

Willis Towers Watson Webinar on COVID-19 India Readiness

Survey Results and Key Insights

9 April 2020



Agenda

- 1 Introduction
- 2 COVID-19 India Readiness Survey Results and Key Insights
- 3 Insurance, Employee Health and Wellness
- 4 Key Note by Krish Shankar
- 5 Key Learnings from China
- 6 Q&A
- 7 What's next

Introduction

Profiles of Key Speakers



Krish Shankar
Executive Vice President and
Group Head – HR
Infosys



Edward Hsu
Leader, RDS – Asia Pacific
Willis Towers Watson



Sudesh Shetty
Head – Health & Benefits
Willis Towers Watson India



Arvind Usretay
Director – Rewards
Willis Towers Watson India

COVID-19 India Readiness Survey and Key Insights



Key areas that are being impacted by COVID-19 disruption



**People
Practices**



**Financials &
Costs**

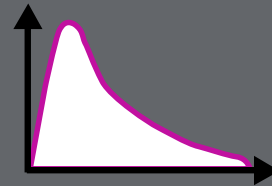


**Technology
Infrastructure**



**Employee Health
and Wellness**

**Business
Continuity Plans**



Business Growth



**Labour
Regulations**



**Performance
Appraisal and
Incentives**

**Salary
Increment
Budgets**



**Government
Decisions**

**Benefits, HR
Policies and
Employment
Terms**



Key decisions being evaluated to counter business disruption



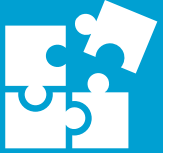
Streamline the
value chain



Stabilise
technology infrastructure



Optimise costs;
Balance short term cost
concerns with medium
term resilience and
rebound



Prioritise
employee well being and
communication



Collaborate with
other companies to
service clients



Monitor global and
regional developments to
update BCP with the key
learnings



Boost employee
morale and engagement
through meaningful work
re-design and policies



**Adopt and
Innovate** practices
to improve virtual
working

Impact of COVID-19 on Business

Key results from COVID-19 India Readiness survey

57%

of organisations have indicated that there will be a moderate to large negative impact on their business in the next 6 months

46%

of organisations have indicated that there will be a moderate to large negative impact on their business in the next 12 months

19%

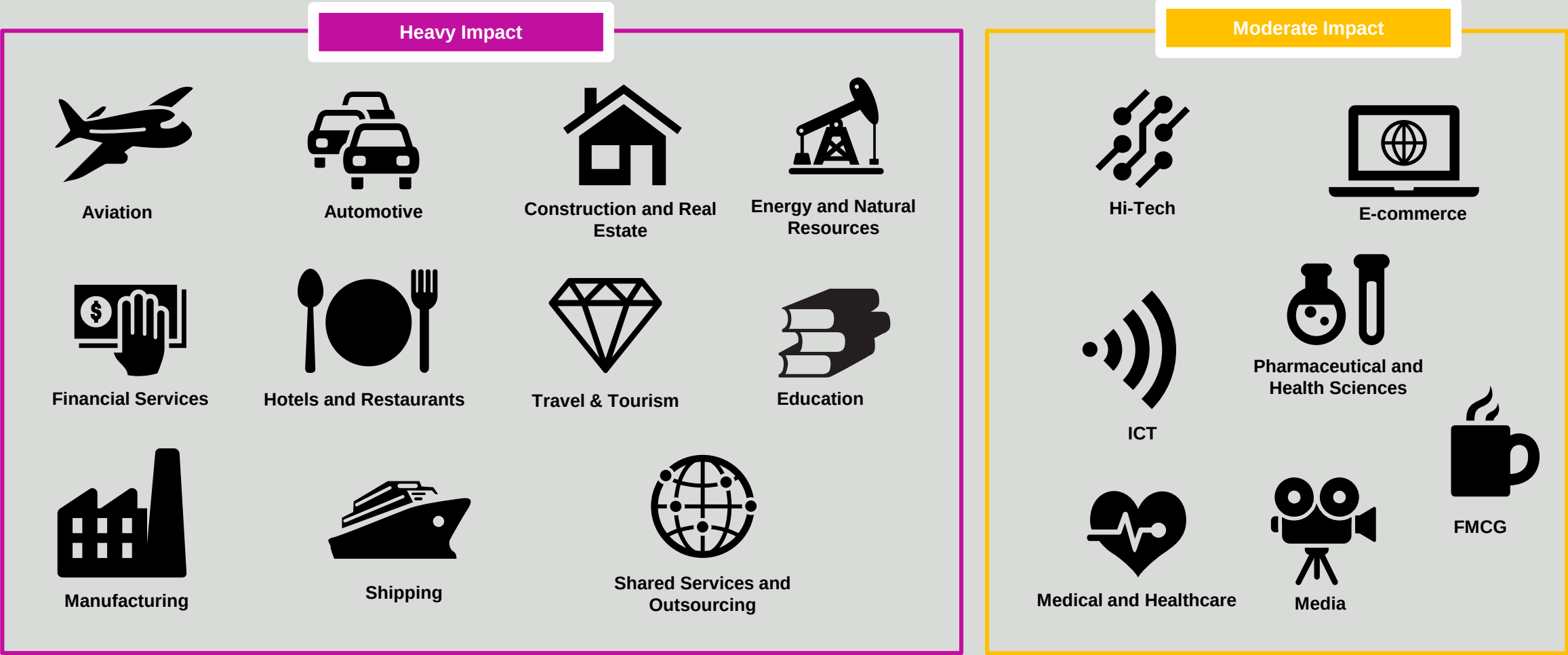
of organisations have indicated that there will be a moderate to large negative impact on their business in the next 12-24 months

5%

of organisations responded that there will be a positive business impact within the next 12 to 24 months

22% of organisations are not sure whether COVID-19 will have any major impact on their business operations within the next 6 months

Business impact on different sectors



Impact of COVID-19 on Salary increments, Performance Appraisals and Incentives

Key results from COVID-19 India Readiness survey



77%

of organisations have indicated that there will be no reduction in salaries



33%

of organisations have indicated that performance appraisals and bonus pay-outs will happen as planned



17%

of organisations have indicated that there 2020 LTI plan designs have been impacted by COVID-19



53%

of organisations responded that there has been no adjustments to the sales incentive pay-outs

42% of organisations have not taken a decision on salary increment budgets for this year

Impact of COVID-19 on People Practices

Key results from COVID-19 India Readiness survey

Entry level roles in Business & Technical Support

11 %

of organisations responded
that this set of roles could
be likely considered for lay
offs

Professional roles

10 %

of organisations responded
that this set of roles could
be likely considered for lay
offs

