



# **Preparing for a post-pandemic world: Transforming human capital and benefit actions**

# Preparing for a post-pandemic world: Transforming human capital and benefit actions

By John M. Bremen and Amol Mhatre

Organizations have a clear opportunity to employ key learnings as they emerge from the pandemic to become even stronger in the post-COVID-19 era.

In responding to the global health, financial and social crises associated with the COVID-19 pandemic, organizations adapted quickly in order to: 1) get work done, 2) protect their employees' health and 3) manage costs. Their actions varied by the extent to which their businesses were impacted adversely (e.g., aviation, hospitality) or favorably (e.g., communication technology, online retail) by the crises. With rapid advances in vaccine development and distribution, there is hope and expectation that the business world will return to relative stability in 2021, with post-pandemic operations taking different forms for different organizations.

As leaders prepare for post-COVID-19 operations, they recognize their organizations are in the midst of a significant transformation in many dimensions, and are shifting focus to:



**Transforming work and Total Rewards** by accelerating the adoption of new ways of working and aligning Total Rewards to support the change



Advancing a commitment to **employee wellbeing and building resilience**



**Optimizing costs** to invest in people where it matters the most

This article sets forth considerations for human capital and benefit strategies as organizations prepare for a post-pandemic future.



## A note on vaccine strategy

Mass vaccination will continue through 2021 and 2022, depending on country. During this period, organizations expect to continue their existing strategies for protecting employees when localized spikes in infection and lockdowns occur. They also are monitoring government vaccination programs closely to develop comprehensive return-to-workplace policies. This goes beyond ensuring that employees and their families have access to and coverage for vaccines from health care providers. Organizations are balancing employee safety and individual choices when designing policies, such as how to prioritize vaccinations (e.g., frontline, at-risk employees) and whether it would be possible or prudent to financially motivate or even mandate vaccination when returning to workplaces or when traveling for business now or in the future. In almost all cases, leaders already are supporting vaccination efforts through messaging, behaviors and role modeling, such as emphasizing that vaccination can prevent continued loss of freedom and using powerful narrative and influencers.



# Transforming work and Total Rewards

## Reimagining work and culture

The pandemic accelerated already ongoing trends to adopt flexible work practices, automation and digitalization, and virtual customer outreach and service delivery as well as to use alternate sources of talent, such as talent sharing and contingent workers. These changes are requiring employees and managers to learn new skills. For example, employees are learning how to interact effectively with dispersed teams with flexible schedules, use digital collaboration tools, manage tasks, and create and maintain virtual networks.

Leaders are quick to point out that, while flexible work is likely to be the new norm, it will vary extensively by the organization's culture, the type of work and employee preferences. It also will need to be carefully balanced with business needs and the additional complexities and costs that flexibility incurs. This will mean balancing employee experience with the need for controls to maintain fairness and consistency of policies.

This change is not merely about doing things differently; it represents a fundamental shift in work cultures that have been entrenched over decades. Organizational cultures are built on the mindset and behaviors that shape and reflect life in an organization, employee experiences and personal connections.

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## Role of managers in enabling change

For managers, leading remote and hybrid teams, managing flexible work arrangements and using contingent talent requires careful planning as well as agility, effective allocation of resources, project discipline and time management to complete tasks. For organizations where any level of virtual workplace is retained, managers will need to find new ways to create a positive employee experience while assessing and managing the performance of teams that work differently.

As organizations adopt new ways of working, employees and managers will be working differently and will need to be accommodating and accepting of how their colleagues work. Managers also will need to recognize and address the importance of increasing flexibility around career progression. This highlights the requirement for leaders to commit to this significant cultural shift that also includes a mindset – and actions – that embrace greater diversity, equity and inclusion (DEI). Arguably, there will be different challenges and new norms of collaboration to achieve a sense of inclusion with less day-to-day physical interaction than in the past.

## Realigning Total Rewards

Organizations also are studying what reimagined and more flexible work will mean for their Total Rewards (pay, benefits, career and wellbeing) programs. For example, there are pay considerations such as how (and if) compensation strategies should reflect the economic value of flexibility, whether rewards should put greater emphasis on collective performance of teams to encourage collaboration and to avoid the potential bias toward rewarding those who work in the office rather than remotely, whether pay-for-skills becomes more relevant for some workers and how to address geographic pay differentials. Further, tax complications can arise for both the organization and employees when employees work in different cities, states, provinces and countries from host locations. For benefits, there are considerations around providing health care on a more distributed network or virtually; how to provide more tailored benefits to meet the needs of a broader variety of workers with varied preferences and personal circumstances (e.g., transient workers, those who take career breaks); how to offer more flexible retirement and financial security



programs; and how to ensure health- and wealth-related benefits are fair, inclusive and accessible.

