Navigating the Covid-19 Crisis: The New Normal of the Workforce

Sharing by Willis Towers Watson for the Malaysia Context
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ICDM Institute of Corporate Directors Malaysia

The content herein was presented in partnership with ICDM for the Covid-19 Webinar Series - Navigating the Covid-19 Crisis: The New Normal of the Workforce (Part 2) on 4th May 2020 at *https://icdm.com.my/webinar*

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Today's Agenda

Recap of Part 1: Managing through the Crisis and Restoring Stability

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Operating post-crisis: Mid- to long-term actions to sustain human capital value

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Questions and answers

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Executive Director, Talent & Rewards Leader, Willis Towers Watson Malaysia

Recap from Part 1: Key takeaways to respond to Covid-19 and prepare for the way forward

- Have a **clear exit strategy** to navigate the aftermath of lockdown, while prioritizing wellbeing of employee post-crisis world

- There is **no one size fits all solution** – assess the level of impact Covid-19 will have on the business and financial performance before determining the course of action

- See this crisis as a **defining leadership moment** – define the principles and values that will guide leadership decisions balancing company and employee wellbeing

- **Focus on the intersection of employee and company wellbeing – engage all stakeholders to understand their** shifting needs and priorities to guide actions

- Be **agile and flexible** to pivot to multiple short-term scenarios while simultaneously building resilience to thrive in the new normal

- Plan for the **long-term sustainability of the business** – looking at the **future way of work and HR 4.0** through reinventing of the workforce and ROIP of work to build resilience to thrive in the new normal

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Addressing questions and challenges from Part 1 Webinar

Malaysia Context - Unemployment

1. Unemployment statistics resulting from Covid-19

Business Performance and Workforce Impact

1. Balancing cost cutting, engaging employees and employee health

2. Changing of business and operating model to enable businesses to pick up, access new customers, while cost and expenses remains a challenge

3. Low touch-economy and how prepared are Malaysian companies and consumers and the impact to HR

Leadership Requirements and Trust

1. Mindset of leaders in setting expectations for WFH

2. Fostering trust between management and employees

3. Transformational leadership in the VUUCA World

Talent and Skillsets for New Normal

1. Retention of talent and skillsets for the new normal (e.g. Digital Quotient)

2. Reality check for employees to upskill their talent to add value to their respective organization. Technology is here to stay and AI is going to be more prevalent in all workforce. That's the Future of Work

3. Best practices you've experienced of companies reskilling their workforces during MCO

We see the situation unfolding across three distinct stages, along with the key scenarios and its priorities to address the current realities and prepare for the journey forward to protect, preserve and create human capital value

Three distinct stages

Key scenarios and priorities

1 | Managing through the crisis
Protect and Preserve Human Capital Value

Reacting and Resolving the sudden transition of work from home for employees by ensuring critical enablers are in place

2 | Restoring stability
Regenerate Human Capital Value

Returning and Reorganizing the workforce to restore stability and enhancing HR programs to further support a dispersed workforce working from anywhere

3 | Operating post-crisis
Sustain Human Capital Value

Reimagining and Reinventing the way work is done by looking at different work alternatives vis-à-vis the performance and value delivered

Reforming for HR4.0 to enable a positive transition to the future way of work by defining how work is experienced, how it is done and how the workforce evolves to be a combination of full-time employees, contingent workforce and automation

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Reimagine and Reinvent & Reform for HR 4.0 – Build agility and resilience to accelerate business recovery and making it stronger by unlocking new levels of performance and productivity

3 | Operating Post-Crisis
Sustain Human Capital Value

Reimagine and Reinvent & Reform for HR 4.0

Challenges in anticipating the full impact of Covid-19 and the new levels of performance and productivity required to operate post-crisis

1 | How do we align organizational and people elements to accelerate revenue recovery and drive business performance, focusing on where it matters and how people work best?

2 | How do we structure work based on return on improved performance, and looking at talent alternative to rapidly build organizational capabilities required for new business models and demands?

3 | How can we create sharper alignment between employers and employees to drive excellence and create sustained value for the business?