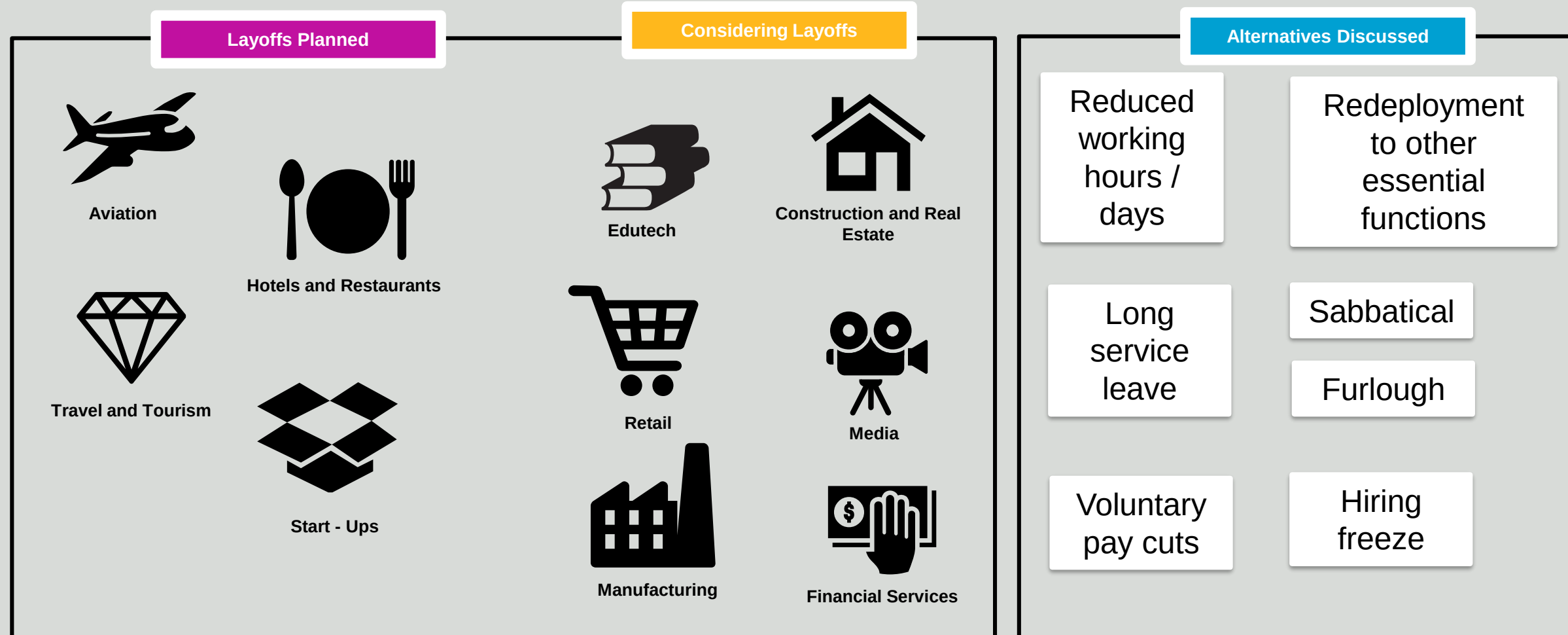
Managerial roles

9%

of organisations responded
that this set of roles could
be likely considered for lay
offs

Sectoral impact

Companies operating these sectors are considering layoffs



Impact of COVID-19 on Benefits & HR Policies

Key results from COVID-19 India Readiness survey



72%

of organisations have indicated that they equipped employees to work from home



Leading organisations have indicated that they will reimburse employees the expenses incurred for setting up their home internet for work purpose

Leading organisations have indicated that they will continue to pay contractual / hourly / gig workers their regular wages during their contract period



62%

of organisations responded that there will be no deductions on annual leave balances for employees who have been quarantined



Up to INR 5000 per month

Is the value of hazard / hardship allowance being planned by companies to pay employees who are forced to come to office to work

Impact of COVID-19 on Employee Health & Wellness

Key results from COVID-19 India Readiness survey



76%

of organisations have introduced virtual team engagement sessions via various web platforms



97%

of organisations have indicated that they communicate on a regular basis with employees via emails and messaging platforms



73%

of organisations have indicated that they conduct all hands call to address key challenges and problems faced by employees



78%

of organisations responded that daily work allocations and project reviews happen via virtual check ins

Leading organisations have enabled multi-channel communications via internal platforms to capture employee feedback across different locations

Innovative practices adopted by companies

Improving employee morale and productivity

2 month's extra salaries for the employees working on the front lines

Release of **advance salaries** and **no deductions**

Dedicated employee helpline for counselling and COVID-19 related queries

Knowledge management and training of health workers and the general public

Meditation Live – On Demand Wellness platform
Online Yoga Sessions via Webinars

Employee engagement sessions via webinars (Team lunch, Coffee breaks, Games)

Positive employee communication via daily emails

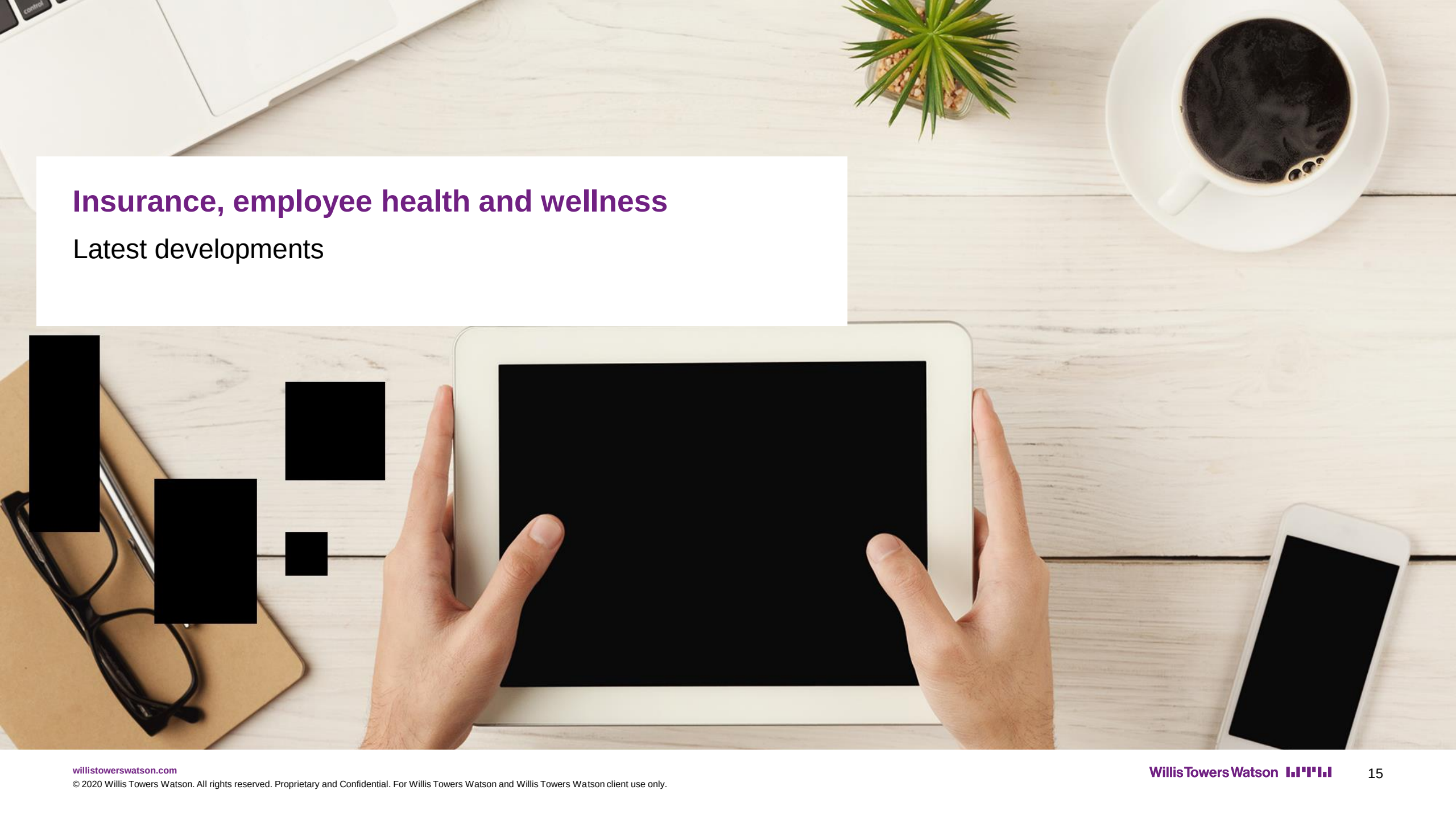
Dedicated radio broadcasting latest updates and employee communication

