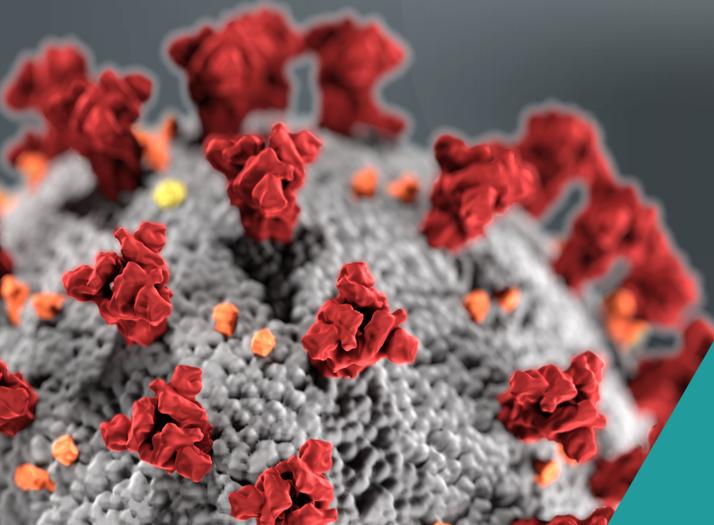


HR RESPONSE TO COVID-19

MARCH 2020



INTRODUCTION TO SURVEY

Preface

HRC Associates is pleased to present the findings of our survey, Human Resources Response to COVID-19.

Our Consultants surveyed Senior Human Resource Professionals and Executives representing 110 organisations across all industries in Trinidad & Tobago, and the wider Caribbean region.

The exercise was undertaken between March 19th to 25th, 2020. The Survey contained seventeen (17) questions, fifteen (15) of which attempted to directly gauge what actions and initiatives companies are undertaking in response to the COVID-19 pandemic.

Given the dynamic circumstances, a repeat survey may be undertaken as the business impact on companies becomes more evident.

We wish to thank all respondents for their participation and valuable insight.

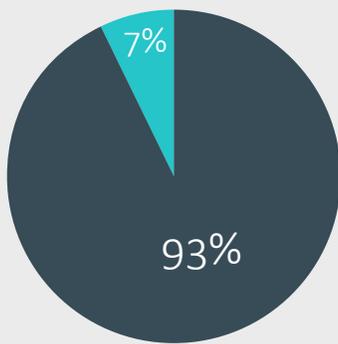
March 2020
HRC Associates
Port of Spain, Trinidad, W.I.

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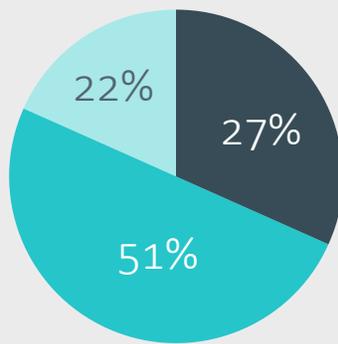
PARTICIPANT PROFILE

