



## The Q&A roundup series 5: Workforce management and engagement strategies You asked, we answered.

Here are our responses to the questions you had in store for us, during our webinar on 'Workforce management and engagement strategies'.



### **Are organisations thinking about leveraging the work from home (WFH) model in the future as well?**

Leveraging this model would depend on an organisation's profile. Nevertheless, many organisations are seen to be actively evaluating WFH as an option and are objectively considering using it in the future – especially as a cost cutting measure. Certain functions which need people on premise, given the nature or criticality of the job, are also exploring newer models. This change obviously is heavily reliant on appropriate support, such as, equipment, internet connectivity, etc. A change in the cultural mind-set of companies is also necessary, to determine what WFH will actually entail. It requires flexibility regarding working hours, factoring in constant availability, infrastructure and other priorities.

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**What are companies doing about productivity losses during this lockdown? For example, a customer support team can be working at half of their potential during this lockdown as the number of customer queries have reduced?**

One may need to redefine productivity in such a climate, other than hours that an employee spends doing 'company work'. Based on interactions we've had with clients in different industries (retail, food and beverage (F&B) and consulting services), there is a massive emphasis on trainings, knowledge sharing sessions, reallocation of personnel to other critical functions and upskilling to address such challenges.

There is inherent tension that currently exists due to several underlying factors, which are, immediate panic, short-term goals and projections, and the focus on evolving to address the company's future needs.

Backend support teams like information technology (IT), finance and accounts, administration and security seemingly continue to play pivotal roles, regardless of where they operate from. A similar model can be devised for customer support teams to focus on customer outreach and other client satisfaction initiatives.

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**I am from an original equipment manufacturing (OEM) company (Automotive). We have observed that while employees WFH, confidentiality is big concern. Do you propose any solution for this?**

**Cyber security:**

- Ensure laptops are hardware encrypted with protective software such as, BitLocker, McAfee, etc.
- Implement mandatory multifactor authentication (MFA) to connect to the office network.
- Create awareness on timely updating software/ OS patches through the IT team
- Restrict access to public websites or to access personal email accounts through office computers
- Disable USB ports to be used for any unencrypted storage media
- Implement data loss prevention (DLP) systems to monitor outgoing traffic
- Create awareness on cyber fraud such as phishing, vishing, ransomware, etc.
- Remove administrator privileges to avoid any installation of software by users on company devices

**Other measures:**

- Educate to ensure webcams are not on, when not required.
  - Advise users to always lock the screen when they are not working on their devices.
  - Conduct awareness sessions to remind the staff of their responsibility to respect the privacy of clients and the organisation.
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**How do we manage the temporary workforce who have gone back to their hometown?**

The COVID-19 pandemic has spawned a new crisis – the mass exodus of temporary or migrant workers, who have been rendered jobless or suffered pay-cuts with no benefits such as insurance, health benefits, etc. Companies will have to effectively communicate the measures they are putting in place, to help reassure their temporary workers, so that they can get back to work as soon as the situation normalises. Some companies have been working with local NGOs and announced special measures for their temporary workforce and their families to tide over these difficult times. Communication, partnership and alignment with the bargaining leadership could be effective as well.

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**How do we engage employees who are at home but do not have access to a laptop or desktop?**

Smartphones can act as an alternative as most people have access to them these days. Additionally, scheduling calls for discussions can also be useful to provide voice trainings, explore the possibilities of upskilling, conduct surveys and much more. Developing a cadence of conversation to brainstorm best practices or invite other suggestions from employees could also be alternatives.

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**How can we retain workers who are stranded at various sites, working in an unorganised sector like infrastructure, once the lockdown is lifted?**

Retention here, is expected to largely depend on how the workers were treated during this trying period and what assistance was provided, including basic amenities such as housing, healthcare, access to hospitals, food supplies, and support to their families during the pandemic, along with positive communication to keep their morale high. Additional benefits, such as special or hardship allowance, especially during difficult times, could go a long way in retaining employees.