Online Award Ceremonies – Best employee of the month, Long service awards etc.

Setting up of modular treatment facilities for infected patients. Donation of masks, protective gears, sanitizers, respiratory instruments, testing kits etc.

Company provided meals to focused employee population to support them during this lockdown period

Company provided transport for commute to work and extended support to streamline WFH issues



Insurance, employee health and wellness

Latest developments

Employee Health and Wellbeing

Physical

- Understanding and managing one's Health
- Successfully returning to Peak functionality at home and at work



Emotional

- Being Self-aware, being Resilient by managing stress
- Dealing with life crisis and maintain stability & positivity



Social

- Being connected with others by accepting diversity
- Being inclusive and collaborative
- Adapting to change



Financial

- Ability to Manage budgets
- Protection against risks
- Save for the future and cope with financial shocks



Insurance



IRDAI Circular

IRDAI/HLT/REG/CIR/054/03/2020 dated March 4, 2020 provides “Guidelines on handling claims reported under Corona Virus”

Willis Towers Watson Repository: For each of the Benefits linked to organisation need; we offer a repository of information on our website which is accessible here:

<https://www.wtw-healthandbenefits.co.uk/coronavirus>

Benefits 2020-21 and Beyond

Framing Sustainable Solutions for Employers

SITUATION	OPPORTUNITY	BARRIERS	SOLUTIONS
India's growth forecast FY 20-21 2.5% from 5.3% (Moody's) in lieu of Covid-19. If the situation does not change in the near to medium term Employers should plan: ■ To rationalise & optimise Benefits spend ■ Strategise to maximise value of Benefits ■ Shifting portion of Benefit costs to employees ■ Revisit health & wellness solutions to address the new normal	Engage with employees & benefit partners to explore new strategies on: ■ Redesigning Benefits solutions ■ Premium financing / employee funding options ■ Employee choice solutions / alternate risk transfer models ■ Integrated wellness solutions	In the backdrop of rapidly evolving business situations Employers decision making is impacted on account of ■ Availability of data models ■ Want of clear long term strategy ■ Management / Stakeholder buy in ■ Other projects and conflicting priorities	End-to-end solutions for Near to Medium to Long term ■ Benefit design Consulting options ■ Premium Financing options ■ Enhancing Talent experience ■ Integrated Health and Wellness plan options



Krish Shankar

Executive Vice President and
Group Head – Human Resources
Infosys

Key Note Session

Key Learnings from China

Shanghai Street - Snapshot

Comparison between “in the mid of COVID-19 outbreak” and after the “pandemic under-control”