Key imperatives for post-Covid return: Aligning organizational and people elements to what is required to accelerate revenue recovery

1 **Redefine the Core** *to rapidly recover revenue*

2 **Make Work Portable** *to enable new ways of working*

3 **Broaden Your Employment Repertoire** *to tap into rich and diverse sources of talent*

4 **Reset Culture & Experience** *to re-energize in the new normal*

- Take on a start up mindset to rethink revenue profile, positioning for the long term and to get ahead of the competition

- Align operating model to rapidly recover revenue and what work is performed that will reduce drag and accelerate business performance

- Human will be at the core and companies will need to be structured in an agile manner based on how people work best

- Move from job level and structure to work outcomes, altering what work is performed and how we perform it, focusing on where it matters and the ROIP gained

- Embrace the future of work – defined by the use of more automation and technology to augment people

- Look beyond buying and building talent, utilizing 6B workforce strategy and tapping into broader talent ecosystem through contingent workforce, gig and sharing economy and partnerships, supported by automation

- Commit to not go back to the 'normal mode of operations' pre-Covid

- Rethink how can we be faster, more agile and more resilient to stay ahead

- Bring people through the change journey towards the new purpose, redefining who we are, how we work and how we grow

Reinventing the workforce through jobs for alternative ways of work looking at which part of the work can be automated, be done by human and augmented to create more value

1 Deconstruct jobs into their activities and classify the tasks so all of the type of work in the job is now broken down
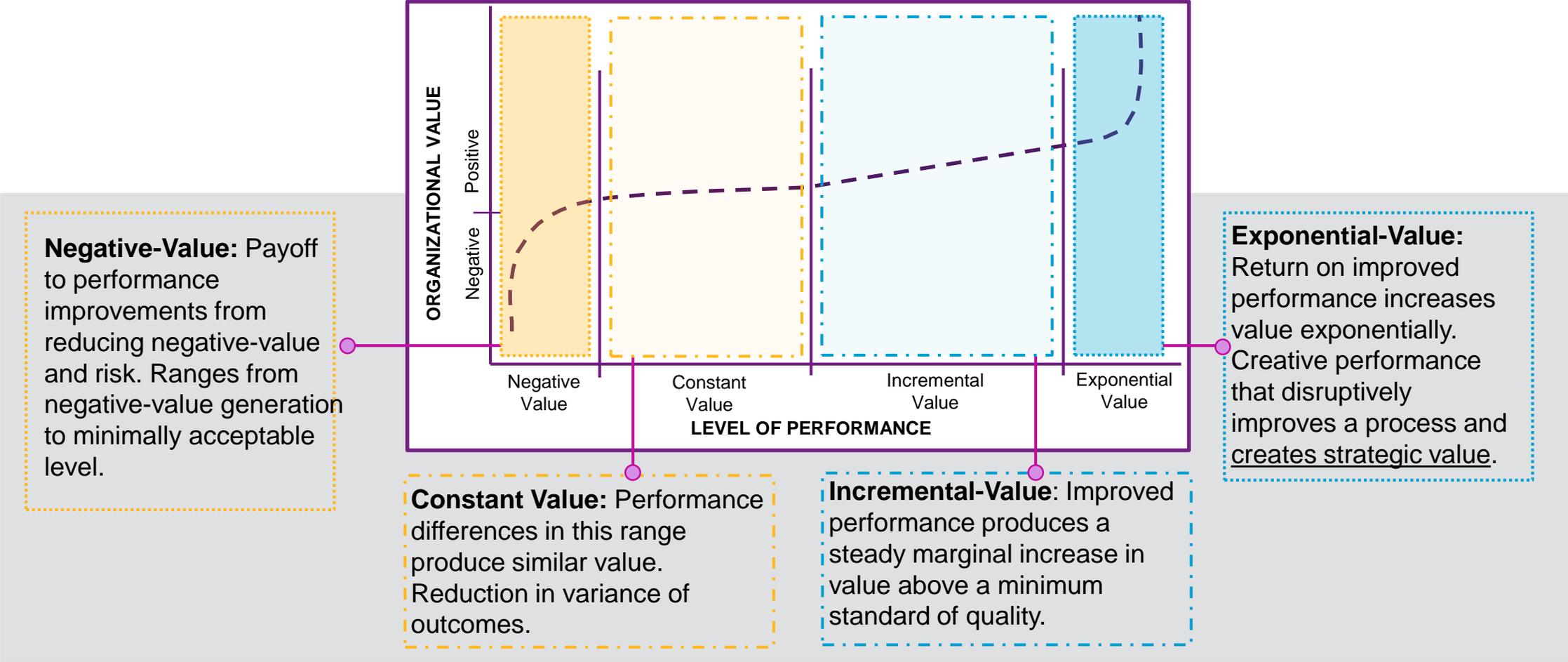
Reinventing jobs to reinvented work