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**In this crisis period, don't you think that organisations should be more empathetic towards their employees? Layoffs are taking place rapidly. What are your thoughts on the same?**

A crisis like this is also a human crisis. People's lives are disrupted – as customers, employees, suppliers, etc. A direct outcome of this situation is that customers are not buying as much, or worse still, the companies are not in a position to sell. Many companies may not have a staying power to survive with low sales. When companies do not have the financial strength to survive with significantly reduced earnings and have a

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conservative outlook for their business for the rest of the year, they tend to respond with layoffs. It is an unfortunate situation for the employees.

It is advisable for companies to consider a long-term outlook, while taking such crucial decisions, as it may reflect negatively on a company's brand and market-image. Layoffs should be the last-resort, after considering all other possible alternatives.

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**How can 'design an agile organisation' work for a heavy manufacturing unit that possesses a large number of non-management personnel in their workforce?**

An agile organisation is designed to learn and respond faster than the rate of change in their business environment. It is built around empowered teams working together seamlessly, organised around the flow of work. There are examples of such organisations in all industries. As far as empowered teams go, there are prevalent examples of involving the non-managerial workforce into the equation.

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**How can we ensure employees stay engaged during this time? In the current context of fear, uncertainty, job losses, pay cuts, health scares and diseases, how can we do more with a lower headcount and keep 'relevant' people engaged?**

Engagement is denoted as the level of meaningful involvement the employee has with the organisation. A crisis of this nature is bound to distract employees from this involvement, as they may be concerned about their own safety as well as that of their families. They could perhaps also be afraid of the consequences arising from the lockdown, i.e. the impact on their jobs or their salary, etc. It is indeed demanding to drive the employees' attention to focus on meaningful organisational involvement, despite these concerns. Cascading communication from leaders acknowledging these concerns can be a starting point, followed by programmes to help equip the workforce to deal with these concerns (e.g. helpline to support the individual's psychological well-being) are essential to boost engagement. Determining the work expected from them while setting up fresh short-term goals can help ease this process. For instance, a leader whose team had their plates empty as a result of the lockdown, decided to focus on 'tidying up the house' as a team. They were given tasks such as writing manuals, streamlining working processes, etc. Providing the employee with learning opportunities is another strong engagement plan. Introducing such changes, while being supported with regular leadership communication on how the situation is panning out, can assist in further strengthening the bond with employees.

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**This is the time to move to a new 'mind-set' and reset culture. How can leaders navigate this 'great depression' – a situation we have never seen in our lifetime?**

A crisis presents us with an opportunity to reset our normal patterns of thinking. It tests us as individuals, leaders, and for the other roles we play in our lives. For example, a leader reported that for the very first time he did not have an answer when his team asked him what they should do given a specific situation at the workplace. He acknowledged this, and invited the team to think about ideas to solve it instead. He was surprised that the team, not only came up with a few good workable ideas, but also bonded better with him as a leader. He started wondering about his own leadership style and questioned his role – was he meant to give the team right answers or help them unlock their own potential? Every single experience becomes a learning moment for each one of us.

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**How are you seeing organisations, respond to and support the larger external community during this phase?**

There are some great examples of organisations responding with care within their communities. These include donating funds, providing skills to solve community problems, etc. Deloitte India too, is assisting a few state governments in responding to the COVID-19 crisis.

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**Since appraisals for most organisations takes place at the end of financial year, are there any organisations changing their appraisal cycles?**

We do not have sufficient data on organisations changing their appraisal cycles. However, we have observed that most organisations that deliver such benefits during the April to July timeframe, are modifying timelines for pay correction, bonus pay-outs, etc.

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**For large multinationals (MNCs), especially in the global manufacturing space, changes are slow to come by; and so, for people in small subsidiaries in India, this is a challenge. What are your thoughts in terms of being able to influence global headquarters?**

This is a genuine challenge for many small MNCs in India. There are two things that are important to highlight:

- a) The pace of change/reversal in economic fortunes might be faster in India and other Asian countries than for some countries in the west. Parent organisations
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should be prepared to be able to respond to this immediately, and therefore they need to stay abreast of market realities in India.