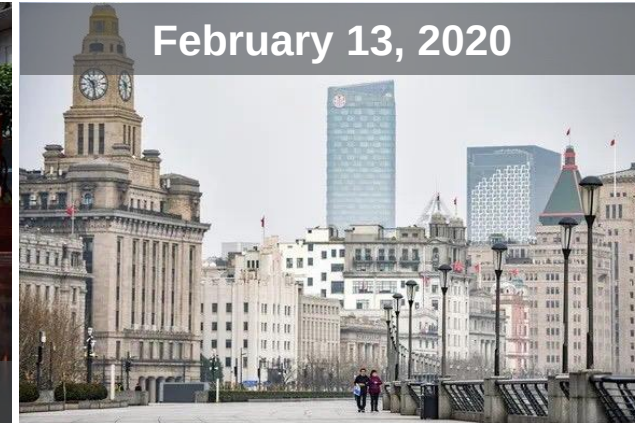
Metro line Two
Connect two airports



Pedestrian Street
Nanjing Road



The Bund



Wuning Road Highway



March 21, 2020



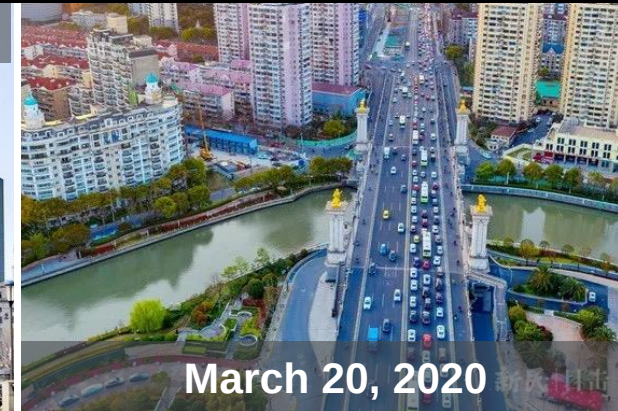
March 21, 2020



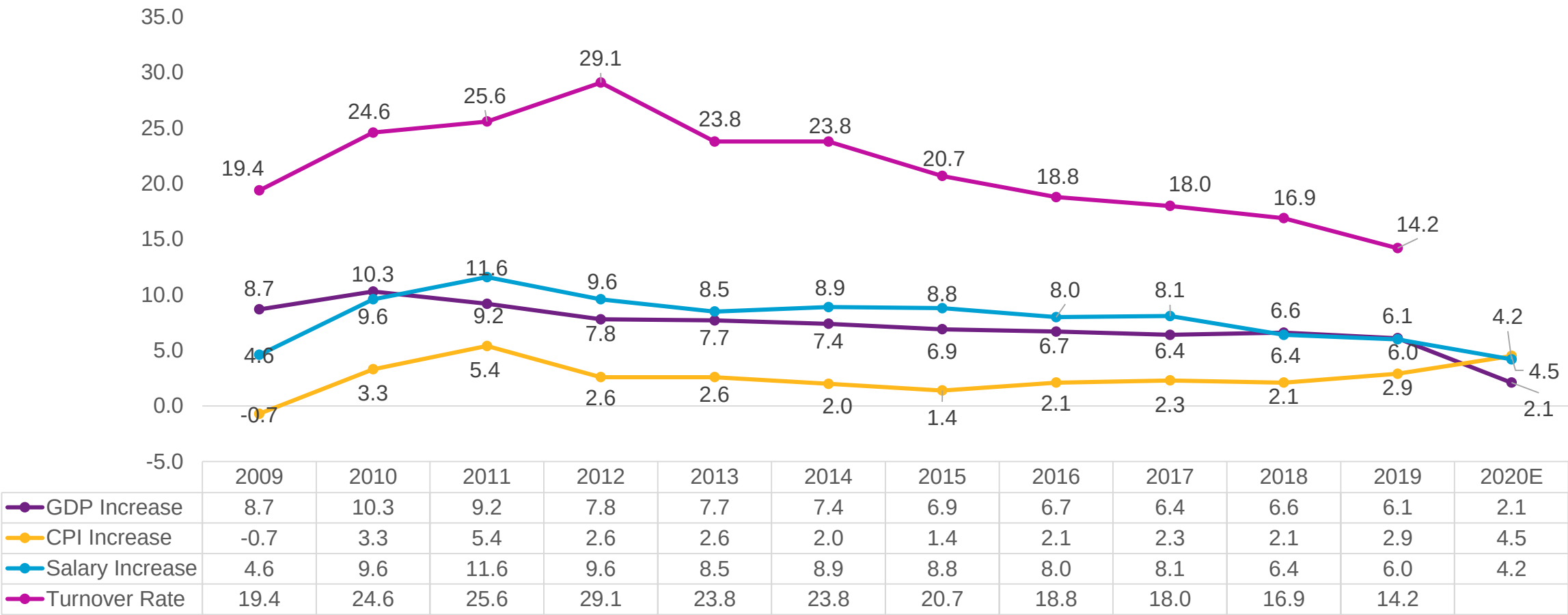
March 18, 2020



March 20, 2020



The economic growth rate of China continues to drop sharply while the projected 2020 inflation increases sharply

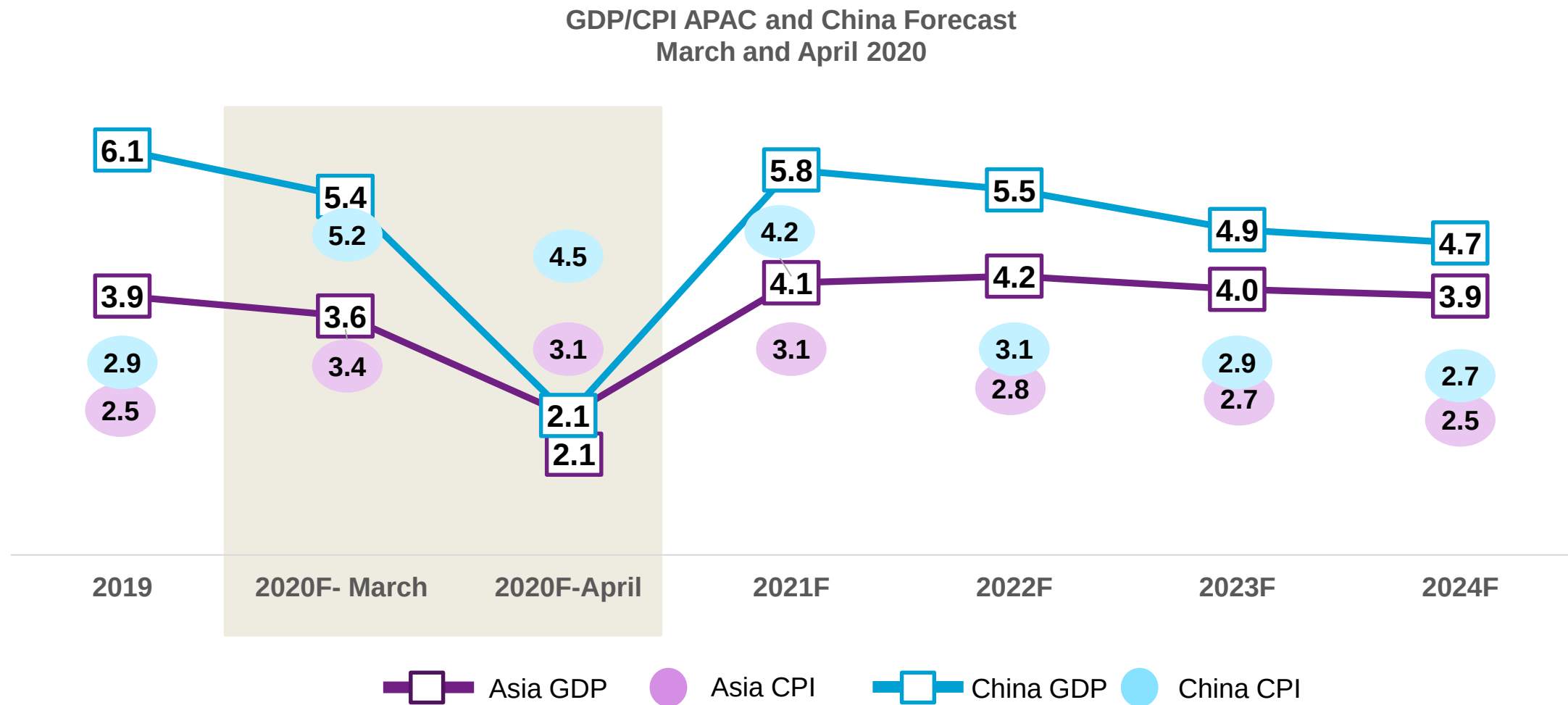


Source

1. 2008-2020 GDP increase rate and 2008-2020 CPI Increase rate: The Economist Intelligence Unit

2. Salary increase: Pulse survey conducted during 2020 Asia Pacific Beyond Data Webinar on 18 March 2020; Turnover rate: 2020Q1 Willis Towers Watson Asia Pacific Salary Budget Planning Report

In April forecast, China’s GDP growth is expected to drop to 2.1% this year compared to March forecast, after a likely contraction in output in the first quarter due to quarantine and lockdown measures



Source: EIU Global Outlook – March, April 2020

66% of Companies applied work from home policy for all employees during the outbreak, and the majority paid employees with regular salary