Organisation Location



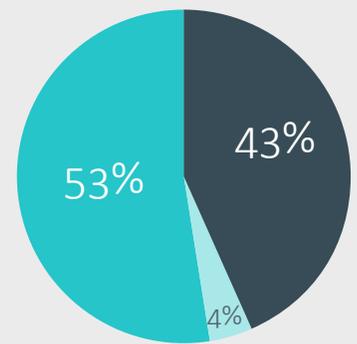
- TRINIDAD
- WIDER CARIBBEAN

Number of Employees



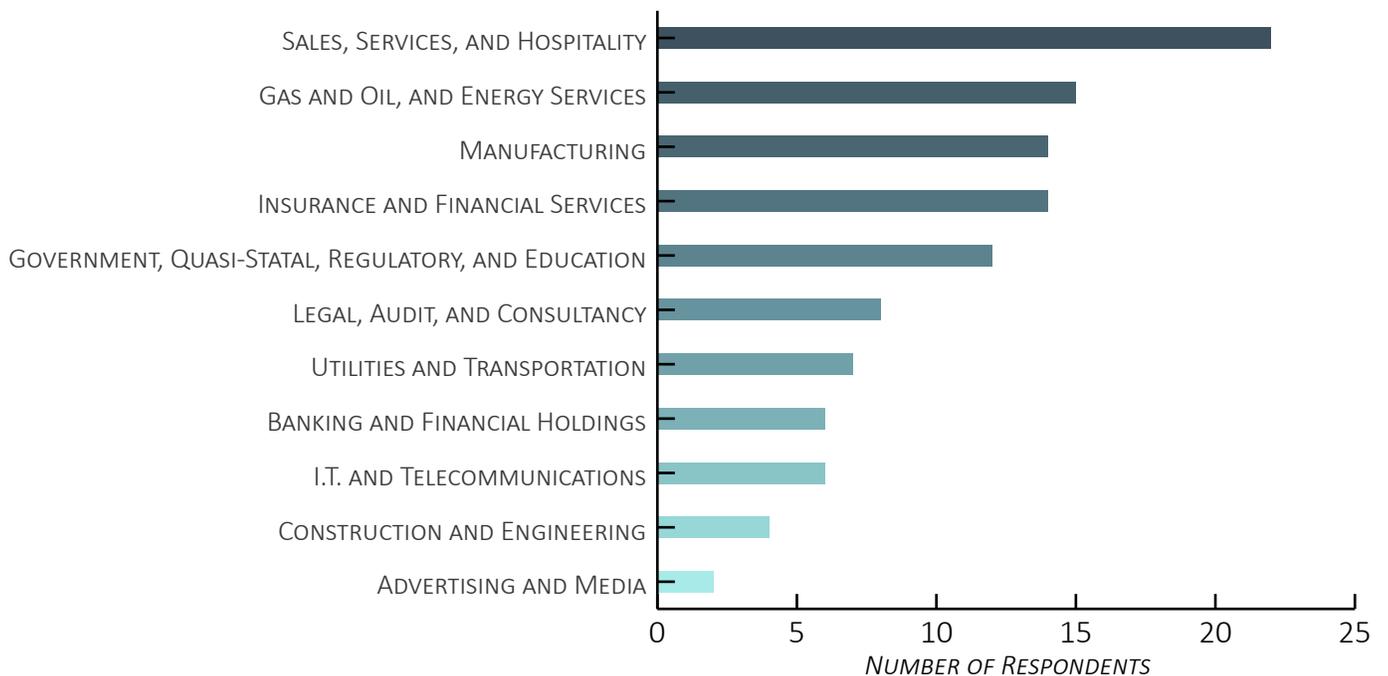
- LESS THAN 50
- 51- 499
- 500+

Who is Leading the COVID-19 Response?



- CROSS-FUNCTIONAL TASKFORCE
- EXECUTIVE MANAGEMENT
- HUMAN RESOURCES

PARTICIPATION BY INDUSTRY



SURVEY HIGHLIGHTS

4

40%

EXPERIENCING
DECREASED DEMAND

Given the disruption of the COVID-19 pandemic on society and its negative impact on business operations, it is expected that most businesses will continue to experience a decrease in consumer spending and demand.

60%

COMMUNICATING WITH
EMPLOYEES DAILY

Organisations are maintaining constant, direct communication with employees utilising multiple mediums such as email, posters/signage, text/instant messaging, and also via virtual meetings.

98%

ALLOWING SOME EMPLOYEES
TO WORK FROM HOME

The vast majority of organisations are offering the option to work from home to at least some of their employees.

38%

CONSIDERING A HIRING
FREEZE

Companies are considering or have already implemented a hiring freeze while they strategise their staffing requirements for 2020.

89%

LIMITING FACE-TO-FACE
MEETINGS

Organisations are placing restrictions on face-to-face meetings and are encouraging the use of video-conferencing.

SURVEY RESULTS

The COVID-19 pandemic has presented unprecedented challenges to the world's economy. Most organisations have reprioritised or even suspended business as usual operations to focus on their response to the COVID-19 pandemic. Steps taken within the first days were critical to organisations' ability to effectively manage and mitigate the risks associated with the pandemic. Due to the rapid response of the Government and their directives to businesses,

coupled with the highly contagious nature of the coronavirus, companies were forced to act swiftly to put plans and systems in place to safeguard their employees, customers, and operations. Even with newly implemented policies and practices regarding Health & Safety, leave of absences, alternative work arrangements, recruitment, and compensation aimed at ensuring business continuity, there will be significant disruption to the business' operations.

COVID-19 AT A GLANCE

NUMBER OF CASES



CASES OF COVID-19: WORLDWIDE

Approximately 460,000 as of March 25th, 2020.



CASES OF COVID-19: CARICOM

146 as of March 25th, 2020.



CASES OF COVID-19: TRINIDAD & TOBAGO

60 as of March 25th, 2020.

RELATED GOVERNMENT MEASURES



CLOSURE OF SCHOOLS, BARS, ETC.

Schools and Bars closed from March 16th and 18th respectively.



CLOSURE OF BORDER

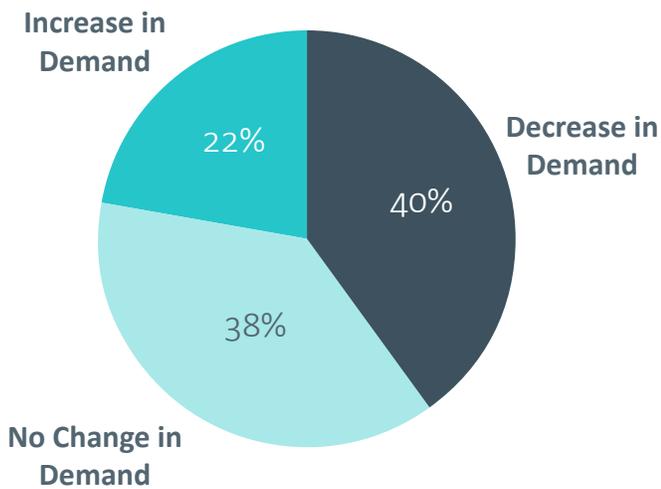
Took effect from March 23rd.



PANDEMIC LEAVE AND SALARY RELIEF GRANT

Proposed on March 15th and 23rd respectively.

AS A RESULT OF THE COVID-19 PANDEMIC, HOW HAS DEMAND BEEN AFFECTED?



40% of organisations stated that they have experienced a decrease in demand for their products and services. While some organisations' can attribute this decrease to a reduction in consumer spending, others have seen a slowdown or complete cessation of their operations due to Government directives. These organisations include bars, restaurants, cinemas, casinos, and the national airline, Caribbean Airlines Limited. As a result, these businesses- especially those in the Hospitality, Tourism, and Travel sector- will suffer great financial and job losses.

However, 22% of organisations surveyed reported experiencing increased demand at this time, mostly as a result of consumers stocking up on goods preparing for a lengthy isolation period. These organisations include groceries, pharmacies, and the distributors and retailers of consumer products, especially staple food products (flour, rice, bread, etc.), household cleaning and disinfecting supplies, toiletries, and personal protective equipment (PPE).