- b) Talent dynamics in India are very different from the west and we have seen that most companies who have altered their perception in the market (regardless of their size), have been able to do so with constant communication. We suggest exploring other options of communication, including organising more presentations on this subject.
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### **What are some of the performance assessment methods companies are using, given the present scenario?**

Based on our interactions with companies across industries, we understand there are two broad lines of thinking that seem to exist:

- a) To make the entire performance assessment system more egalitarian in its outcome. In such times, it is more important to drive home the message of having 'all hands on deck', vis-à-vis looking to differentiate by individual performance delivered.
- b) The other, is to make it extremely strong on performance differentiation and use it as a means of rewarding and retaining high performers, while also perhaps using this methodology as a rationale to weed out low-performers from the organisation.

We believe the first approach may hold companies in better stead.

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### **Cost rationalisation is a big focus now, as cash flow will likely become a problem. For us, more than 70-75% is employee costs. Considering the government's mandate to discourage exits/pay-cuts etc., what is the best alternative way to reduce costs on the employee front?**

There are a range of alternatives, some of which are already being used by companies. For example reducing leave balances across employees by either voluntarily cancelling carried forward leave balances (or reducing provisions), or by furlough, which actually reduces the cash outgo for companies. Some companies have also started exploring some equity grants for senior management instead of paying bonuses, etc. for FY20. There are several examples of senior management voluntarily taking pay cuts as a means of reducing costs as well.

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### **Is it fair for companies to cut employee salaries or not pay them at all, especially when people are working from home?**

We believe a majority of companies would not want to reduce pay or cut jobs unless there is no other available alternative. Also, with the government mandate to protect jobs, only companies that are in a dire state of affairs are likely to want to make such

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decisions. However, some companies are also faced with insufficient cash flow to be able to make payments to employees.

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**Do you have any innovative suggestions on how to link salary pay-outs to cash inflows for the next two to three months post the lockdown being lifted? There need to be sales and collections first, in order to fund the wages.**

We are seeing a lot of companies evaluating restructured compensation models to make a larger part of the overall pay linked to performance. In this kind of a structure, employees are expected to earn a significant part of their compensation only when fundamental profit and loss (P&L) metrics are met.

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**Any intel on companies restructuring salary structures to cut down the employer costs?**

Companies are looking at incorporating non-monetary benefits under the existing cost-to-company (CTC) or they are considering deferral schemes for bonuses. This would enable them to minimise cash outflow without impacting the employees' overall remuneration. On a separate note, companies have been looking at ways of structuring salary to optimise tax costs for employees. This could enable employees to have an increased take-home salary. With the introduction of the simplified tax regime, it is important for employers to understand specific benefits available under this regime as well.

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**Can you share any changes companies may be initiating on leave policies?**

Companies have been seen reviewing the feasibility of leave encashment policies. Furthermore, monthly leave entitlements for WFH days and home leave travel for international assignees, are some of the other areas which are being reviewed.

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**What is the legal stand on salary cuts announced by many firms during this lockdown period?**

The Ministry of Labour and Employment had issued guidelines to all companies not to deduct salaries of workers during the lockdown period. If the Government of India is aware of any such instances, we understand that labour commissioners are initiating a dialogue with employers to address the concerns of employees.

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**Given the current situation, would expats who are already in India be interested to continue their assignments or would they look to return to their home country?**

Through our discussions with clients, we have observed that some expats preferred to return home, or are in the process of returning. Being closer to family members in these challenging times, coupled with a perception of better medical care, appear to be the two most prominent driving factors for them to return home. However, a few expats have chosen to stay back and avoid travelling. This is a highly individual driven decision, and most companies are leaving this decision to the individuals in question.

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**Do you anticipate global mobility getting impacted with regards to US visas (new and renewals)? Is there any speculative timeframe?**

In the short term, we foresee a reduced willingness to travel and hence international jobs or assignments may not surface immediately. However, due to the gap in skillsets and the need to imbibe global perspectives, companies are looking at remote working options through the creation of virtual roles or by providing employees with additional incentives to take up overseas assignments.

Government agencies including the United States Citizenship and Immigration Services (USCIS) are working under limited capacity. Therefore, the processing timelines are expected to increase considerably.