66%

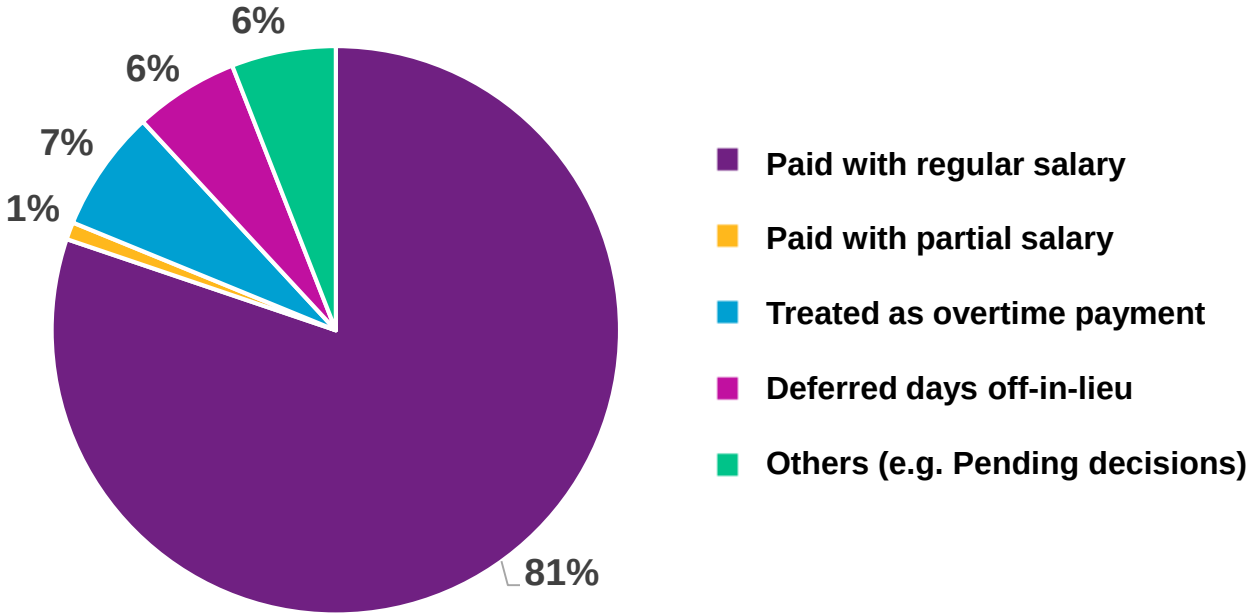
Applies to “All Employees”

66% of companies has indicated that **all employees** are eligible for the work from home policy

This policy has been applied the most in these three industries:

- **Pharmaceutical & Health Sciences Industry**
- **General Industry**
- **Energy & Chemical Industry**

Salary Arrangement under the Work from Home Policy



Source: 2020 WTW China Working Arrangement after Feb 10 in response to the COVID-19 Outbreak, February 5, 2020

Certain functions require employees to attend to workplace during suspension period with majority providing employees with additional salary payment

Early Work Resumption Arrangement

53%

Surveyed clients has early work resumption for certain types of employees

The top three departments need early work resumption are:

- **Factory/production – High Tech Industry and Manufacturing Industry**
- **Supporting - General Industry and Capital Market Industry**
- **Sales - Consumer Products and Retail Industry**

89%

Has provided additional/special salary payment

The top three most common plans are:

- **Deferred days off-in-lieu**
- **Overtime payment**
- **Special allowance grant**

Special Allowance
• Range from CNY 150-1,000 per day
• Median: CNY 500 per day

Source: 2020 WTW China Working Arrangement after Feb 10 in response to the COVID-19 Outbreak, February 5, 2020

During the outbreak, employers are taking care of employees' physical and mental health



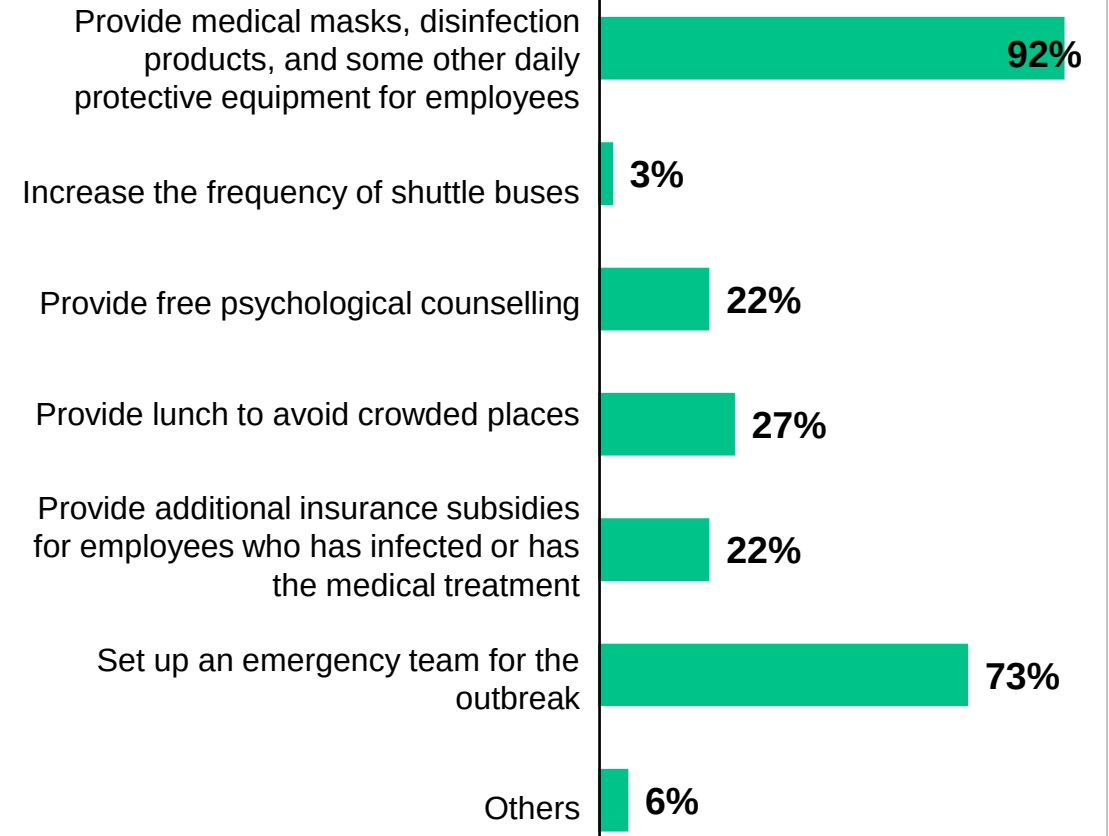
Employee Care Actions

- Set up **Emergency Response Team** in response to COVID-19 to ensure zero infection case
- Care employees **physical and mental health**

i.e. Provide masks to employees and their family members; Post employee thoughts via Companies public account on social media, etc.
- Grant **spot awards** to incent and motivate committed employees