Similarly, as more people are expected to work routinely from home, they will need technology support, ergonomic setups and relevant safety policies. Leave, benefits and wellbeing programs may need to be personalized to reflect new work arrangements and geographically dispersed teams. For example, organizations will need to consider how to provide health benefits to employees who do not reside in the same city or country as

their work location, and how to support mental health and emotional wellbeing remotely. Employers also will need to develop new approaches and criteria (e.g., virtual capability) for vendor assessment as new providers enter markets or develop innovative solutions across the spectrum of Total Rewards.

In general, employers are being mindful of incorporating fairness in Total Rewards to address factors beyond gender and racial gaps, such as the diversity of work styles, flexibility preferences, and roles and responsibilities. This focus is likely

to further reshape pay, health and wealth benefits, and career programs in unprecedented ways in the post-pandemic era and to further connect Total Rewards to wellbeing, DEI, new ways of working and the employee experience.



## Seizing the opportunity

Organizations have a clear opportunity as they emerge from the pandemic to take important learnings from their experiences to become even stronger in the post-pandemic era. It will be important for leaders to prioritize their actions and allocate resources. The table shows areas and actions for organizations to consider:

### Transforming work and Total Rewards

Area	Actions organizations should consider
<b>New ways of working</b>	<ul style="list-style-type: none"> <li>▪ Identify work for redesign (e.g., high incumbent roles, pivotal roles) and set reinvention goals.</li> <li>▪ Identify areas to enhance flexible work practices/policies for greater effectiveness, equity and access.</li> <li>▪ Optimize work with talent and automation alternatives, reflecting diversity, equity and inclusion (DEI) objectives.</li> <li>▪ Test with leaders to understand the mindset, capabilities and infrastructure gaps to address.</li> <li>▪ Build a road map for implementation, including prioritizing activities to effectively enable new ways of working.</li> <li>▪ Evaluate knock-on impact on risk profiles of work and develop risk management/risk transfer strategies.</li> </ul>
<b>Reskilling and upskilling</b>	<ul style="list-style-type: none"> <li>▪ Identify how work is changing, and leverage machine learning to uncover work and skill requirements.</li> <li>▪ Map competencies, knowledge and skills to career frameworks.</li> <li>▪ Activate the career experience by providing employees with transparency around work and skills, and defined reskilling, upskilling and out-skilling pathways.</li> </ul>
<b>Leader and manager development</b>	<ul style="list-style-type: none"> <li>▪ Support leaders and managers in improving their capabilities to be proactive and effective during change, transformation and more flexible career progression (such as development assessment, coaching and action planning).</li> <li>▪ Provide broad-based manager support through new ways of working, such as leading remote and hybrid teams, providing playbooks and microsites for tools for work redesign, leading agile teams, and activating inclusive leadership and change management.</li> <li>▪ Design training to build leader and manager resiliency and agility, staying connected, enabling new ways of working and maintaining drive.</li> </ul>
<b>Work culture</b>	<ul style="list-style-type: none"> <li>▪ Determine how new ways of working can be a conduit for reinforcing organization values, principles and purpose (e.g., how do trust and integrity play out in a virtual world? How do employees feel connected to/find meaning in their work?).</li> <li>▪ Consider whether program/practice/policy eligibility is equitable (e.g., are flexible work arrangements accessible to all employees?). Ensure that pay, health and wealth benefit, and career programs are aligned with culture transformation.</li> <li>▪ Acknowledge work styles can represent new and unique employee cohorts in segmentation analyses. Assess employee preferences and needs; identify opportunities to optimize the employee experience. Remain agile as an organization and as leaders and be willing to adapt as work further evolves.</li> </ul>
<b>Alignment of Total Rewards</b>	<ul style="list-style-type: none"> <li>▪ Create inventory of Total Rewards programs; carry out competitive analysis of current Total Rewards programs against peer group and emerging best practices aligned with new ways of working and in-demand skills.</li> <li>▪ Reimagine Total Rewards programs to align with new ways of working and flexible work arrangements, aligning with where, when, and how people work (and supporting through pay, health and wealth benefits, and career enablement programs).</li> <li>▪ Develop new approaches and criteria (e.g., virtual capability) for vendor assessment given breadth of new entrants across the spectrum of Total Rewards.</li> <li>▪ Identify opportunities to align Total Rewards strategy and/or programs with DEI agenda to ensure equity across the portfolio (i.e., equitable Total Rewards).</li> <li>▪ Mine data and/or carry out employee listening strategies to understand employee views and preferences across demographic groups; leverage employee resource groups where applicable.</li> <li>▪ Engage leadership in discussion on current state and desired future state and create design principles. Consider employee listening strategy for feedback on perceived value of program design.</li> <li>▪ Assess current programs against desired future state and analyze gap. Create strategies and plans to close gaps, identify quick wins and longer-term actions required. Carry out Total Rewards Optimization (TRO) or Total Rewards Prioritization (TRP) analysis to understand how to align organization investment with employee priorities and perceptions of value, and on the return on investment; prioritize areas to change accordingly.</li> </ul>