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**How will stock options help to reignite business and help manage cash flows?**

Stock options are non-cash payments and therefore companies may prefer allocating these as compared to cash incentives. From a long term perspective, this could act as an incentive to employees to have personal interest in enhancing company performance. A detailed analysis of company-specific circumstances is recommended, before framing a plan.

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**What strategy should we adopt to get people to work once the lockdown ceases?**

We would recommend a staggered approach after the lockdown is lifted. At the outset, the HR and business teams should work together to identify roles which can work from home, and those that need to come into office. This is also important to prevent infection at the workplace. Cleaning and disinfecting the workplace, revising travel

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protocols, lowering the number of employees in a cubicle, are also some of the methods that may prove useful. Companies have been working on preparing detailed guidelines for a staggered rollback of the lockdown. These guidelines include specific instructions on commuting to office, being subjected to screening before entering the premises, having medical assistance on hand, etc.

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**How are companies planning to reduce working hours, especially with finance teams being support services and having their own deliverables e.g. statutory compliances, month end audits, etc., while still meeting business expectations as business partners?**

In many organisations, finance teams are working fulltime through laptops to approve payments and meet compliance obligations. The deferment of certain statutory timelines by the Government of India recently, has significantly helped in reducing the pressure.

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**A client in the essential goods manufacturing space is receiving requests for high wages and additional insurance policies from their workforce, as they work in a risky environment. How should the leadership respond?**

We encourage organisations to put their people first in a time of crisis and approach this empathetically. Organisations could incentivise the workforce by rolling out special allowances similar to the approach taken by the Government of India with regards to their staff. In our discussion with clients, we understand that many current insurance plans cover a pandemic, and if not, a few are now opting for enhanced coverage for pandemics. We encourage organisations to opt for enhanced coverage if required, as an employee benefit tool and as part of their corporate risk programme.

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**With WFH being the new normal, there are increased risks, especially in relation to data leakage, confidential information breach, etc. What are some stringent steps that can be taken, apart from IT security measures?**

From a broad perspective, an increased risk could either arise from phishing, data theft or network and application-level security and availability. Here are a few steps that can be followed:

### **Phishing/vishing/smishing attacks**

Criminals are relying on the panic caused by COVID-19 and are using multiple ways to lure customers into sharing confidential details. Phishing is a malicious attack over email, vishing over voice call, and smishing over text message or SMS. In this context,

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every individual in the organisation should follow these steps to avoid becoming a target of such kinds of attempts:

- Be wary of fraudulent emails or phone calls requesting you to call an organisation for a particular inquiry. Look up and call the organisation's customer service number rather than the number provided in the solicitation email or phone call.
- Forward any solicitation email to the customer service or security email address of that organisation, to verify whether the email is legitimate or not.
- Do not respond to any messages or click any links mentioned in any email, unless the source is a trusted or known one. Report any deviations or suspect fraudulent activities to the concerned organisation through their customer service number.

### **Data theft**

- The organisation should exercise caution in handling any email with a COVID-19-related subject line, attachment, or hyperlink. Use trusted sources such as legitimate government websites for up-to-date, fact-based information on COVID-19, refrain from revealing any personal or financial information in an email and do not respond to email solicitations for this information.

### **Network and application-level security and availability**

- It is always imperative to maintain the three basic pillars (confidentiality-integrity-availability) of information security. For the organisation to maintain C-I-A, they should perform a security analysis on the network and associated applications from all possible cyber perspectives (vulnerability assessment, penetration testing, etc.), ensure all critical systems on the network are updates with the latest security patches.



**It is important to understand if employees, their family members, or locality was infected by COVID-19, once they begin coming in to office. How should we keep track of this?**

Here are some steps organisations could implement to track and monitor COVID -19:

- Set up a COVID-19 HR team to monitor the status of every employee in the organisation on the following parameters:
  - Where they are currently situated
  - Their health status
  - Their current activity status
  - Disclosure of their family members' health issues
  - Daily monitoring (across all locations)
- Launch a digital employee health declaration system to track employee well-being and comply with administrative reporting requirements
- Set up a panel of doctors to provide virtual guidance to employees on health issues and monitor these through the COVID-19 HR team
- Develop and disseminate strict protocols for staff working at offices and from home
- Conduct periodic medical check-ups, including thermal check-ups or scanning at entry points, for all employees. In case anyone is found positive for COVID -19, ask

employees to track all contact with co-workers and visitors, in case they develop symptoms.