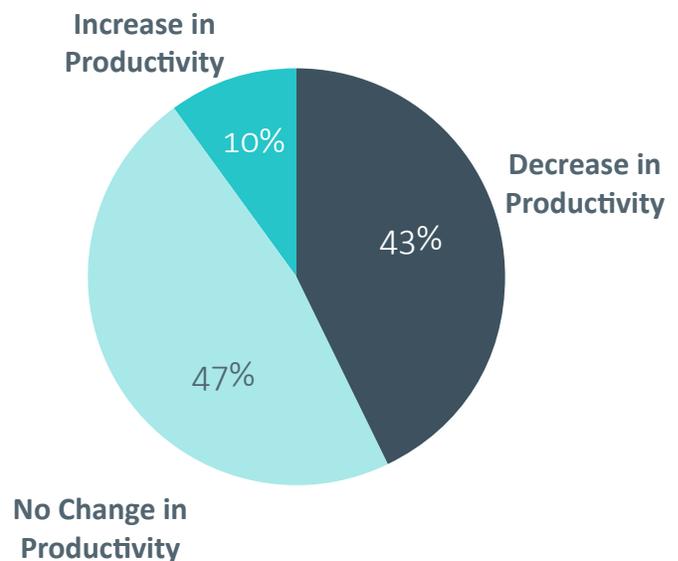
Telecommunications companies are also reporting a spike in usage of their services especially as it pertains to internet access and bandwidth usage. Many organisations have gone online in an effort to reduce employees' physical interactions and presence in the office.

Many businesses (38%) reported no change in demand- especially service companies.

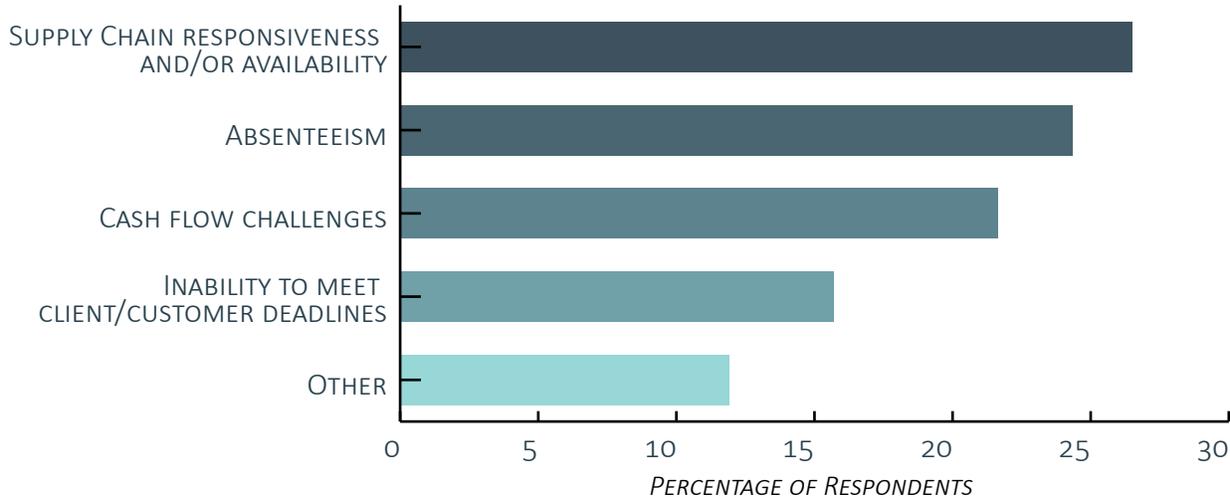
HOW HAS PRODUCTIVITY BEEN AFFECTED?

While 47% of organisations surveyed reported no change to productivity levels, 43% have experienced a decrease in productivity. The dynamic nature of the organisational COVID-19 response has negatively affected productivity for many companies as Management is forced to redirect focus from regular operations to contingency and crisis planning.

The organisations that reported an increase in productivity levels (10%) were manufacturers of cleaning supplies and consumer goods as well as the retailers and distributors of hygiene and sanitation products. Their increase in productivity is in direct correlation to their reported increase in demand for their products and services.



WHAT OTHER IMPACTS HAVE ORGANISATIONS OBSERVED/EXPERIENCED?



SUPPLY CHAIN RESPONSIVENESS AND/OR AVAILABILITY

Many respondents (26%) cited that they experienced challenges with Supply Chain responsiveness and/or availability as a result of the COVID-19 pandemic. When the initial outbreak occurred in China earlier this year, many Chinese factories were forced to reduce or cease production- creating a supply shock that has since weakened supply chains internationally. This has left organisations worldwide in search of alternative sources for critical goods and services. Locally, with reduced port operations in Port of Spain and Point Lisas, and increased priority given to containers with essential consignments and perishable goods, most organisations can expect further delays in clearing their goods.



ABSENTEEISM

24% reported an increase in absenteeism. Many employees, fearful of becoming infected by the virus or needing to stay home to care for children, have simply stayed away from work without approval from their employers.