2 Assess the best way to automate tasks and redeploy them by alternate means (technology and/or human-automation solutions)

Deconstruct Jobs

Reevaluate

Reinventing Jobs

Reskill Talent

Optimize Work & Reconstruct Jobs

4 Identify skills needed for the future version of the work and reskilling pathways for talent whose work is being transformed by automation

3 Look at the activities collectively and reconstruct into (new) jobs where it makes sense, taking into account: the new means of accomplishing the work, and what the new work distribution between talent and technology requires
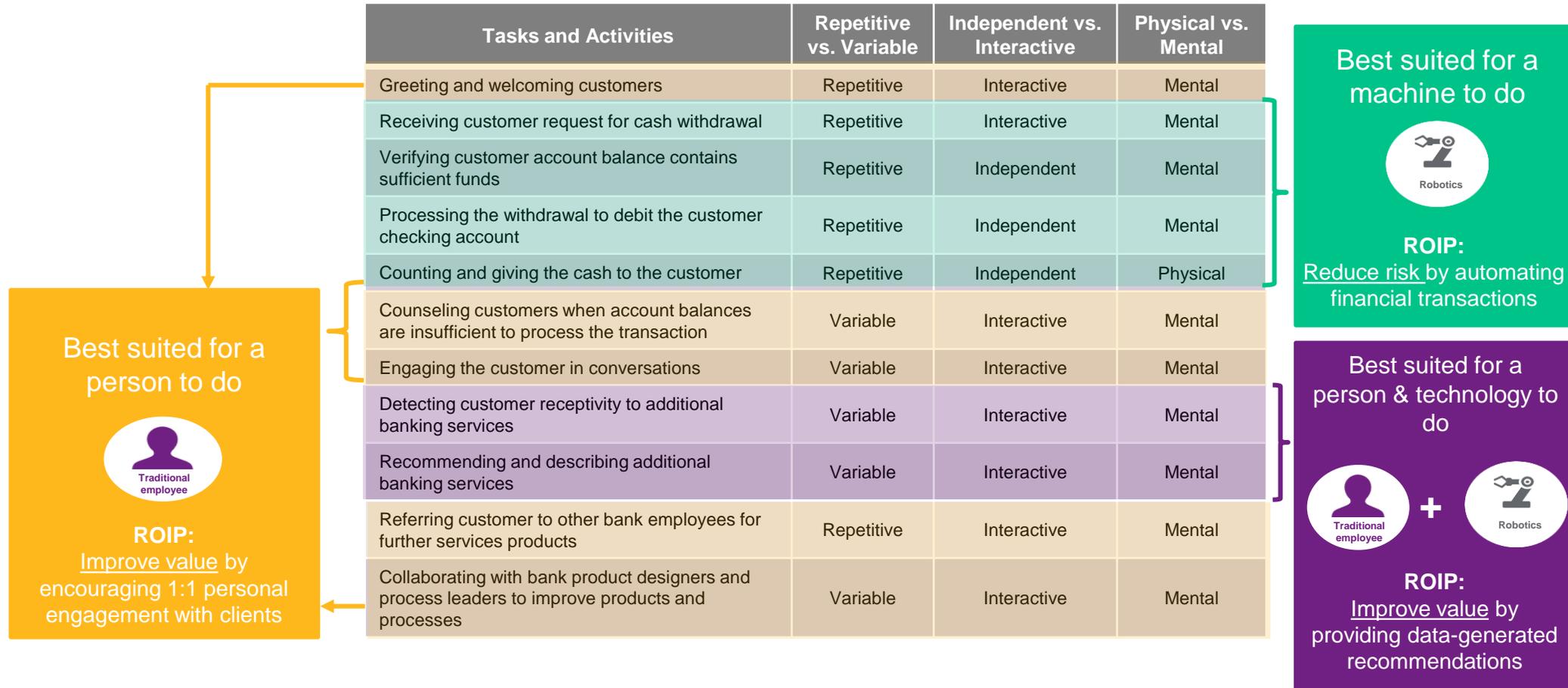
Reinventing jobs must be guided by what will drive value, based on the Return on Improved Performance (ROIP) of different types of work

As we look at the work, where does improving performance enhance Strategic Value? Where does it mitigate risk?