# Employee wellbeing and resilience

## Applying wellbeing and equity lenses to Total Rewards

The pandemic highlighted fundamental correlations between physical, emotional, social and financial wellbeing with employees' engagement and commitment to their work as well as with business performance. It also has highlighted how purpose-driven work and targeted Total Rewards programs can become the key enablers of building employee wellbeing and resilience. In fact, global heads of Total Rewards and benefits cite how traditional health and wealth benefits (such as private health insurance, life, disability and retirement benefits) have become an advantage in differentiating their organization as an employer of choice when integrated with curated wellbeing programs (such as stress management, emotional counselling, wearable technologies for physical fitness and debt-management assistance).

Employee wellbeing has become much broader than just wellbeing programs; it represents a mindset that is woven through culture and Total Rewards programs. For example, organizations increasingly are recognizing the

importance of fair pay in employee wellbeing. Similarly, inclusive health and retirement benefits and career programs are essential for employees' sense of wellbeing. Organizations already are beginning to integrate wellbeing and DEI considerations into the design and delivery of Total Rewards, a trend that continues to accelerate.

Committing to a culture of DEI is also critical for the overall wellbeing of employees. The year 2020 brought greater awareness of social justice around the world following protests of the deaths of George Floyd, Breonna Taylor, Ahmaud Arbery and other people of color in the U.S. These events also made leaders acutely aware that employees today seek recognition from their employers that equity matters. As such, going forward it will be vital for organizations to emphasize their commitment to equity in terms of how they recruit, develop and reward their employees – as well as how underrepresented employees experience the organization – to remain attractive to their internal and external labor markets.

## Flexibility and personalization to meet employees where they are

The increasingly diverse workforce with different lifestyles demands a broader definition of benefits, greater personalization and a keen focus on inclusive programs. In that sense, employers' definition of benefits is converging with what employees view as the broad benefit of working for their employer – also known as the employee value proposition. This is another long-evolving trend that started prior to the pandemic, which accelerated in 2020. For example, many organizations increasingly are exploring and establishing global standards for minimum benefits and flexible leave policies (such as leave for caregiving or skills development) to signal their commitment to an employee-focused organizational culture of DEI to both internal and external labor markets.

Expanding the definition of benefits and the need for greater personalization to suit diverse needs is blurring the traditional delineation of responsibilities of designing work policies, compensation programs, benefit programs, skill development, career enablement and wellbeing programs. Success will depend on organizations' ability to achieve greater strategic and operational collaboration and governance across businesses, multiple stakeholders and various HR functions.

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### **Prioritizing program delivery**

Employers see technology playing an increasingly critical role in delivering a more personalized employee experience. The pandemic highlighted not only the importance of benefits provided by organizations but also the opportunity to rethink communications and delivery of such programs. We expect to see the transformation of

technology from serving primarily as an administration platform to serving as an employee experience portal that enables dissemination of personalized information and education, decision-making support for selecting relevant programs, tools for navigating provider networks effectively and access to programs as and when needed.