CASH FLOW CHALLENGES

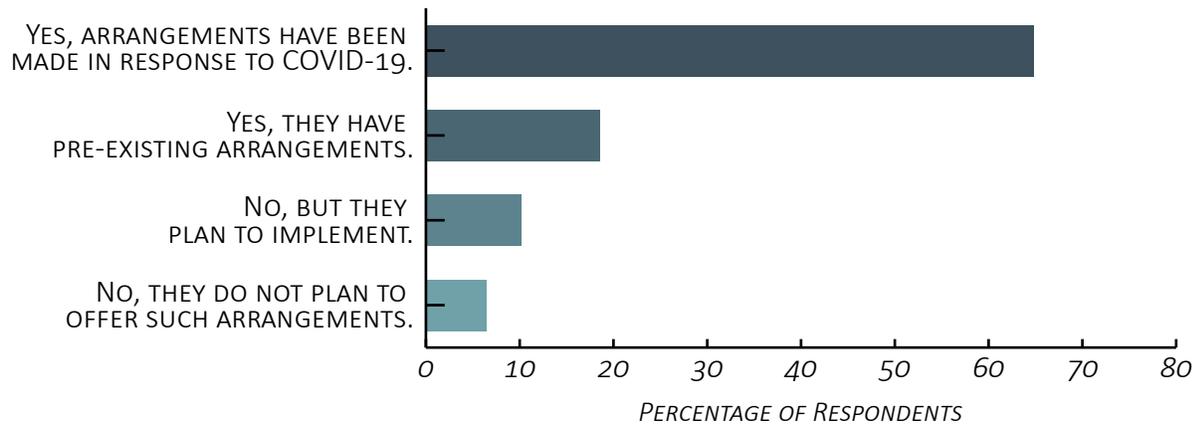
22% stated that they experienced increased cash flow challenges. With the decrease in demand for an organisation's products and/or services, organisations can expect to experience reduced cash flows. Several of the organisations surveyed also mentioned that it has become more challenging to collect on accounts receivables and to pay their suppliers on time. Additionally, participants commented on increased difficulty in acquiring Forex.



INABILITY TO MEET CLIENT DEADLINES

16% cited an inability to meet client deadlines. With reduced productivity, competing business priorities, and unreliable supply chains, organisations may find it difficult to meet all their client/customer deadlines.

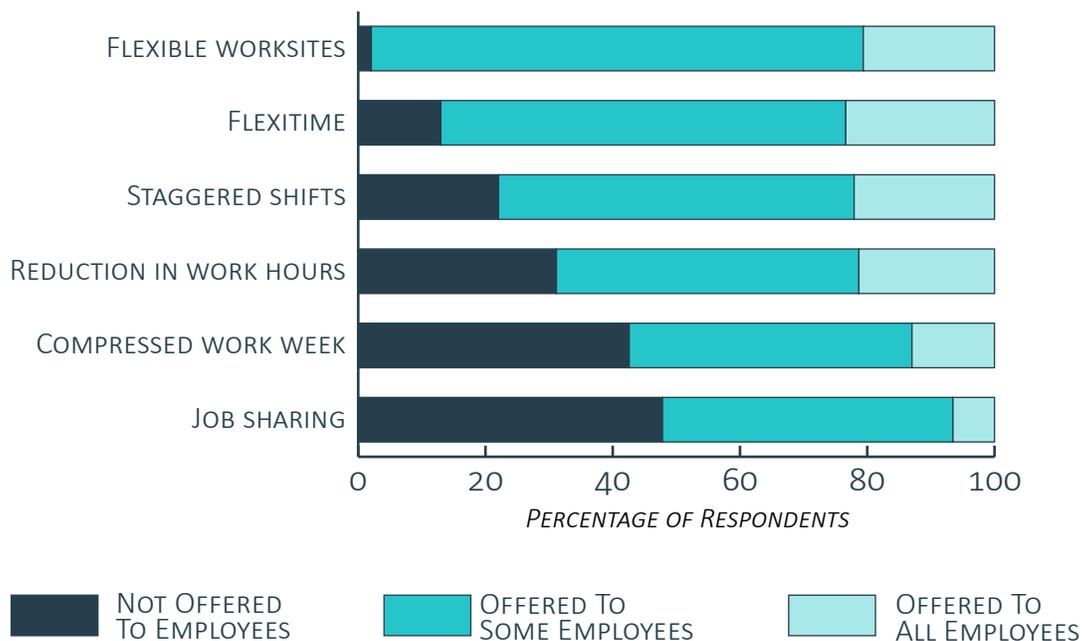
DO COMPANIES CURRENTLY OFFER ALTERNATIVE WORK ARRANGEMENTS TO THEIR EMPLOYEES?