Negative-Value: Payoff to performance improvements from reducing negative-value and risk. Ranges from negative-value generation to minimally acceptable level.

Exponential-Value: Return on improved performance increases value exponentially. Creative performance that disruptively improves a process and creates strategic value.

Constant Value: Performance differences in this range produce similar value. Reduction in variance of outcomes.

Incremental-Value: Improved performance produces a steady marginal increase in value above a minimum standard of quality.

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In action – Reinventing the Bank Teller Job

The tasks of the bank teller are divided into two categories – many of the tasks that are repetitive and independent can be replaced by technology (Automated Teller Machines (ATMs))

Tasks and Activities	Repetitive vs. Variable	Independent vs. Interactive	Physical vs. Mental
Greeting and welcoming customers	Repetitive	Interactive	Mental
Receiving customer request for cash withdrawal	Repetitive	Interactive	Mental
Verifying customer account balance contains sufficient funds	Repetitive	Independent	Mental
Processing the withdrawal to debit the customer checking account	Repetitive	Independent	Mental
Counting and giving the cash to the customer	Repetitive	Independent	Physical
Counseling customers when account balances are insufficient to process the transaction	Variable	Interactive	Mental
Engaging the customer in conversations	Variable	Interactive	Mental
Detecting customer receptivity to additional banking services	Variable	Interactive	Mental
Recommending and describing additional banking services	Variable	Interactive	Mental
Referring customer to other bank employees for further services products	Repetitive	Interactive	Mental
Collaborating with bank product designers and process leaders to improve products and processes	Variable	Interactive	Mental

