performance conditions or restrictions attached as long as the volume-weighted average price (VWAP) for the past year or past 3 months before the share price collapse worldwide is used. This is important because it could be considered as future enrichment if executives are offered at the current depressed price, which is expected to lift. In addition, the performance conditions that are used for threshold and stretch pay-outs should not be altered for economic conditions during the pandemic because of the long-term value creation nature of this component of executive remuneration.

Question 24

Please indicate your treatment for shares due to vest.

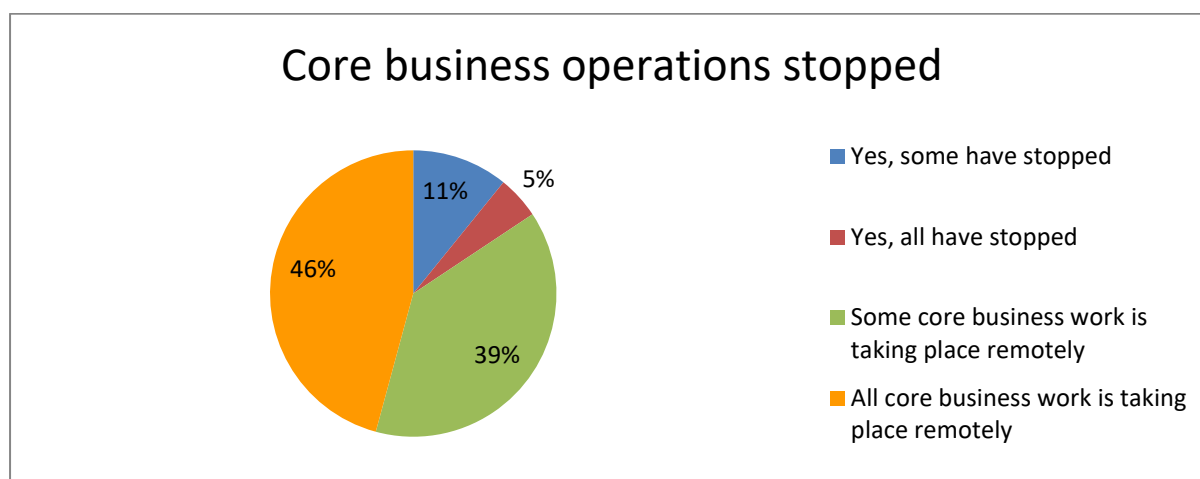
“Vested shares held for a defined period” is the least prevalent option. “Other” is the most prevalent option and it includes the following:

- Delayed vesting.
- All depends on when we can open and business starts to pick up.
- Unknown at this stage.
- The bulk of organisations are making no changes to vesting conditions.

Change readiness for employers

Question 25

Have your core business operations stopped?



- 46% of organisations have all core business work taking place remotely. When this question was asked in the “Change readiness for employees” survey in April, only 20% of participating organisations fell in this category. More organisations have managed to transition to working remotely.
- 39% of organisations have some core business work taking place remotely. This figure was 60% in the previous survey. This decrease is expected as most employees can now return to the workplace to perform some core business operations.
- 5% say all their core operations have stopped.

Question 26

Which of the following changes have already occurred in your organisation, as a result of Covid-19?

Changes in overall organisation budget	77%
Changes in revenue	73%
Changes in divisional budgets	59%
Changes in business processes and systems	48%
Changes in the organisation culture	44%
Changes in the organisation strategy	42%
Changes in business model	30%
Changes in the organisation structure	26%
Changes in remuneration (TGP - Total Guaranteed Pay)	25%
Changes in remuneration (STI - Short-Term Incentives)	24%
Changes in employee turnover	22%
Changes in Performance Management	20%
Changes in the basic conditions of employment	17%
Changes in remuneration (LTI - Long-Term Incentives)	14%
Changes in employer turnover	9%
Other	2%

At the top of this scale we see an immediate response of organisations altering their overall budgets (77%) and revenues (73%). In a previous survey conducted in April 2020, these figures were 66% and 60%, respectively. This increase was expected, given that most organisations' revenues continue to be affected negatively due to the pandemic. 48% have made changes in business processes and systems.

“Other” includes the following:

- Retrenchments.
- Design of new corporate office design- not as much office space, more collaboration spaces and team engagement spaces.
- Remote working policy and process implemented.
- Change to retrenchment policy- aligned to LRA.
- Automated/paperless processes implemented.