### **The “S” in ESG**

With increased focus on environmental, social and governance (ESG) goals, organizations are realizing that responsibility for human capital resilience and sustainability must extend beyond HR teams. Leaders are looking to engage their managers at all levels to take greater responsibility for their team members’ wellbeing and provide them with the necessary tools and training to do so.

Equally, investors, customers and labor markets are expecting greater accountability from leaders in matters of sustainable human capital value. As such, boards are rethinking how they measure and monitor actions related to building human capital resilience and sustainability, including (but not limited to) how executive compensation programs align with human capital objectives. This often also means measuring employee health and safety, engagement, equity, and factors associated with wellbeing and resilience. It also means determining how traditional and ESG factors connect with public disclosures and reporting, especially given the enhanced emphasis on the social (“S”) aspects of ESG among key stakeholders.

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## Seizing the opportunity

Organizations have a clear opportunity as they emerge from the pandemic to take important learnings from their experiences to become even stronger in the post-pandemic era. It will be important for leaders to prioritize their actions and allocate resources. The table shows areas and actions for organizations to consider:

### Employee wellbeing and resilience

Area	Actions organizations should consider
<b>COVID-19 vaccination</b>	<ul style="list-style-type: none"> <li>▪ Examine benefit programs to ensure there are no obstacles to employees and their families obtaining the vaccine when it is available, allowing for prioritization; connect vaccine strategy to employee wellbeing strategy, DEI efforts and ESG commitments.</li> <li>▪ Develop a communication strategy to encourage vaccination, emphasizing that vaccination can prevent continued loss of freedom and using powerful narrative and influencers.</li> <li>▪ Cautiously assess whether the organization can or should mandate vaccination and/or provide incentives for vaccination at some future point when vaccines are fully approved and widely available. Be aware that premature incentives could signal risk, and premature mandates could reinforce the anti-vaccine resolve of some who would be much easier to persuade to be vaccinated later in 2021 when they have seen the safety and effectiveness in their own communities.</li> <li>▪ Develop return to workplace and work travel strategies, including vaccination strategies, tracking, commitments and variation by geography.</li> <li>▪ Review levels of health care and risk coverage for those who have been vaccinated versus those who have not, and launch an information/education campaign integrated with wellbeing offerings.</li> <li>▪ Evaluate access to vaccines across the global employee population and consider potential to provide vaccines for workers in countries where there is no or much-delayed availability.</li> </ul>
<b>Culture of wellbeing, diversity, equity and inclusion</b>	<ul style="list-style-type: none"> <li>▪ Think broadly about where wellbeing appears in organization culture and how it manifests – embedded in mindset alongside organizational values, engrained in and championed by leadership and manager behaviors, enabled through programs/practices/policies and in the way employees experience the organization every day.</li> <li>▪ Assess levels of wellbeing and inclusivity in the organizational culture and whether the current environment – onsite and virtual – allows employees to feel safe to speak up and bring their full selves to work; collaborate; manage work/life balance and feel supported; and experience a sense of connection, authenticity and belonging.</li> <li>▪ Identify opportunities for greater equity across the organization, through pay, health and wealth benefits, careers, and the way employees experience the organization (and their peers) each day.</li> <li>▪ Enhance the employee value proposition to reflect healthy organization culture driven by wellbeing and DEI to further support employee attraction, retention and engagement across all cohorts.</li> </ul>
<b>Leader and manager development</b>	<ul style="list-style-type: none"> <li>▪ Define and implement manager listening strategies across the business, including regular pulse check-ins and targeted surveys to solicit manager perspectives on culture, ways of working, wellbeing and DEI.</li> <li>▪ Provide managers and leaders with tools to support listening actively and with empathy.</li> <li>▪ Support leaders and managers in developing their own resilience and agility by clarifying what is expected of them and what support they have to lead the business and maintain drive in changing times; provide clarity on what they need to do differently to cope with change, stay connected and enable new ways of working.</li> <li>▪ Give leaders space (and upskill where required) to make time for one-on-one conversations with employees to explore how they are feeling, how they are managing through changing times and what support maybe required.</li> <li>▪ Work with employee assistance programs (EAPs) and other providers to help develop required new skills in managers (e.g., mental health first-aid training). Ensure managers are well-versed and kept up to date on the programs and support structures offered by the employer (e.g., new flexible working arrangements, key benefits and wellbeing programs).</li> <li>▪ Encourage leaders and managers to share personal experiences and lead by example (e.g., share difficult experiences and how they overcome them; participate openly in wellbeing initiatives).</li> </ul>