Best suited for a person to do

Traditional employee

ROIP:
Improve value by encouraging 1:1 personal engagement with clients

Best suited for a machine to do

Robotics

ROIP:
Reduce risk by automating financial transactions

Best suited for a person & technology to do

Traditional employee + Robotics

ROIP:
Improve value by providing data-generated recommendations

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The crisis has placed emphasis on the need for organization and people to pivot together as we emerge into a 'new-normal' post-crisis
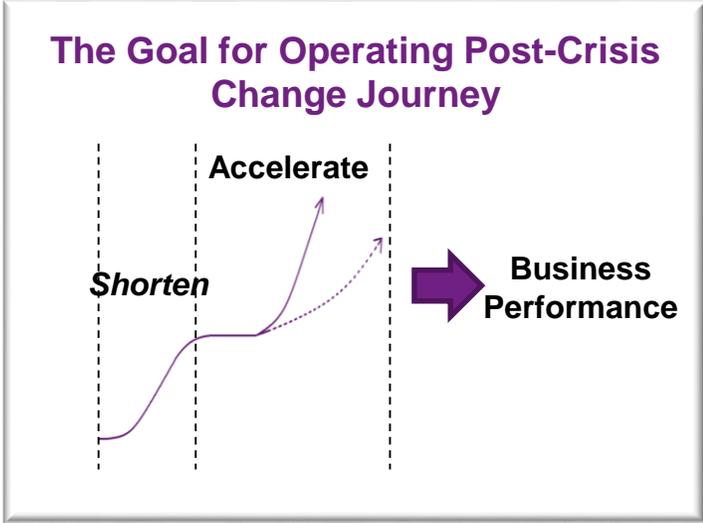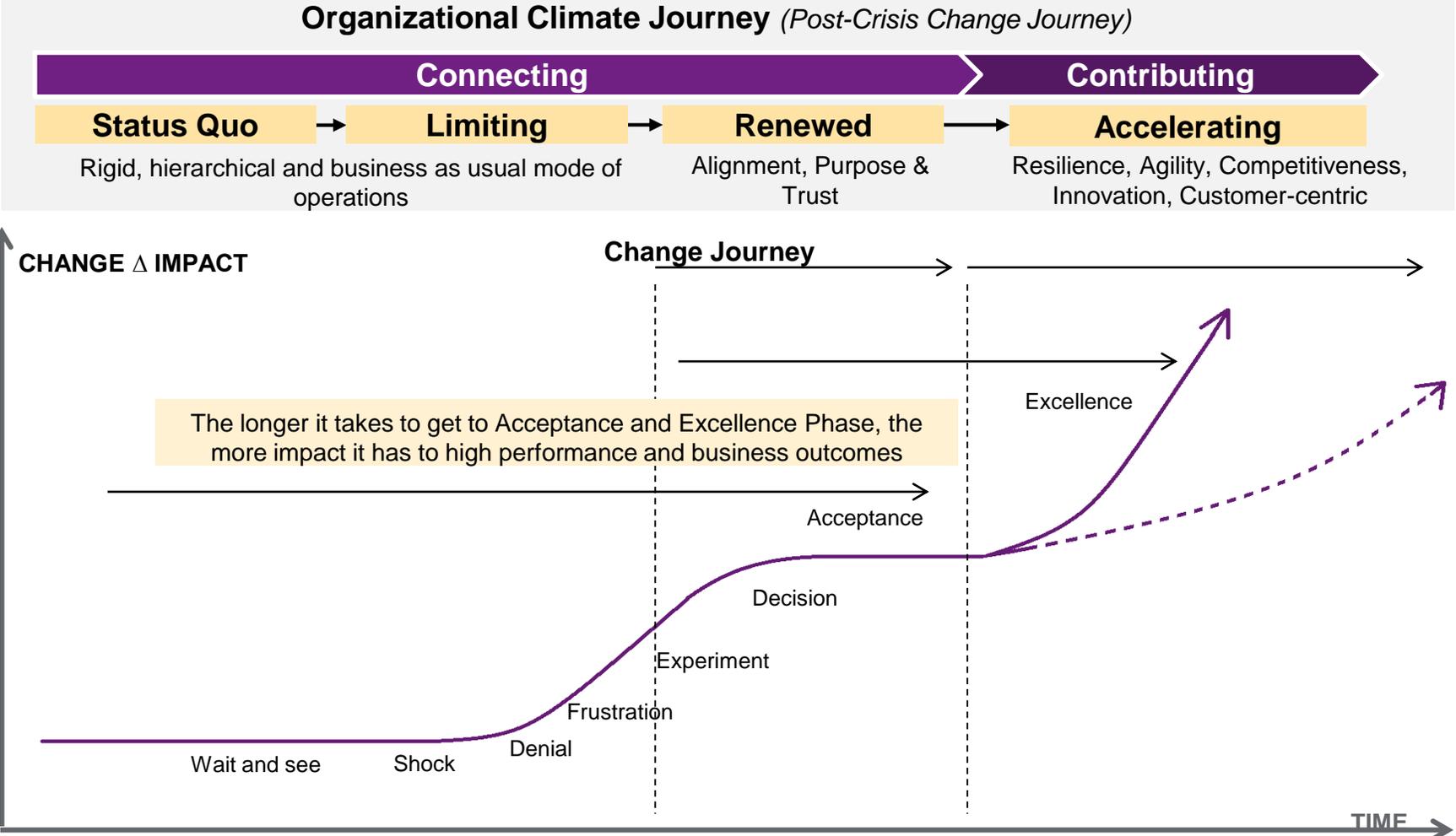
We are asking – and needing – employees to **exist** in new environments, **think** in new ways and **act** differently.

Doing so, impacts how they *experience* work and *feel* about their role and their future; it impacts how leaders *show up* and, ultimately, it determines how the business *pivots and performs.* The approach organizations take to balance business sustainability with employee experience decisions will be key to accelerating back.

How do we reset culture and experience for the new normal to navigate the journey of **connecting** employees to the purpose and **contributing** to accelerate recovery of revenue and business performance?

The goal for operating post-crisis is to be able to return to full speed in shorter time-frame to drive business performance in the new normal

Organizational Climate Journey *(Post-Crisis Change Journey)*

Connecting			Contributing
Status Quo	**Limiting**	**Renewed**	**Accelerating**
Rigid, hierarchical and business as usual mode of operations		Alignment, Purpose & Trust	Resilience, Agility, Competitiveness, Innovation, Customer-centric

CHANGE Δ IMPACT

Change Journey

The longer it takes to get to Acceptance and Excellence Phase, the more impact it has to high performance and business outcomes

Excellence

Acceptance

Decision

Experiment

Frustration

Denial

Wait and see   Shock

TIME

The Goal for Operating Post-Crisis Change Journey

Accelerate

Shorten

Business Performance

What a High Performance Employee Experience looks like, to bring people through the change journey, be connected to a new purpose and build resilience for what lies ahead