Question 27

Which of the following changes do you believe your organisation will experience in the near future as a result of Covid-19?

Changes in the organisation culture	65%
Changes in overall organisation budget	56%
Changes in revenue	55%
Changes in the organisation strategy	51%
Changes in divisional budgets	48%
Changes in business processes and systems	48%
Changes in Performance Management	43%
Changes in business model	42%
Changes in the organisation structure	42%
Changes in employee turnover	38%
Changes in employee remuneration (STI- Short-Term Incentive)	33%
Changes in employee remuneration (TGP- Total Guaranteed Payment)	24%
Changes in the basic conditions of employment	22%
Changes in employee remuneration (LTI- Long-Term Incentive)	20%
Changes in employer turnover	14%
Other	5%

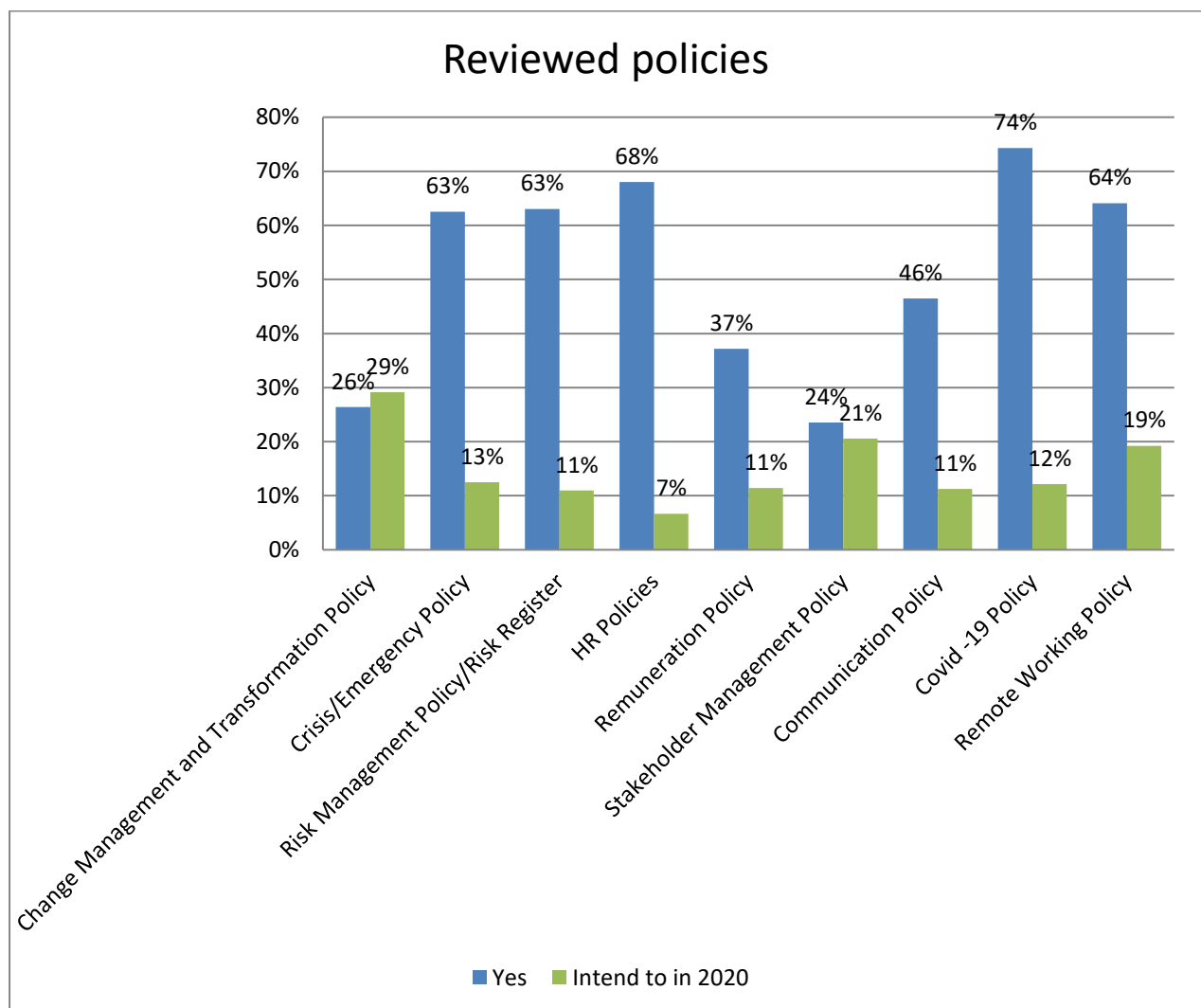
Changes in overall organisational budget and revenue are still among the top changes. This shows that most organisations that have not yet implemented these changes are aware that these changes are inevitable, given the direct impact on revenue experienced during this pandemic.