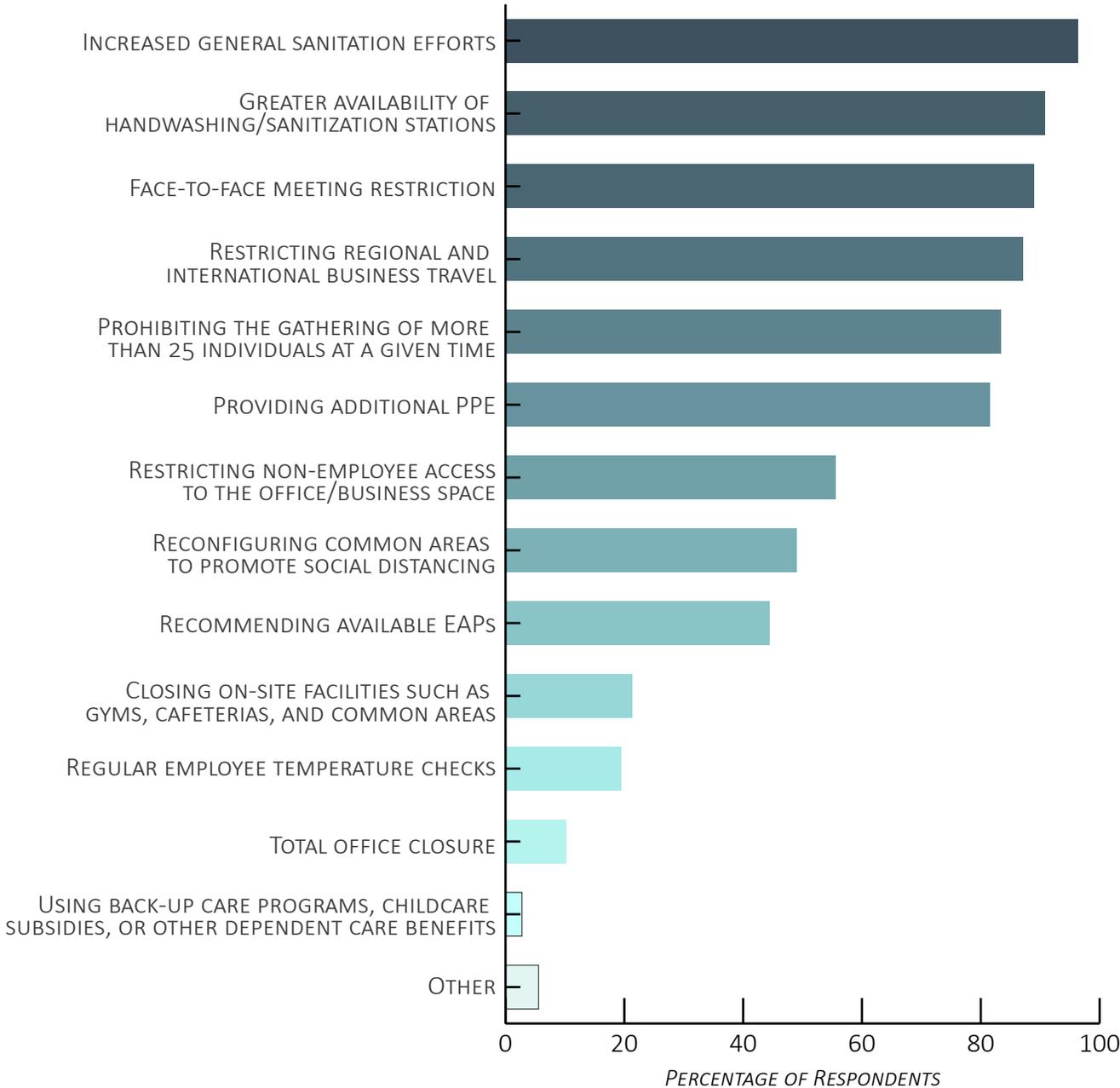
Based on the survey results, 84% of organisations offer Alternative Work Arrangements (AWAs) to their employees. While 19% had pre-existing arrangements in place, 65% implemented AWAs as a direct response to the COVID-19 pandemic. The most common type of AWAs being utilised are flexible worksites (i.e. work from home or telecommuting), with the vast majority of organisations (98%) offering the option to work from home to at least some of their employees.

Many organisations still require an employee presence on-premises (e.g. workers in plant-based environments, customer-facing personnel, etc.), and cannot offer flexible worksites for these staff. Such organisations in the Financial Services, Manufacturing, and Oil & Gas sectors have opted to offer reduced or compressed work hours and staggered shifts to reduce the number of staff on site at a given time. Moreover, 6% of organisations surveyed stated that they currently have no plans to implement AWAs for their employees.

WHAT TYPES OF ALTERNATIVE WORK ARRANGEMENTS DO COMPANIES CURRENTLY UTILISE?



WHAT SAFETY MEASURES HAVE ORGANISATIONS IMPLEMENTED TO ENSURE THE WELLBEING OF THEIR EMPLOYEES?



As new information becomes available regarding the COVID-19 pandemic, organisations must be prepared to implement the necessary and government mandated safety measures to safeguard their employees’ wellbeing. The vast majority of organisations (96%) have increased their general sanitation efforts within their offices and workspaces with 91% having made hand washing and hand sanitising units readily available and 81% offering

additional personal protective equipment (PPE) to workers (e.g. gloves, masks). This is all in an effort to curb the spread of the virus.

Additionally, 89% of surveyed organisations reported placing restrictions on face-to-face meetings and are encouraging the use of video conferencing. In further effort to promote social distancing within the workplace, 49% of

organisations have reconfigured meeting rooms, cafeterias, break rooms, and other common areas.

To promote good mental health, 44% of organisations have made Employee Assistance Programs (EAPs) or are recommending such programs to their employees. Though full office closures is another measure that organisations can initiate to prevent the spread of COVID-19, only (10%) of respondents have reported such.

Additionally, companies have utilised other preventative measures such as regular employee temperature checks, having doctors and nurses on site to meet with employees, and the rotation of customer-facing staff to minimise exposure.

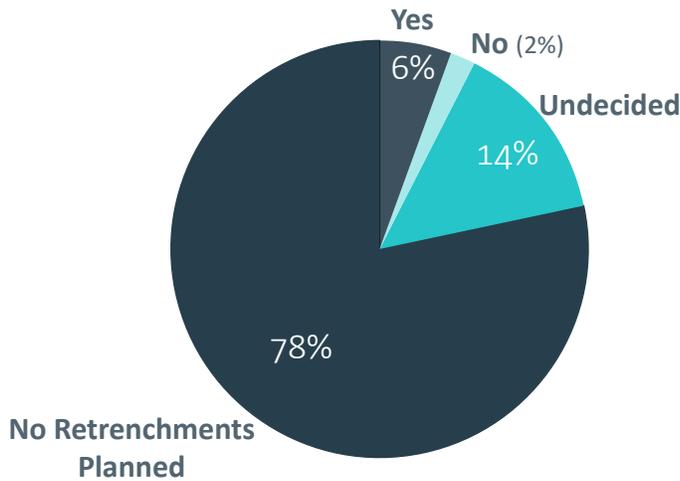
HOW LIKELY ARE ORGANISATIONS TO IMPLEMENT THE FOLLOWING STAFFING CHANGES IN 2020 AS A RESULT OF THE PANDEMIC?



In response to change in demand for their products and/or services, an organisation may make changes to their staffing requirements. Of the organisations surveyed, 34% of respondents are likely to implement or have already implemented reduced recruitment for 2020. On the other hand, only a few organisations (7%) indicated that they would likely or have already increased recruitment in 2020.