	CONNECTING		CONTRIBUTING	
EXCELLENCE	**INSPIRATION** *"I am inspired by what our company stands for and my role in shaping our future"*	**TRUST** *"I trust our leaders to use good judgment while living our values and protecting our wellbeing"*	**DRIVE** *"I'm ready and able to work in new ways to transform our business"*	**GROWTH** *"I know how to grow my career and stay focused on achieving my ambition and potential"*
EMPHASIS	**INCLUSION** *"I feel a deep sense of connection to achieving our mission"*	**COLLABORATION** *"As colleagues, we have strong regard for each other and our shared experiences"*	**VOICE** *"I can openly communicate my views and contribute to solving our business challenges"*	**CAPABILITY** *"I am learning the skills I need to adapt and be resilient during this time"*
ESSENTIALS	**UNDERSTANDING** *"I understand how my job contributes to our current business priorities"*	**SUPPORT** *My manager understands my current needs for support, and I know where to seek answers when I have concerns"*	**ORGANIZATION** *"I know where to find the information, tools, and resources I need to get the job done"*	**FAIR PAY** *"I have access to the resources and benefits needed to manage my wellbeing"*
	Purpose	**People**	**Work**	**Reward**

Reimagine and Reinvent – Guide and action items to focus on

3 | Operating Post-Crisis *Sustain Human Capital Value*	**Reimagine and Reinvent**

Priority

Going into a New Normal
Mid-Term

Forward planning to rethink workforce strategy aimed at having a **workforce configuration that is an optimal** combination of FTEs and automation in the new normal

Actions Considered

- Accelerate digital transformation to support optimization of work through reinventing of jobs and automation (e.g. automation of highly repetitive tasks)
- Implement reskilling and upskilling programs aligned with new ways of working
- Assess and execute changes to work and Total Rewards programs for new assumptions to support work from anywhere (WFA)
- Review the overall health, safety and wellbeing programme for employees

Review workforce strategy and configuration 👤

- **Review options for new ways of working**, reinventing jobs based on ROIP, automation and technology, to support workforce planning and scaling strategy
- **Develop workforce solution roadmap** to move towards optimal workforce configuration, supported by automation and digitization
- **Identify and implement reskilling and upskilling pathways** for talent whose work is being transformed by automation

Redesign PM & Total Rewards 💳

- **Review and redesign PM and Total Rewards programs** to support WFA (i.e. sustainability and cost flexibility)
- **Review 2020 short- and long-term incentive plans** in light of COVID-19, economic conditions and business performance/outlook
- **Develop retention program for critical talent** as needed
- **Look at options to simplify HR programs** (e.g. performance management, year-end calibration, talent acquisition)

Implement employee listening strategy & purpose-led leadership ⬡EX

- **Implement robust and ongoing employee listening strategy** to track the success of return to productivity and business performance
- Go beyond respect **(dignity at work)** to finding meaning and purpose in work **(dignity in work)**
- **Develop playbooks and guidelines** to 'purposefully' lead, manage and maintain productivity & performance in future crises and business continuity

Enhance wellbeing programs 🧠

- **Enhance wellbeing programme** to align with work from anywhere situation (e.g. necessity of maintaining personal / social connection, 'difficulty to unplug' when working remotely, motivation etc.)
- **Implement comprehensive physical wellbeing programs and preventative measures** to manage chronic conditions, vaccination, and incentives for health risk assessment
- **Manage residual wellbeing impact of COVID-19** pandemic through the mid-term (e.g. specialized Covid-19 claims management and/or vocational rehabilitation)

Reimagine and Reinvent – Guide and action items to focus on
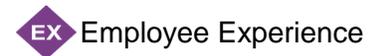
3 | Operating Post-Crisis *Sustain Human Capital Value*	**Reimagine and Reinvent**

Priority

Moving to Future Way of Work
Long-Term

Anticipatory planning by having flexible business and workforce model, supported by work-tech integration that allows for swift reaction to sudden business disruption

Actions Considered

- Structure work around skills and capabilities to support agile way of working
- Contingent workforce made up of outer circle providing ability to scale up or scale down
- Manage the integration of work and technology, including virtual work enablers
- Rewrite rules for employee experience & excellence, D&I and building a personalized lifelong learning culture

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Shift to future workforce model and broader workforce ecosystem

- **Formalize future ways of working and workforce model** (e.g. automation and digitization, skills-based workforce deployment, contingent workforce, gig talent choices)
- **Implement process automation and technology** to enable operational efficiencies, long-term value and sustainability
- **Build a talent ecosystem** encompassing alternative work models and employ different methods of finding needed skills (e.g. talent platform, freelance etc.)

