

COVID-19: CEO EXPECTATIONS POST-LOCKDOWN

Pulse Survey #4

September 2020

INTRODUCTION TO SURVEY

Preface

HRC Associates is pleased to present the findings of our survey, COVID-19: CEO Expectations Post-Lockdown. We surveyed CEOs and Executives representing eighty (80) organisations across all industries throughout Trinidad & Tobago.

This survey was undertaken between August 12th and 28th, 2020 and complements HRC's previous pulse surveys on the local and regional impact of the COVID-19 pandemic:

- HR Response to COVID-19 (March 2020),
- COVID-19: CEO Concerns & Expectations (April 2020), and
- COVID-19: The Employee Perspective (May 2020).

The Survey contained fourteen (14) questions, eleven (11) of which sought to attain insight into how Executives traversed the initial waves of the pandemic, as well as the reactive and proactive measures they have implemented in order to secure continued success.

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

September 2020

**HRC Associates Limited
Port of Spain
Trinidad**

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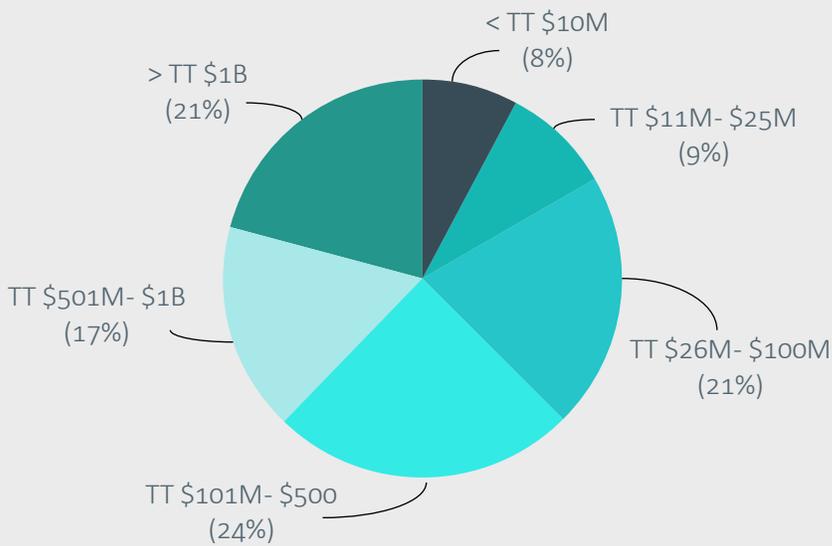
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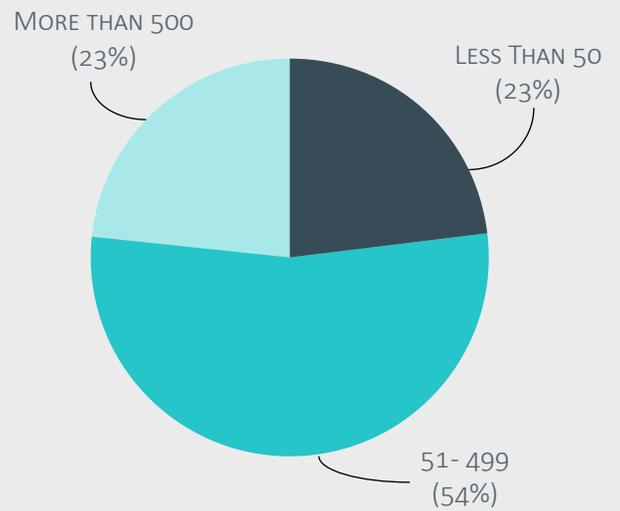
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PARTICIPANT PROFILE