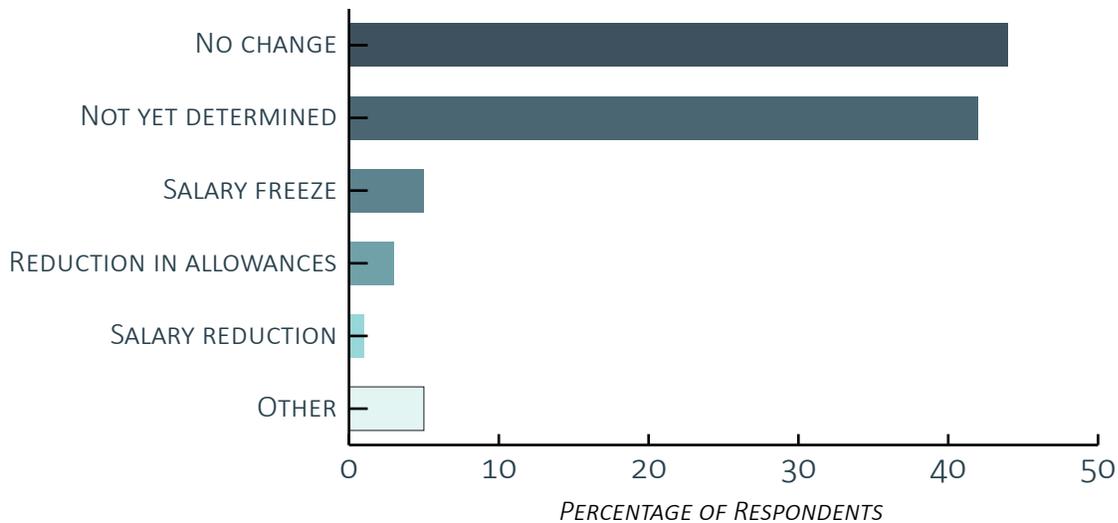
Given the competing business priorities at this time, many companies have not had time to properly discuss and strategise their staffing requirements for the upcoming period. The majority (41%) of the respondents stated that they have not yet determined their plan as it relates to recruitment and retrenchment. However, 38% of companies are implementing or likely to implement a hiring freeze in the interim as a “wait and see” approach.

DO ORGANISATIONS PLAN TO REHIRE RETRENCHED STAFF WHEN BUSINESS NORMALISES?



Organisations facing reduced demand and challenges with cash flow may need to retrench employees to sustain their business. Several organisations have also taken the decision to reduce their supplementary and temporary labour arrangements. Of the 6 companies who believe they may need to retrench workers in 2020, 50% are undecided as to whether they would rehire these employees when business normalises/operations allow.

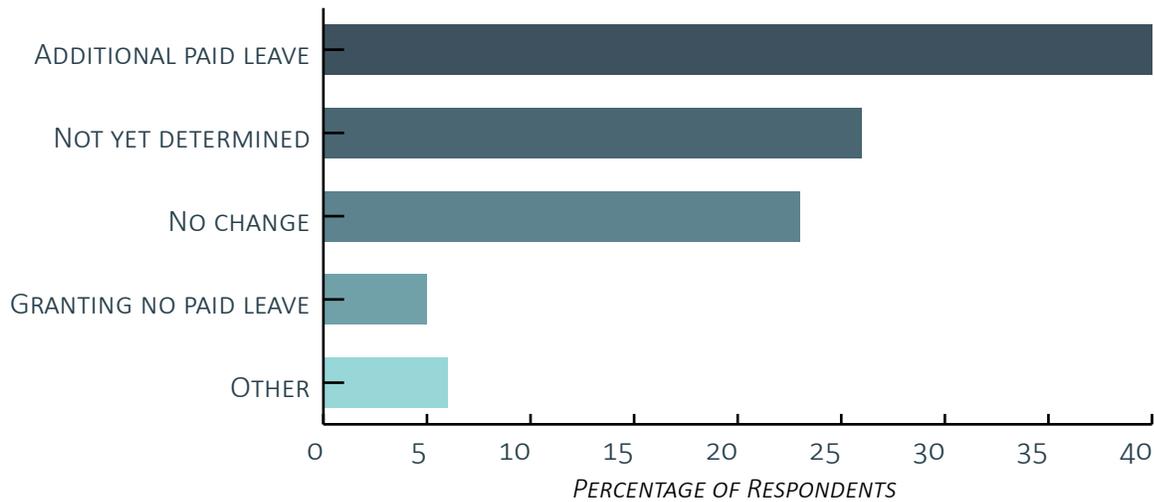
HOW HAS THE COVID-19 OUTBREAK AFFECTED ORGANISATIONS' COMPENSATION PRACTICES?



As companies plan for their new financial realities, Management will have to employ more prudent compensation practices. 86% of respondents indicated that they have not yet determined or have not enacted any changes to their existing compensation practices. This is in keeping with the "wait and see" approach adopted by many

organisations. Additionally, companies are still in the process of having internal dialogue about implementing cost cutting measures as it relates to employee compensation packages. Moreover, less than 5% of the companies surveyed reported that they have instituted salary freezes, salary reduction, and reduction in allowances.

HOW HAVE COMPANIES ADJUSTED THEIR LEAVE POLICIES IN LIGHT OF THE COVID-19 OUTBREAK?