Implement non-traditional rewards program

- **Differentiate and optimize rewards** to reflect work and skills (e.g. skill-based pay) and evolving employee expectations and needs (e.g. flexible benefits)
- **Expand total rewards policies and programs** to cover alternative employment relationship (e.g. contingent workforce and gig talent choices)
- **Evaluate benefits portfolio** to prepare for future events (e.g. restoration/continuation of Covid-19 programs)

Leverage work-technology integration

- **Manage integration of work-technology** to enable more efficient, collaborative and innovative ways of working (e.g. technology as a driver of remote and virtual work)
- **Build learning infrastructure** to support self-directed learning (e.g. continuous, digitally-enabled learning)

Redefine Employee Experience

- **Rewrite rules for EX and EVP** to accelerate business performance, drive employee engagement and build confidence in future of business (e.g. high-performance employee experience (HPEX))
- **Embed diversity and inclusion** in HR programs to support culture of acceptance, inclusion, dignity, belongingness, and leader enablement

Realign wellbeing strategy for resiliency

- **Continue programs** implemented during the pandemic for 12-24 months
- **Rethink and invest in holistic employee well-being strategy** to improve resilience and sustainability, supported by technology
- **Align spend on wellbeing programs** based on employee needs and values

Call to action for post-Covid return: Aligning organizational and people elements to what is required to accelerate revenue recovery

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to rapidly recover revenue

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to tap into rich and diverse sources of talent

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We power ambition for the Future of Work, Reinventing Jobs and HR 4.0

Our intellectual capital and thought leadership

"COVID-19's impact on work is far more profound than just changing where people work; it is also **fundamentally altering what work is performed and how we perform it**."
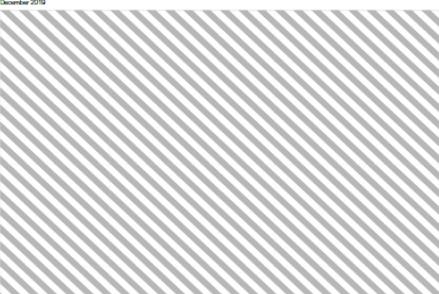
- Ravin Jesuthasan Author and Managing Director Willis Towers Watson -

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White Paper

HR4.0: Shaping People Strategies in the Fourth Industrial Revolution

In collaboration with Saudi Aramco, Unilever, and Willis Towers Watson

December 2019

The Future Chief People Officer:
Imagine. Invent. Ignite.
Why empowered HR leaders are key to capturing growth in the new world of work
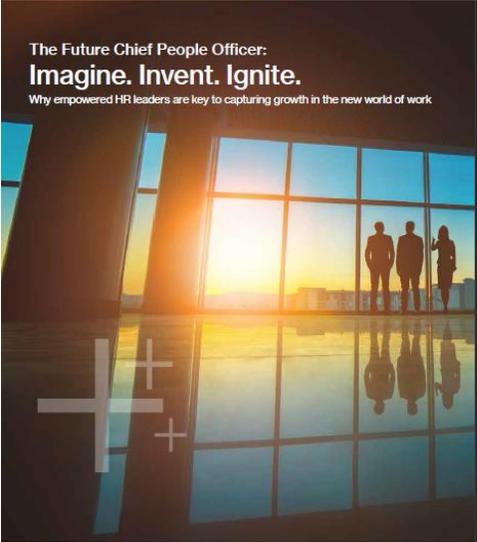
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Reinventing Jobs