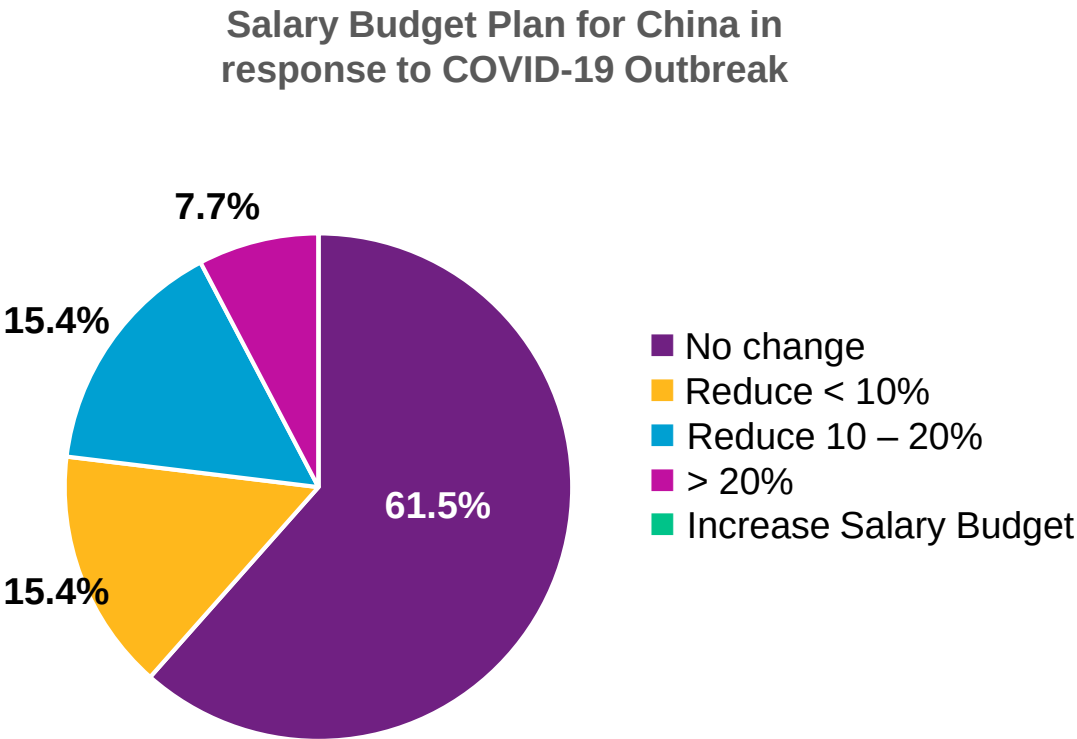
Benefits & Welfare Policies during Early Work Resumption



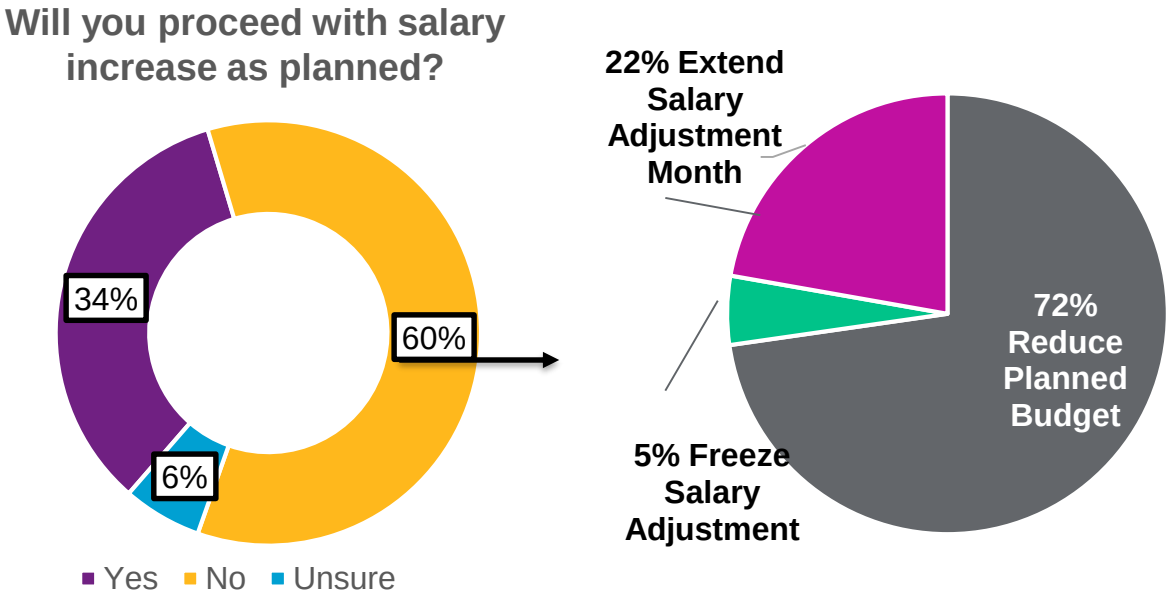
Source: 2020 Willis Towers Watson China Working Arrangement after Feb 10 in response to the COVID-19 Outbreak, February 5, 2020

Companies in China are planning to adjust salary budget amidst COVID-19 outbreak

General Industry



High-tech Industry



For employers planning to reduce salary budgets, below are the most prevalent reductions expected from survey participants

Overall median expected 2020 salary increase (%) before the outbreak – High-tech Industry	6.5%
Salary budget reduction expected (%) after the outbreak	15-40%

Source: Pulse survey conducted during 2020 Asia Pacific Beyond Data Webinar on 18 March 2020

Source: 2020 Salary Budget Planning Adjustment Pulse Survey – High-tech Industry

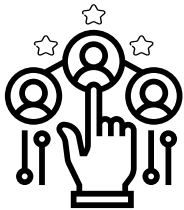
Crisis Entails Opportunities

Employers are minimising impact on business and optimising cost



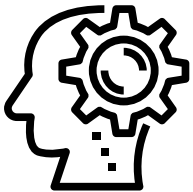
1 Reviewing of business priorities

- With the evolving situation, business priorities will be reviewed. Resources will be re-allocated according to the changing business objectives
- We observed some of the employers save part of their salary budget to incent key talents that may positively impact on business in an uncertain environment