Area	Actions organizations should consider
<b>Alignment of wellbeing and benefit programs</b>	<ul style="list-style-type: none"> <li>▪ Gather insights on the efficacy of existing wellbeing and benefit programs from data, including employee and manager feedback, program utilization, outcomes, benchmarking and details by different cohorts of employees, such as race/ethnicity, income, generation, gender and employee groups.</li> <li>▪ Bring stakeholders across the organization together to align on prioritization and wellbeing vision and offerings that embrace a culture of wellbeing, including leadership, safety, DEI, pay, health and wealth benefits, and careers.</li> <li>▪ Develop a multidimensional approach to providing and promoting a wellbeing culture and programs that put employees and their dependents at the center to support their needs across multiple entry points and modalities.</li> <li>▪ Conduct analysis of existing and potentially new health and wealth benefit programs and vendors to understand possible gaps/overlaps with wellbeing programs and how these fit within wellbeing strategy, such as: <ul style="list-style-type: none"> <li>▪ How do health care plans integrate with EAPs and other emotional wellbeing programs?</li> <li>▪ How do retirement and saving plans support financial resiliency and retirement preparation?</li> <li>▪ How are benefit programs presented from an overall wellbeing perspective?</li> <li>▪ What role can (current and new) vendors play in offering innovative, value-added, virtual and technology-based services?</li> </ul> </li> <li>▪ Define a set of core benefits or minimum standards (e.g., level of health care coverage, life cover, retirement contributions, time off) that would provide a minimum level of security/protection – to be appropriate for the current workforce as well as meet future needs (e.g., telehealth/digital). Consider using employee listening techniques to maximize value (e.g., TRO and TRP).</li> </ul>
<b>Program delivery</b>	<ul style="list-style-type: none"> <li>▪ Design a delivery strategy to ensure employees' awareness, enrollment and in-time access for all programs available to them.</li> <li>▪ Review existing and newly available delivery mechanisms of Total Rewards programs covering communications, decision-making support, navigation tools for using provider networks, claim adjudication support, administration technology and employee experience.</li> <li>▪ Review available data on access, participation, utilization and claims.</li> <li>▪ Identify gaps in current state against the optimal delivery of programs.</li> <li>▪ Evaluate existing and new vendors for capabilities (e.g., virtual delivery).</li> <li>▪ Focus on employee experience, communication and greater engagement with the available benefits and programs. Ensure core benefit and wellbeing programs allow sufficient flexibility (e.g., via voluntary or flexible options) to meet everyone's needs.</li> <li>▪ Develop a road map for configuring processes, resources, vendors and technology to deliver a consumer-grade employee experience.</li> </ul>
<b>Sustainable human capital measurement and governance</b>	<ul style="list-style-type: none"> <li>▪ Confirm and update governance and process around human capital measurement and disclosures among board, management and other key stakeholders; proactively consider disclosing key people-related targets (e.g., employee health and safety, employee wellbeing, DEI, representation goals).</li> <li>▪ Seek input and engagement from relevant stakeholders on a measurement framework for sustainable human capital. <ul style="list-style-type: none"> <li>▪ Include metrics and performance standards that are appropriate for key jurisdictions, markets and industry sectors; address materiality where relevant.</li> <li>▪ Ensure a broad mix of human capital factors that are relevant for operations, financials, and value accretion as well ESG-related considerations where applicable (e.g., employee health and safety, employee wellbeing, employee experience, operational excellence, return on human capital investments, DEI).</li> </ul> </li> <li>▪ Include measures in executive and broad-based short- and long-term incentive plans where appropriate. Ensure human capital and benefit programs (including pay, health and wealth benefits, careers and wellbeing) support human capital management goals.</li> </ul>



# Optimizing costs

## Cost flexibility for sustainability

To ensure financial sustainability through business and economic volatility, it is important to understand the cost of work when introducing flexible work and Total Rewards policies, and to right-size fixed costs of compensation and benefits.

Today's HR leaders are highly aware that flexibility in ways of working and human capital resiliency cannot be achieved without incurring costs. On the one hand, such costs often can be balanced against concurrent cost savings in areas such as real estate and office services resulting from flexible work. On the other hand, our [research](#) shows that, in 2020, employers consistently layered in additional costs associated with benefits, wellbeing and time off/leave while making few direct concurrent reductions in benefit program costs.