A 4-STEP APPROACH FOR APPLYING AUTOMATION TO WORK

Ravin Jesuthasan & John W. Boudreau

Navigating a World Beyond Employment
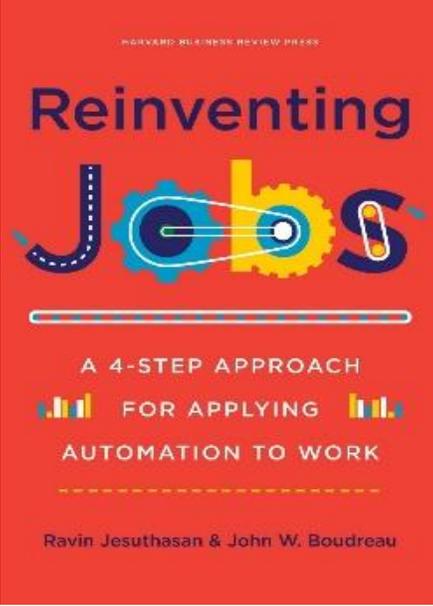
Lead the Work

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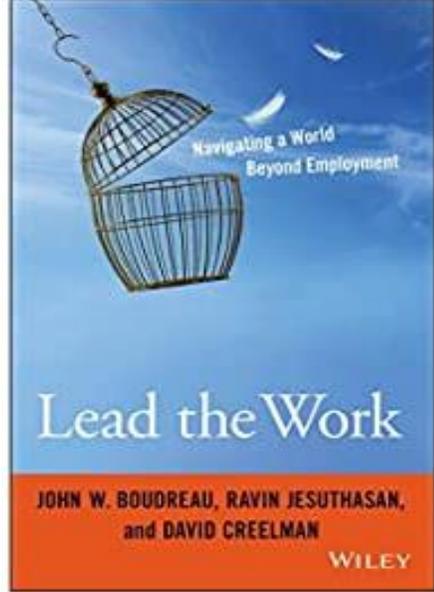
Transformative HR

How Great Companies Use Evidence-Based Change for Sustainable Advantage

John W. Boudreau and Ravin Jesuthasan
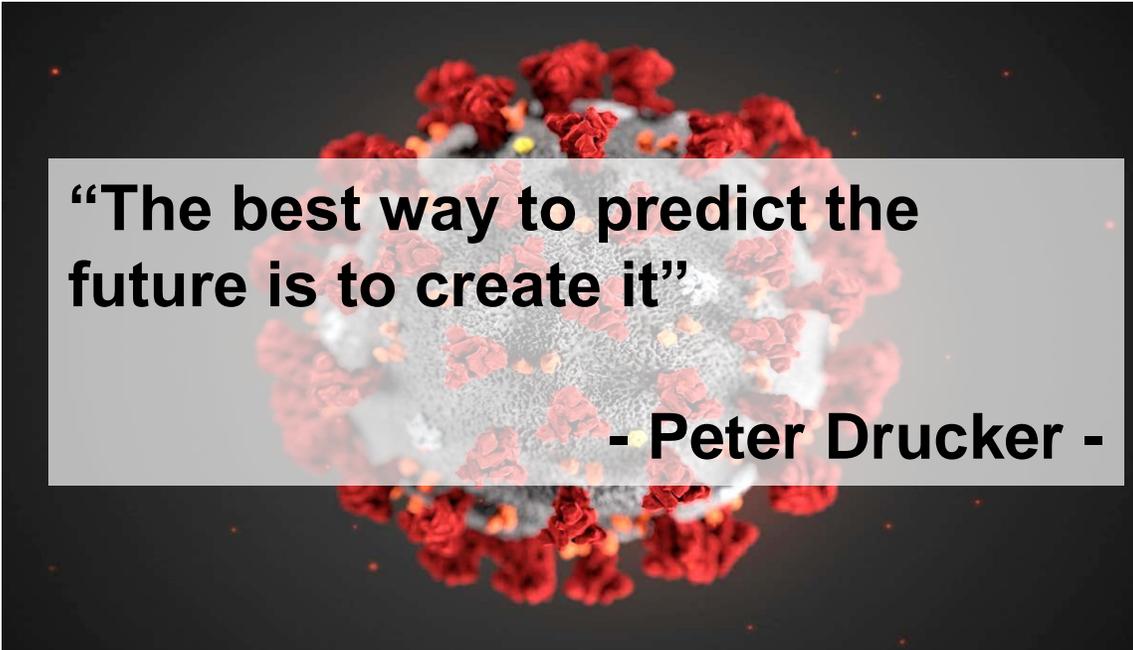WITH TOWERS WATSON

Thank you

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> **"The best way to predict the future is to create it"**
>
> **- Peter Drucker -**