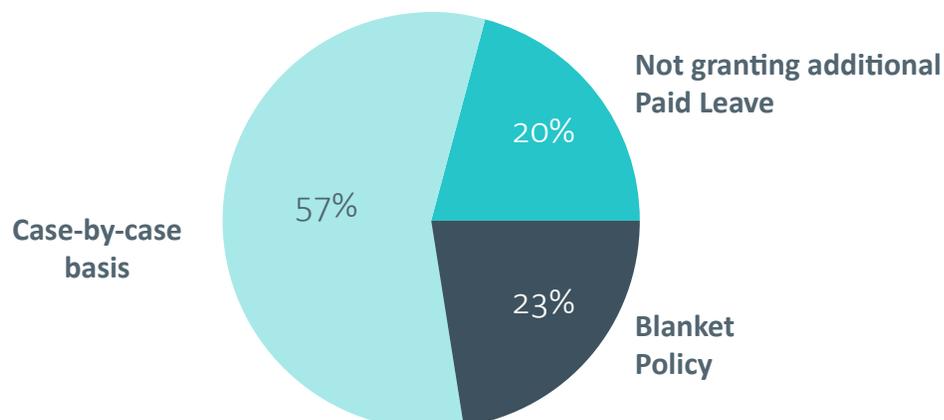
During the COVID-19 outbreak, employees will need to take leave from work for a variety of reasons such as caring for a sick relative or for their children who are home from school, or they may contract COVID-19 and be required to self-quarantine. Many employees' leave requirements during this time will exceed their annual leave entitlements.

The Government of the Republic of Trinidad & Tobago (GORTT) has also stipulated that pandemic leave (paid leave) be compassionately offered to employees. In response to these requirements, 44% of organisations surveyed have made adjustments to

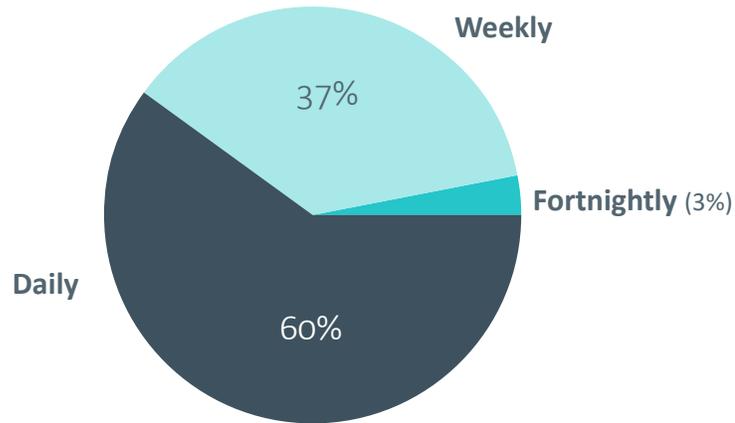
their leave policies by granting additional paid and non-paid leave. However, 23% have not yet made any changes to their leave policy while 26% are yet to determine their course of action.

40% have granted additional paid leave with the majority granting same on a case-by-case basis. Many of the respondents are asking employees to fully utilise their existing leave (i.e. vacation, casual, or sick leave) in the first instance with one organisation going so far as to bring forward employees' 2021 vacation entitlement.

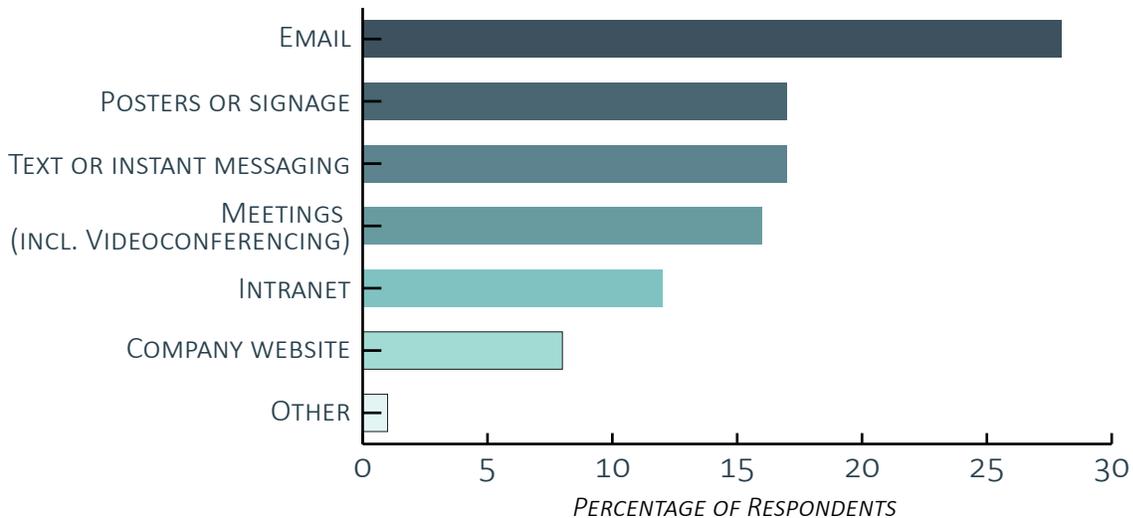
FOR COMPANIES GRANTING ADDITIONAL PAID LEAVE TO EMPLOYEES, IS IT A BLANKET POLICY OR IS IT DETERMINED ON A CASE-BY-CASE BASIS?



HOW FREQUENTLY DO ORGANISATIONS COMMUNICATE UPDATES ABOUT THEIR COVID-19 RESPONSE AND ACTION PLAN TO EMPLOYEES?



WHAT MEDIUMS DO COMPANIES USE TO COMMUNICATE COVID-19 RELATED UPDATES TO THEIR EMPLOYEES?