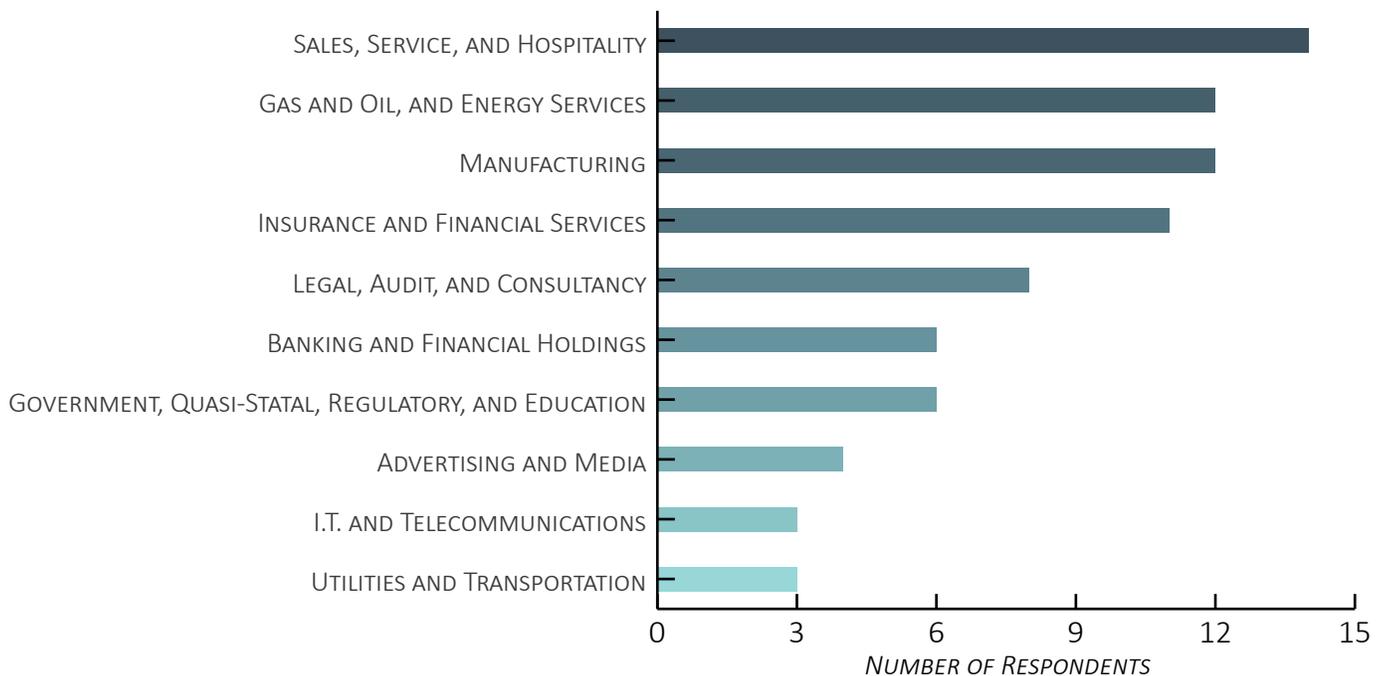
Average Annual Revenue



Number of Employees



PARTICIPATION BY INDUSTRY



SURVEY HIGHLIGHTS

4

53%

IMPLEMENTING
SALARY FREEZES

53% of Executives are reporting that they have implemented salary freezes, or are likely to do so in the next six (6) months.

77%

HAVE NOT PERMANENTLY
LAID-OFF STAFF

The majority of Executives (77%) have not implemented any permanent layoffs of staff as a result of COVID-19's impact on their organisation.

87%

STILL ALLOWING EMPLOYEES
TO WORK FROM HOME

87% of Executives reported that some staff are still working from home at least part of the week. Moreover, 31% of Executives reported that they have implemented or are implementing permanent work from home arrangements for some staff.

63%

IMPLEMENTING
HIRING FREEZES

63% of Executives reported that they had already implemented hiring freezes, or are likely to do so in the next six (6) months.

54%

RETURN TO "BUSINESS AS
USUAL" WITHIN A YEAR

While "business as usual" is a very subjective concept given the dynamic nature of the COVID-19 pandemic, 54% of Executives anticipate a normalisation of operations within a year.

SURVEY RESULTS

During the start of the pandemic, Executives were forced to implement immediate and almost knee-jerk solutions in order to ensure business continuity, as well as safeguard their employees. Now that these short-term measures have largely been implemented, and the impact and longevity of COVID-19 has become more clear, many organisations are shifting their focus towards medium to long-term planning and adjusting

their operations to maximise performance in their “new normal”. Our Survey seeks to provide Executive insight into such topical issues as working from home, workforce requirements, compensation strategy, as well as the length of time they anticipate to return to some level of operational normalcy.

COVID-19 AT A GLANCE

NUMBER OF CASES



CASES OF COVID-19: WORLDWIDE

Approximately 27 million as of September 7th.



CASES OF COVID-19: CARICOM

23,527 as of September 7th.



CASES OF COVID-19: TRINIDAD & TOBAGO

2,254 as of September 7th.

RELATED GOVERNMENT MEASURES



CLOSURE OF BORDER

Took effect from March 23rd.