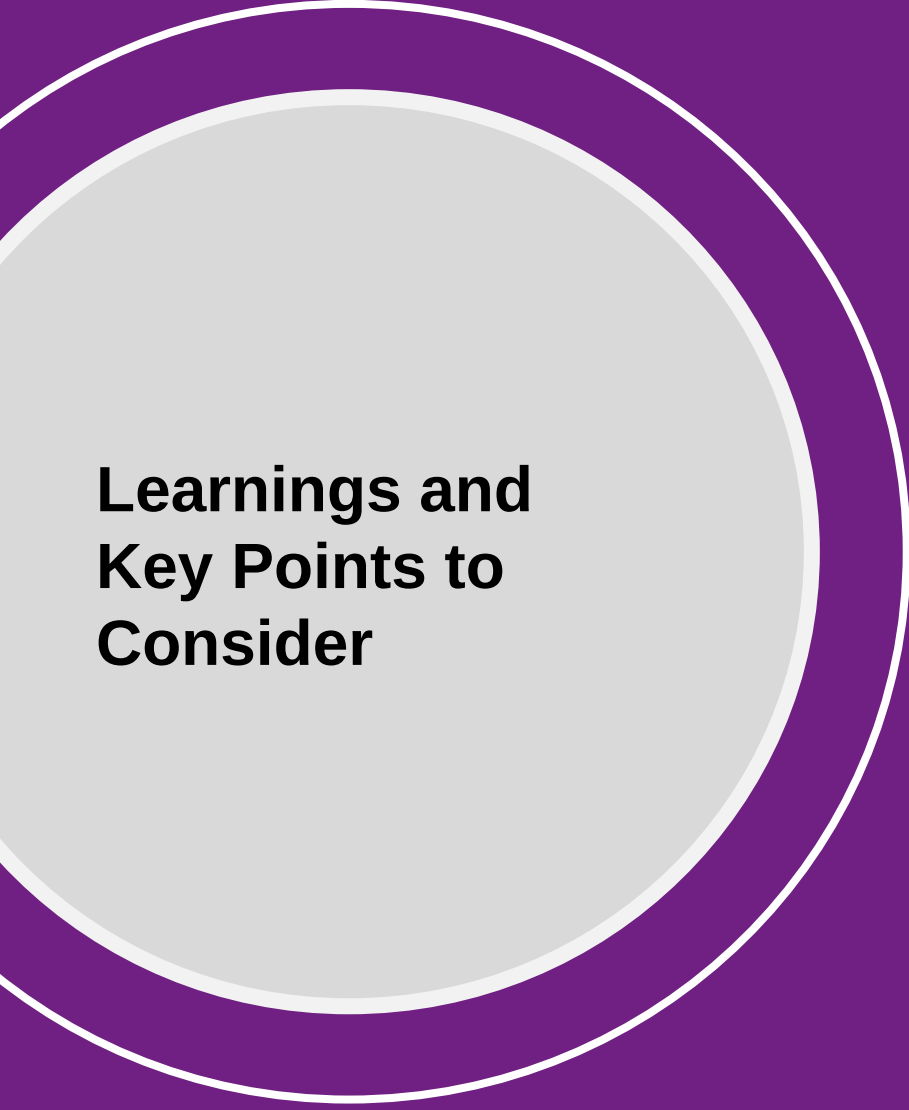
2 Implementation of dynamic workforce

- Workforce will be optimised from a dynamic business environment and cost optimisation perspective
- Companies are considering automation, free agents, contingent workers to accomplish works, linking workforce performance outcomes with their evolving business needs



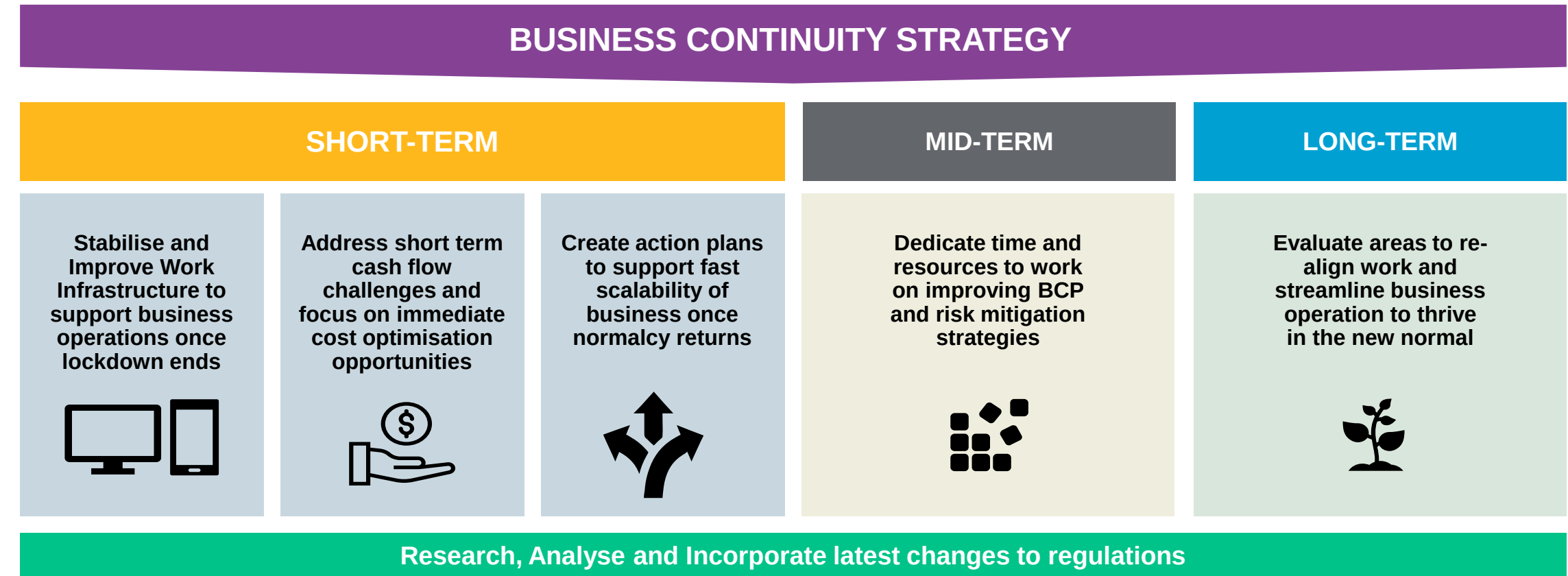
3 Acceleration of digital transformation