“Other” includes the following:

- Change on company policies.
- More opportunities for remote working will be implemented.
- A much smaller company.
- Policy changes - remote working, retrenchment policy, car allowances, etc.
- More automated and paperless processes.

Question 28

Has your organisation started reviewing the following policies as a result of Covid-19?



In the previous survey, only 36% of organisations had a COVID-19 policy, now this figure has significantly risen to 81%. Of the 81%, majority of them (74%) have started to review this policy. More organisations have found it necessary to have this policy as COVID-19 heavily impacted all aspects of business and it is expected to affect us into the future.

The majority of organisations are reviewing all policies due to the pandemic. Going forward, with change being the only guarantee we have seen with this pandemic, organisations will have to review or enhance policies they have in place.

Question 29

Does your organisation have trained change agents to manage the current and future changes?

The majority of organisations (55%) do not have trained change agents. 45% of organisations have trained change agents.

Harnessing talent post COVID-19

Question 30

In view of the changes in your business landscape, please rate the following talent challenges that your organisation faces.

Talent challenges	No challenge	Minor challenge	Major challenge
Not having the right people, with the right skills/capabilities, in the right roles	21%	64%	15%
Ability to quickly deploy the right people when vacancies arise, without significant disruption to other parts of the organisation	20%	53%	27%
Talent requirements and priorities not clearly defined across the organisation	35%	55%	10%
Skills/Competency requirements not clearly defined and/or inconsistently applied	39%	44%	18%
Lack of objective, up to date, critical talent data to make strategic business decisions	36%	45%	19%
Unclear about what criteria to use to select the best talent	54%	40%	6%
Talent gaps in critical roles	23%	50%	27%
Lack of a diverse talent pool of talented employees who are ready to be deployed as new opportunities present themselves in your	15%	53%	32%
Inability to attract the right talent	33%	59%	8%
Engagement levels of key talent	35%	51%	14%
Development plans not targeted at specific skills gaps	34%	40%	27%
Retention risks of key talent in critical roles	20%	52%	28%
Managers not sufficiently upskilled to effectively manage talent	16%	59%	24%
No clearly defined talent strategy	33%	49%	19%
Leadership and/or line managers not taking ownership of and not actively engaged in talent management processes	22%	47%	31%

“Other” includes the following:

- Localising international talent management strategy.
- Getting African talent to move to the Western Cape.
- Retention of key talent.
- Employees do not have the same skills within the same positions.
- We do not have enough BEE talent in our mid and junior management levels to be successors for the senior management positions.
- Inadequate system or process to talent management.
- Lack of interest due to no remote working.
- Scarcity of talented technical skills especially in programming and development.
- Difficult to find talented people willing to work in rural areas of South Africa.

- Other organisations head hunting our talent.
- Geographical location and ability to remunerate competitively.
- Hiring diverse candidates in senior positions.
- Succession Planning.
- Critical Skills focused on concrete technology.
- Right people in right places with right skills.
- No new work coming in.
- Lack of external talent mapping.

Question 31

Will the following be regarded as focus areas for your organisation once the economy starts to unlock?

Focus areas post economic lockdown	Yes - an immediate focus	Yes - a focus within the next 6 months	No
Defining talent priorities to enable the achievement of business results	42%	42%	17%
Identification of positions that are critical to the success of the business	49%	40%	12%
Identification of competencies required to deliver the business strategy	40%	47%	14%
A process for identifying, assessing and developing the next generation of leaders in your organisation	27%	59%	14%
Objective assessment of talent to predict future performance	18%	69%	13%
Reviewing, consolidating and reporting of talent data – talent analytics	15%	67%	18%
Understanding the career aspirations of current and emerging talent	17%	67%	17%
Having targeted development plans in place to address skills gaps and to facilitate career progression	29%	56%	14%
Mitigating the retention risk of key talent	41%	47%	12%
Upskilling of HR on value-added talent management processes	21%	59%	20%
Upskilling of line managers on value-added talent management processes	25%	58%	17%
Clearly defined talent strategy with specific areas of accountability	28%	55%	16%