## Optimizing Total Rewards spend

In 2021, due to continued uncertainties in the operating environment, leaders report diligent and continued focus on cost management and capital preservation. To be able to invest in sustainable human capital strategies of the future, employers will need to engage in multiple cost optimization strategies, including:

- Freeing up funds to allow greater flexibility in their work and Total Rewards costs
- Allocating such investment in line with what employees value and what needs employer support
- Eliminating underutilized programs (costs of such programs can quickly add up to meaningful sums)
- Negotiating value-added services from vendors
- Actively managing benefit costs, funding and risks

## Active management of costs

In many countries, health care costs are expected to double over the next 10 years. Similarly, costs and risks of legacy defined benefit pension arrangements are high due to low interest rates and volatility in equity/financial markets. Unmanaged costs put pressure on total compensation budgets and redirect investments away from human capital strategies that matter. Actively managing costs enables the highest priority – and highest impact – programs.

While organizations have long been focused on managing costs and risks of defined benefit plans, as well as implementing policies to manage rising costs of pay and health care, the COVID-19 crisis has highlighted the urgency of understanding sources of costs and risks; modeling future costs under various economic, demographic and health care trend scenarios; continuing to implement strategies to avoid risks; and measuring progress of actions taken.

## Seizing the opportunity

Organizations have a clear opportunity as they emerge from the pandemic to take important learnings from their experiences to become even stronger in the post-pandemic era. It will be important for leaders to prioritize their actions and allocate resources. The table shows areas and actions for organizations to consider:

### Cost optimization

Area	Actions organizations should consider
<b>Cost flexibility</b>	<ul style="list-style-type: none"> <li>▪ Identify where work redesign and the total cost of work can be optimized through work alternatives (e.g., shifting where/when/how work gets done for high incumbent roles).</li> <li>▪ Implement a formal flexible work policy or set of guidelines to manage alternative work options to optimize cost of work.</li> <li>▪ Assess potential savings from reduction/elimination of pre-COVID-19 benefits (e.g., transportation allowance, office meals/fruit) and other fixed costs (e.g., real estate). Consider redirecting costs/benefits (e.g., invest in technology, wellbeing, collaboration, increased flexible allowances). Eliminate or redesign other underutilized benefits and use choice/flexibility in benefits to meet diverse needs across the workforce.</li> <li>▪ Review current designs and costs of Total Rewards programs to evaluate options to introduce greater flexibility in line with business performance, cost-sharing arrangements with employees and caps on payouts.</li> </ul>
<b>Total Rewards Optimization and Prioritization</b>	<ul style="list-style-type: none"> <li>▪ Understand the financial health and objectives of the organization and outline primary value of investment (VOI) goals (e.g., reduce, keep neutral or increase Total Rewards costs) near, short and longer term.</li> <li>▪ Conduct TRO or TRP analysis across key markets to identify the impact on perceived value and cost of making changes to programs, with focused alignment to fit the organization culture.</li> <li>▪ Assess the impact of TRO/TRP results by demographic cohorts (e.g., equitable TRO) to develop a segmentation strategy in conjunction with current and future strategic workforce requirements and to address attraction and retention challenges.</li> <li>▪ Combine TRO/TRP findings with other internal and external insights. Develop a Total Rewards strategy in conjunction with other HR functions (e.g., talent acquisition, talent management). Prioritize changes based on criticality, strategic importance and ongoing financial, risk and operational implications while taking into account time, effort and cost of implementation.</li> <li>▪ Identify opportunities to align with broader DEI efforts, where applicable.</li> </ul>
<b>Active management of benefit costs and risks</b>	<ul style="list-style-type: none"> <li>▪ Project benefit costs under multiple economic and demographic scenarios to understand sources of costs (and risks measured as volatility of such costs).</li> <li>▪ Identify important cost implications and categorize into what can be avoided (e.g., unexpected tax and legal implications of working from another country/province/state), controlled (e.g., cost of medical care incurred/claims from another country other than the home country), or made optional for employees or transferred to third parties (e.g., introduce choice in benefit design or employee buy-up options, salary decrease based on location). Implement respective decisions and actions under each group.</li> <li>▪ Implement systematic de-risking of defined benefit pension programs to control costs and their volatility; consider enhanced flexible phased retirement programs aligned with new ways of working.</li> <li>▪ Implement robust governance and operating protocols to execute cost/risk management strategies in collaboration with stakeholders across businesses, functions and geographies.</li> <li>▪ Revisit ongoing benefit program governance and operations; consider the effect of staffing levels, technology changes and evolutions to outsource operational risk.</li> </ul>