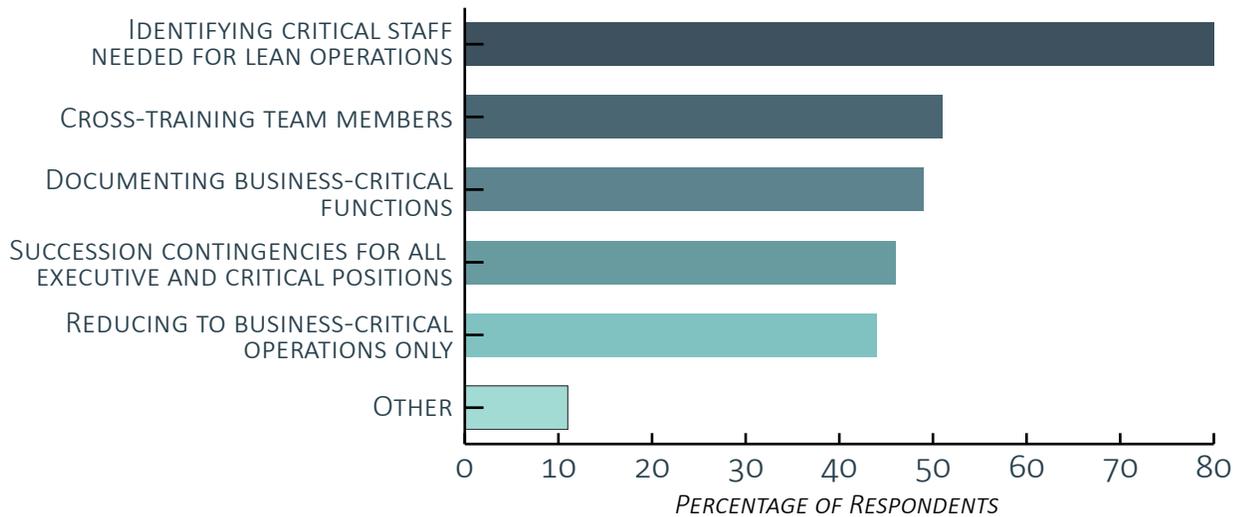
Currently, coverage of the COVID-19 pandemic dominates the news and there is uncertainty amongst many employees regarding acceptable practices during this period. Questions such as “Should I come in to work?”, “How long will this pandemic last?”, and “What should I be doing differently in the office during this time?” will invariably be raised.

Management is making a concerted effort to regularly and directly communicate the organisation’s response to COVID-19 and the resulting action plans to their employees. Management and Communication teams are approaching this situation with empathy, honesty,

and transparency- this will go a long way towards increasing informedness and minimising anxiety amongst employees and customers/clients alike.

All of the organisations surveyed reported communicating with their employees regarding COVID-19, with the majority (60%) citing daily communication. The most common mediums used to communicate COVID-19 related updates were email, posters/signage, text/instant messaging, and also via virtual or small in-person meetings.

WHAT MEASURES ARE ORGANISATIONS CONSIDERING OR IMPLEMENTING TO ENSURE BUSINESS CONTINUITY?



Organisations' response to the COVID-19 outbreak is constantly in flux as the economy, markets, and Government directives change. While companies are responding to immediate demands as it pertains to their employees' wellbeing, they are also looking to ensure the company's survival in the long-term.

The majority of organisations (80%) have identified or plan to identify the critical staff needed for lean operations who would form the "skeleton crew" necessary to maintain the basic functioning of the organisation. In response to the possibility that

employees in key positions may become sick or not be available to work, 46% of organisations are seeking to implement succession contingencies for all Executives and operational critical staff. 51% have or plan to cross-train team members to perform critical functions to ensure seamless operations in the event of an unexpected absence or quarantine of another team member. 49% stated that documenting business-critical functions, processes, and procedures would also be utilised as another knowledge management initiative within the organisation.

CONCLUSION

Every organisation will be affected differently by the COVID-19 pandemic and the resulting economic and financial ramifications - some will find new opportunity in adversity while others face a more

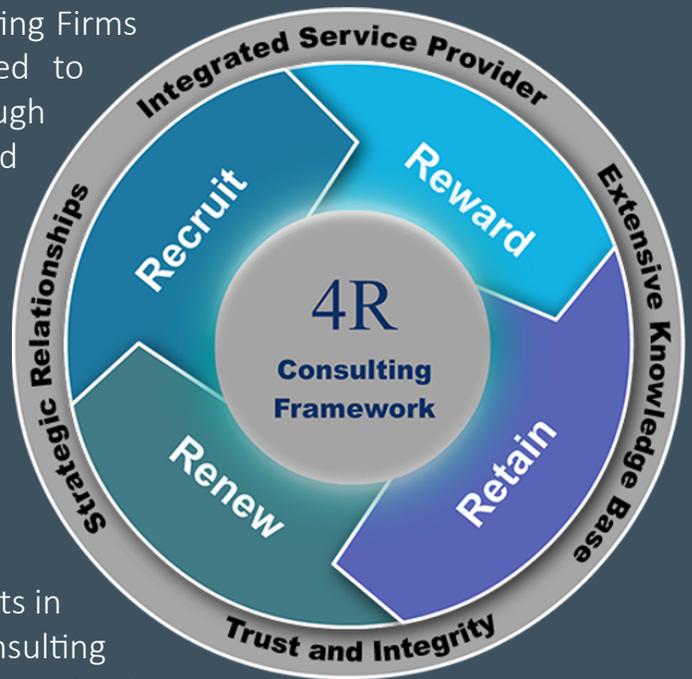
difficult path. However, regardless of industry, Management will need to act swiftly, decisively, and maintain flexibility to protect both their employees and their business interests.

ABOUT HRC ASSOCIATES

Founded in 1990, HRC Associates is one of the leading Executive Recruitment & Management Consulting Firms in the Caribbean. We are deeply committed to providing quality services to our clients through adherence to the highest professional and ethical standards at all times.

Our 4R Consulting Framework – Recruit, Reward, Retain, and Renew allows us to offer customised and integrated recruitment and management consulting services focusing on the HR and Organisation Value Chain of our clients.

Our consultants and alliance partners are experts in translating strategy into action through a consulting based process that aligns the people, culture, organisation and work processes to your business' strategic intent.



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