Additional focus areas identified include the following:

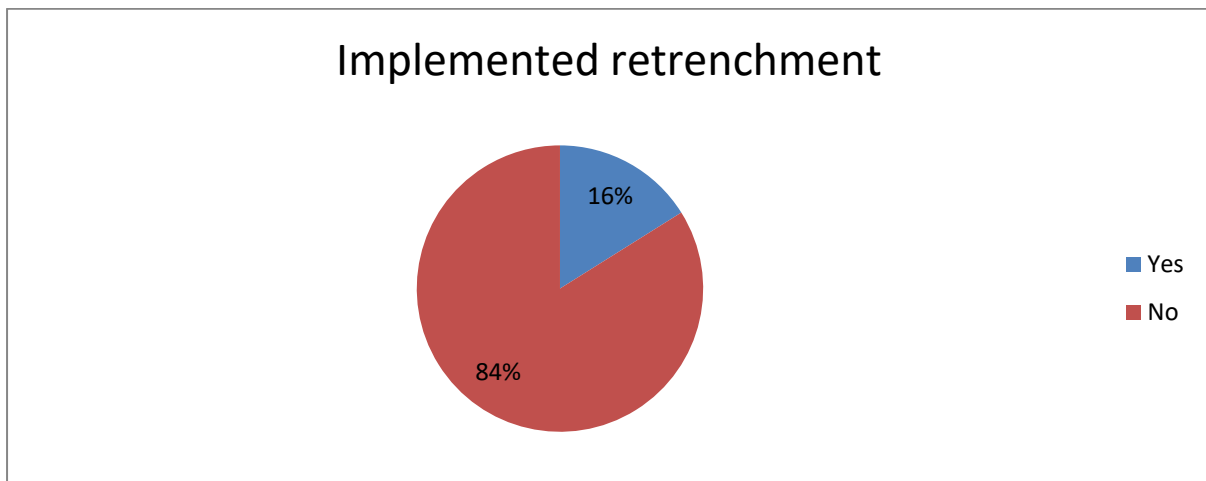
- Retention of key talent.
- Digital strategy and implementation.
- Expanding to new areas of operation.
- Ensuring that company culture is instilled in all new hires.
- Support to the economy.
- Cultural changes.
- Establishing a remote working policy.

- Ensuring that the organisation is equipped with the latest technology to ensure smooth workflow.
- Reduce cost and expenses.
- Product development.
- Scenario Planning.

Business response to the pandemic

Question 32

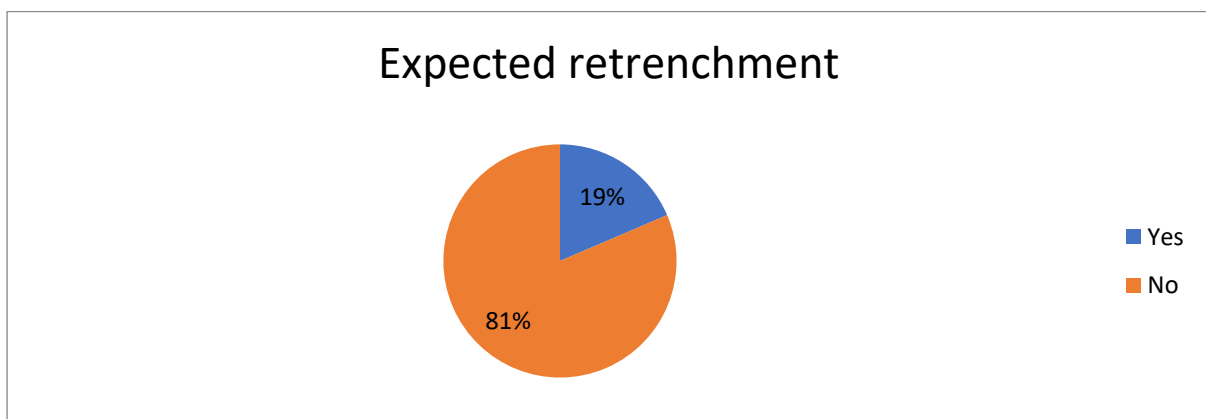
Has your organisation implemented retrenchments due to COVID-19?