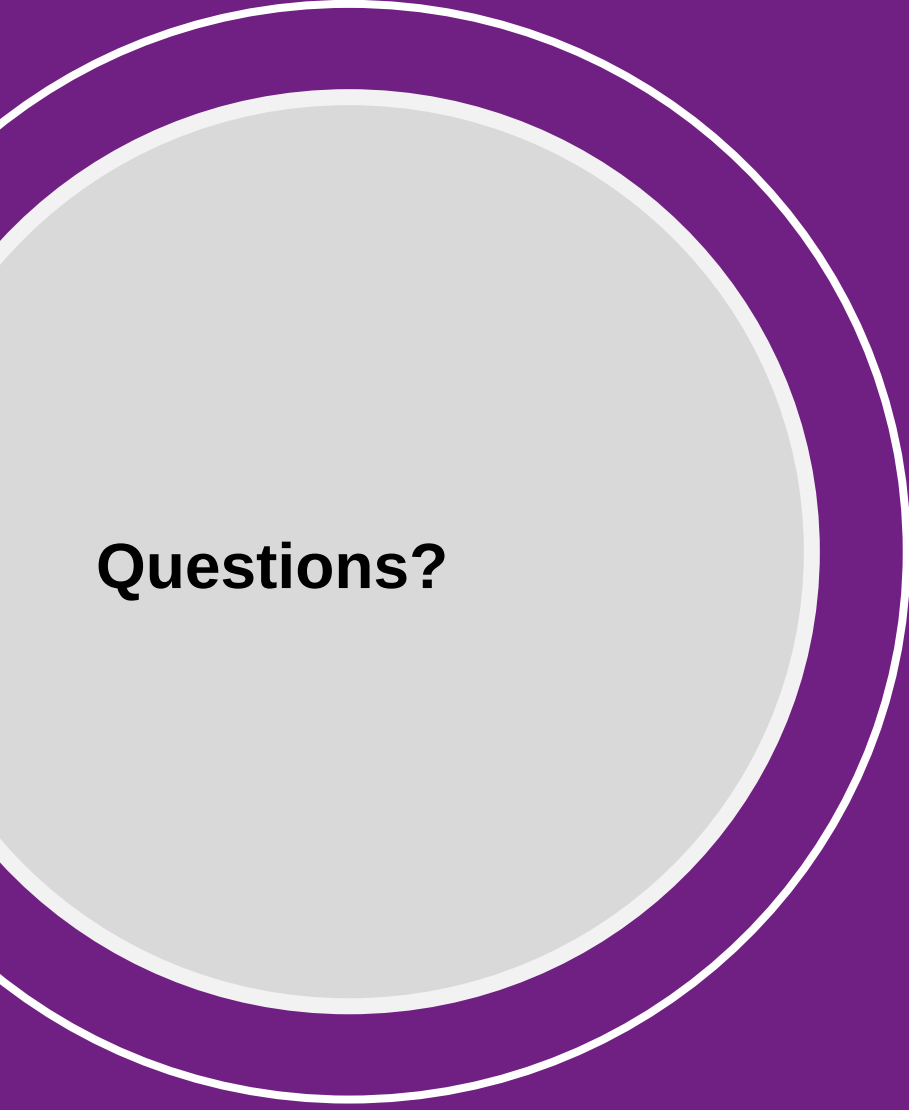
- Due to the changes in working arrangement and ban in non-essential travel, digital transformation will be accelerated.
- Most of organisations will embedded digital functions into their organisations, with having a chief digital officer as the pathway to successful digital transformation



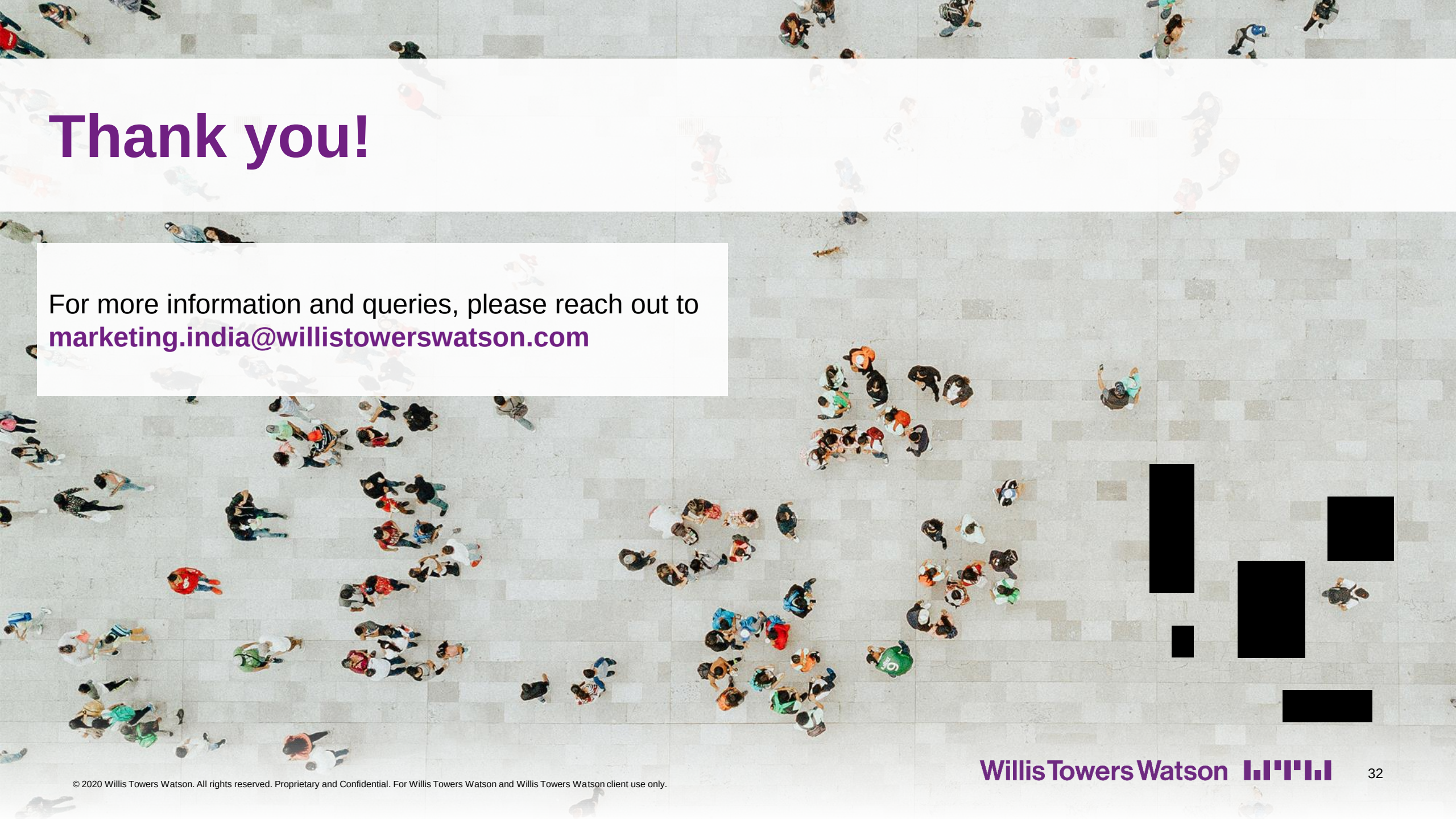
Learnings and Key Points to Consider

Don't get stuck to permanent solutions for temporary problems





Questions?

An aerial, high-angle photograph of a large crowd of people walking on a light-colored, paved plaza. The people are scattered across the frame, some in small groups and others alone. The background is a solid white horizontal band.

Thank you!

For more information and queries, please reach out to
marketing.india@willistowerswatson.com