# The importance of employee listening and employee experience

A particularly important theme that flows through all reported human capital strategies is employee listening, engagement and experience. During 2020, most organizations tried and accelerated many different approaches to understanding employees' needs and concerns. The post-COVID-19 era will provide leaders with significant opportunity to take what was learned and continue their focused efforts to identify new and different ways to connect with employees and drive a rewarding experience (which also can be a competitive market differentiator).

There is ample evidence that employees' attitudes toward remote work and flexible schedules vary by traditional demographic designations – and are likely to evolve as time passes. The pandemic also has highlighted the importance of developing a deeper understanding and monitoring of drivers of stress and distractions at the workplace and beyond. Equally, the pandemic is likely to affect employees' short- and long-term views on financial certainty, job safety, and protection of base compensation and core benefits. To successfully implement and sustain new ways of working, minimize distractions and optimize spend on Total Rewards, it will be critical for leaders to remain continually connected with employees in order to enable organizations to make targeted investments in human capital strategies.

Employee experience encompasses all the moments that matter to employees at work. Our [research](#) shows a close correlation between employee experience and business outcomes. As leaders transform the way work is done and rewarded, keeping employee experience at the center of work and Total Rewards strategies will be essential to engage and inspire employees around the purpose of the organization and build a culture of trust. Many employers have cited culture and leadership to be the organizational glue that helped them successfully navigate challenges and emerge stronger in 2020. As such, employee experience will be necessary for organizations to rebound quickly from the global crisis and create a sustained competitive advantage.



## Seizing the opportunity

Organizations have a clear opportunity as they emerge from the pandemic to take important learnings from their experiences to become even stronger in the post-pandemic era. It will be important for leaders to prioritize their actions and allocate resources. The table shows areas and actions for organizations to consider:

### Making it real for employees

Area	Actions organizations should consider
<b>Listening to employees and managers</b>	<ul style="list-style-type: none"> <li>▪ Develop an agile digital listening strategy (such as employee resources groups, focus groups, pulse surveys and conjoint surveys), allowing employee opinions to be measured on a continuous basis (to keep a live track of the pulse of the organization) as well as on an ad hoc basis (to understand issues as they arise), with the ability to understand differences by employee cohort.</li> <li>▪ Instill a sense of voice and involve employees in designing changes to the workplace and get valuable feedback on changes as they are implemented.</li> <li>▪ Implement a life cycle listening strategy to ensure each step in the reimagined employee journey is optimally tuned.</li> <li>▪ Understand drivers of emotional and social challenges facing employees – in and out of work – by critical employee segments, including generations, caregivers, income, health status, gender, sexual orientation, race and ethnicity.</li> <li>▪ Consider employee needs – on wellbeing, culture, manager and leadership expectations, and work experience – to build a continuous improvement plan for communications, programs and a culture focused on organizational resilience.</li> <li>▪ Recognize key detractors from an optimal employee experience, including financial worries, job security concerns, health status, and social and emotional stressors.</li> <li>▪ Conduct conjoint surveys to align rewards with new ways of working and changing employee preference; consider incorporating specific cohorts for equitable TRO.</li> <li>▪ Focus on managers to gain an understanding of their challenges and stressors, the impact on their teams and the overall employee experience. Provide managers with the tools and training to enable them and build their resilience.</li> </ul>
<b>Creating a high-performing employee experience</b>	<ul style="list-style-type: none"> <li>▪ Define an optimal employee experience that inspires employees around the purpose of the organization, drives agility and innovation, creates personal growth opportunities, creates physical and psychological safety, and builds trust to create a healthy organization culture.</li> <li>▪ Understand gaps between current and optimal employee experience, identify key priorities and build a road map to achieve a high-performing employee experience.</li> <li>▪ Consider the employee experience across the entire life cycle and through the lens of critical elements of the value proposition, including wellbeing, Total Rewards and organizational transformation.</li> </ul>

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