Few organisations have implemented retrenchments formally at this stage. 84% have not implemented them, this figure of planned retrenchments seems to be on the increase as the market adjusts to the impact of the pandemic.

Question 33

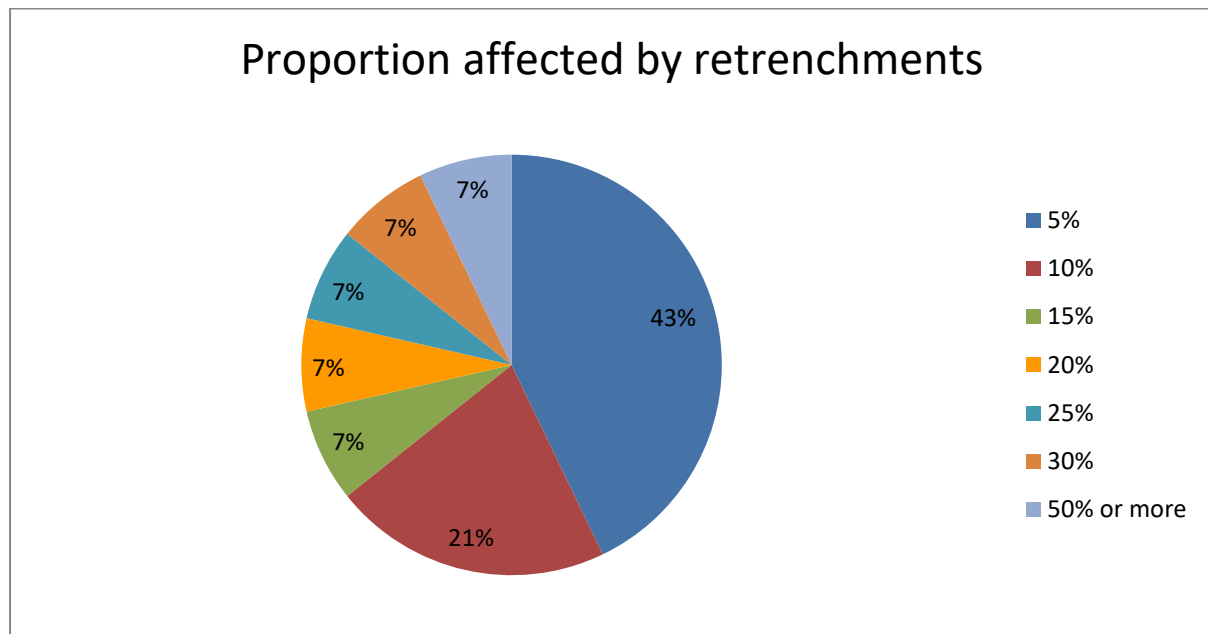
Is your organisation planning to implement retrenchments due to COVID-19?



Only 3% of those that have not implemented retrenchments are expecting to implement them due to the pandemic.