- Ask employees to report any confirmed cases; themselves or family members, and stay at home for 14 days or until cleared by a doctor. Isolate employees diagnosed at work, and immediately disinfect anything they have come in contact with. Notify other employees and clients that may have been in contact with the individual, without releasing their name.
- Communicate emergency toll-free numbers to handle any crisis that may come up
- Educate employees on COVID-19 symptoms and prevention through video/audio conferences and other suitable communication channels.



**Companies are currently balancing a need to preserve margins and profits, versus showing more empathy to employees by avoiding layoffs. How do they address this tricky position?**

It is important to remember that this event is primarily about people — their families, their well-being, and the organisations that they rely on and trust in times of need, and we are yet to emerge from the situation. An asset like human capital, as always, will be the pivot for future growth when the economy corrects itself. Margins and profits may come under stress in the short term, however in the long term, the business cycle is likely to take care of this. Empathy towards employees will create a better brand image for the organisation – both, from an inward and outward perspective. The company can draw up on their reserves to tide over the crisis and thereby, showcase resilience.

Instead of layoffs, some options an organisation may consider include:

- Reduce employee leave balances by either voluntarily cancelling carried forward balances (and therefore reduce provisions), or by furlough, which actually reduces the cash outflow for companies.
- Some companies have also started exploring equity grants for senior management instead of bonuses for FY20.



**What has changed for employees who are not working from home to ensure critical business processes are taken care of?**

Many organisations are taking key steps for employees who cater to critical business processes, and for staff delivering essential services, in the form of:

- Ensuring the employees travel in sanitised environments, with not more than two to three employees in a car,
- Asking them to wear masks in the office
- WFH-able employees continue to WFH to create enough space and thereby employees in attendance can maintain adequate social distancing
- Active monitoring of health symptoms

- Regular sanitisation of work premises
- Restricting elevators to carry a very limited number of employees at a time

Employees in customer facing roles are managed by not permitting more than one customer at a time in their respective location.

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### **What have been the key expectations from the Government of India for corporations?**

As expected, the Government of India and the Reserve Bank of India (RBI) have come up with various measures to fight the pandemic. A few key initiatives, among others, are listed below\*:

- A special economic taskforce has been set up to plan for further action, to try to mitigate the impact of the pandemic on the Indian economy.
- The RBI has reduced REPO rate by a record 75 bps and CRR by 100 bps to infuse liquidity in the system. The RBI has also committed to conducting a 6-month dollar/rupee swap on 23 March 2020 along with carrying out a long-term repo operation of up to INR 1 lakh crore (~US\$ 131BN) in multiple tranches and several other new measures on ensuring liquidity and easing financial stress.
- All commercial banks, co-operative banks, all-India financial institutions, and NBFCs are being permitted to allow a moratorium of three months on payment of deferred installments with respect to all term loans outstanding as on 1 March 2020. Deferment of interest on working capital facilities for three months on payment of interest in respect of all such facilities outstanding as on 1 March 2020.
- The Finance Ministry has also announced a slew of measures for extension of statutory and regulatory compliances. It includes measures such as, insurance cover worth INR 50 lakhs for sanitation workers, ASHA workers, doctors, nurses, paramedics; collateral-free loans will be disbursed for an amount up to INR 20 lakh from the earlier INR 10 lakh for women self-help groups. The PM Gareeb Kalyan Scheme will entail INR 1.7 lakh crore and consist majorly of two benefits around food and security.
- The Ministry of Corporate Affairs notified that the minimum amount of default under Section 4 of the Insolvency and Bankruptcy Code, 2016 ("IBC") is raised to INR 1 crore from the existing INR 1 lakh to support the MSME sector.

*\*(from various publicly available government documents and media sources)*

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