Question 34

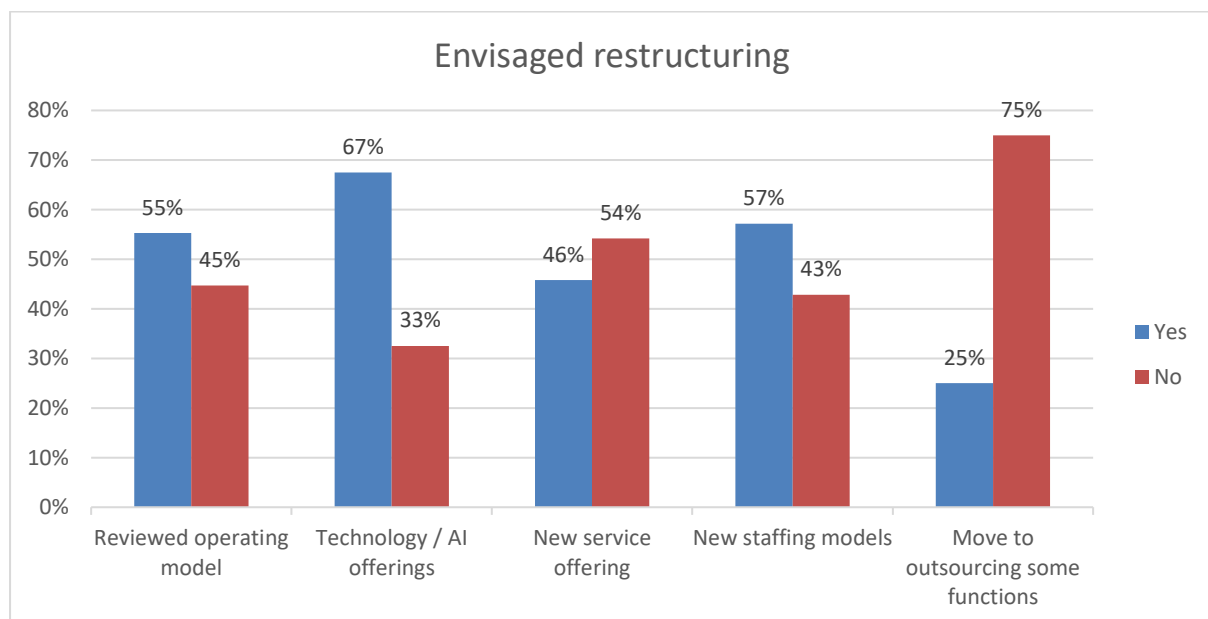
What proportion of your workforce is expected to be affected by the retrenchments?



- The majority of organisations (43%) have only 5% of their workforce affected by retrenchments.
- 21% of organisations have 10% of their workforce affected by retrenchments.
- The remainder of the sample has 15% or more of their workforce affected by retrenchments.

Question 35

Is the following restructuring envisaged in your organisation?



Overall, 50% of the organisations envisage restructuring in their organisation, and 50% do not. As expected, restructuring in technology/AI offerings is the most prevalent.

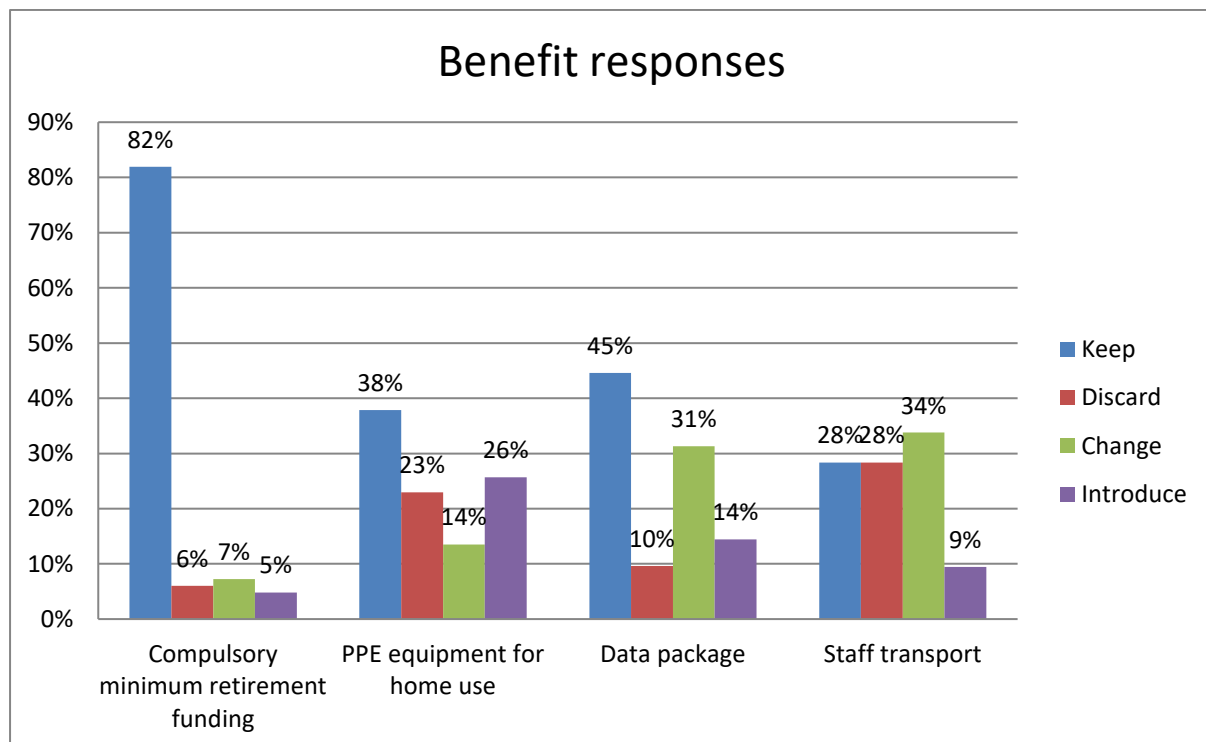
Comments/Examples on the type of envisaged restructuring includes the following:

- Outsourcing to intercompany resources in Europe, the Middle East and Africa.
- A functional shared services pool and shared resources pool.
- Payroll.
- Increased collaboration.
- New staffing models- build cross -functional teams.
- Technology/AI Offerings - offering various types of remote support to customers.
- Building AI, automation/digitalisation skills.
- E-learning platforms (move away from classroom-based training).
- Company is already revising our technological offering to customers focusing on COVID-19 management. Staff surveys showed that our employees are willing and able to work productively from home so we will be revising our office environment.

Benefits

Question 36

How is your organisation responding in regard to the following benefits?



- 82% of organisations are keeping the “compulsory minimum retirement funding” benefit, and 6% are discarding it.
- 38% are keeping the “PPE equipment for home use” benefit, 23% are discarding it and 26% are going to introduce it.

- 31% are changing their data package benefit and 14% are introducing it. These changes could be due to there being an extraordinary rise in the use of alternative internet-based communication platforms globally.
- It is interesting that some organisations are discarding staff transport, since travelling with public transport is a big risk now, and most employees are allowed to return to the workplace.

In Summary

From these responses, it appears that employers are acting with care, and are not quick to make permanent policy changes during these uncertain times. The extent at which participating organisations have opted for “Other” as a response option, is indicative of the stage in which we find ourselves, making key policy related decisions “on-the-go”. In so doing, we are crafting new norms and practices, whilst being at the cusp of the new world of work.

Most of the market can return to the workplace, but many employees are opting to work in the safety of their homes, where this choice is available to them. These employees will eventually return to the workplace, as work from home is only a temporary offering in most organisations. In the case of their remuneration practices, most organisations are continuing to pay employees in full, whilst working from home, as well as to provide them with the necessary tools of trade such as access to computers or laptops, and data/remote internet connection.

Most organisations are providing annual leave to employees who cannot work remotely and/or return to the workplace. The majority of the other organisations are selecting the “Other” option, this result shows that organisations are indeed applying a best-fit approach to them, depending on their unique environments and financial circumstances. Normal pay is mostly applied by organisations for those employees.

The uncertain economy has had an impact on STI and LTI schemes as organisations pursue survival. Several organisations remain undecided as to their response to the pandemic from a remuneration perspective and are awaiting more information before making any changes to both their LTI and STI schemes. Few organisations have put their share schemes on hold in terms of top-ups and new awards. We expect to see this practice shift as time goes on.

The change that has been imposed upon organisations by this pandemic has impacted organisations differently, with the majority seeing the need to review their policies, practices, and processes. There is some expected change in employee turnover, this area will have to be watched closely and some anticipation and mitigation strategies will have to be employed as there is a lot of uncertainty for employees, and job security is becoming more important.

The majority of organisations do not have trained change agents and that could possibly be the reason why only some managed to smoothly adjust to working remotely when the pandemic first struck.

The majority of organisations will only focus on areas of talent management with the next 6 months, and majority are keeping their current benefits for their employees. No one knows how massive the pandemic's impact on business and employees will be. The economy will continue to unlock as we transition towards level 1, and this transition will come with more changes within organisations. Organisations would most probably not want to make any drastic changes to their talent management policy and their benefits during these uncertain times.

We are all in this together during this stressful and uncertain period. It is at times like this, that true leaders stand out. Be a leader for our country, our organisations, our communities, our families. The economic impact of this pandemic cannot be avoided, but if organisations are fit and ready to return to full capacity when this cloud passes, we can get through this. Remember to be kind and if you can, share with those less fortunate than ourselves.

We trust that the results of this survey contain some credible market ideas for organisations that are still waiting for guidance, or that are reviewing and refining their response to the pandemic and their current practices during the pandemic and beyond.

Stay safe! #flattenthecurve

The 21st Century Team