POSTPONEMENT OF SCHOOL REOPENING

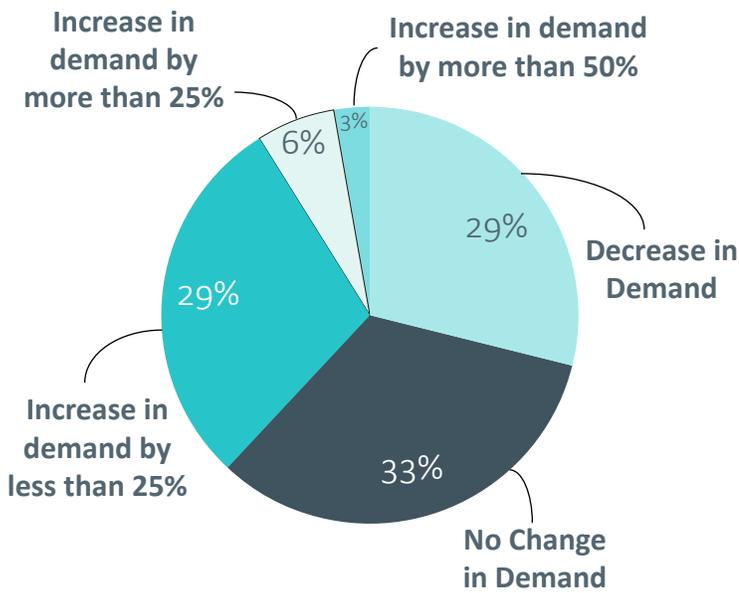
No in-person classes before December 31st.



MANDATORY MASK WEARING

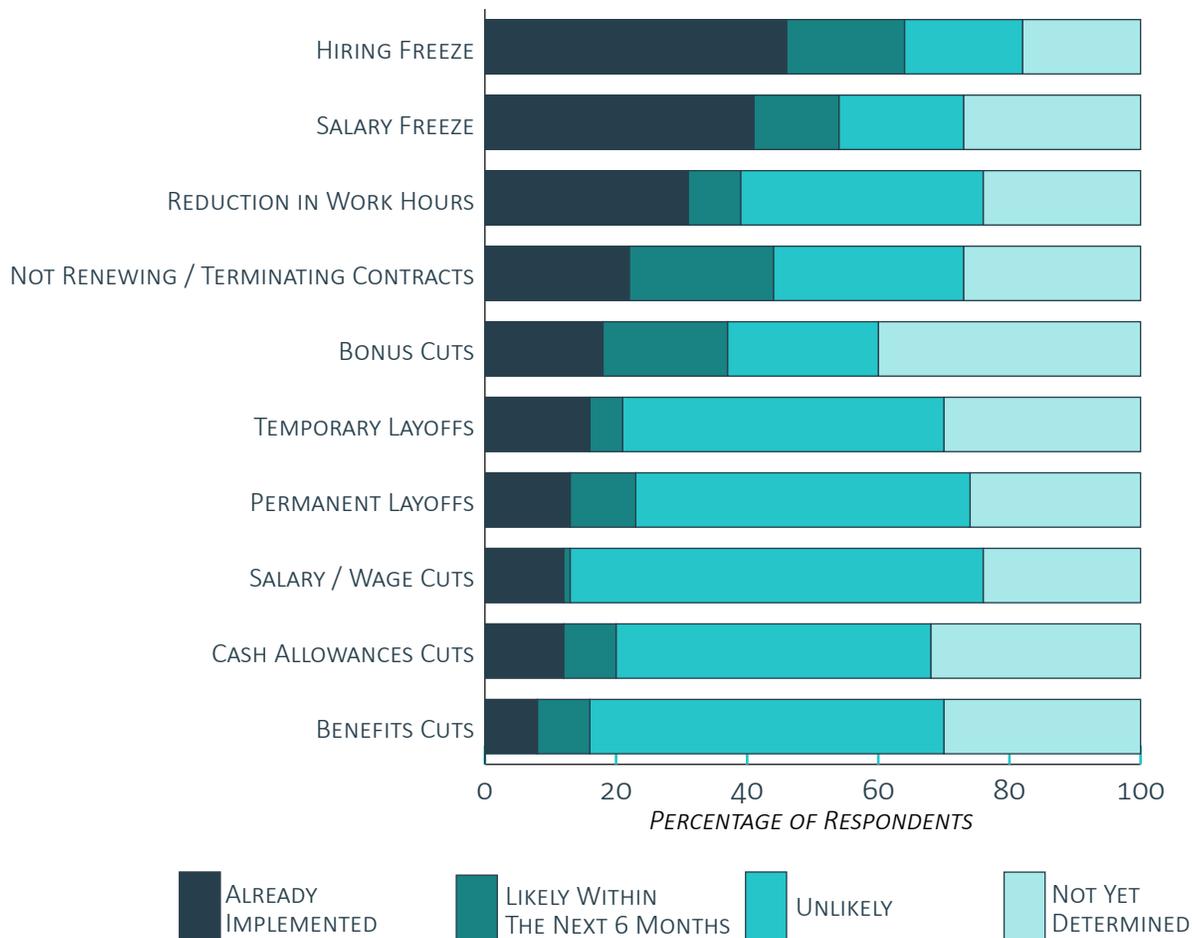
Took effect from August 31st.

FOLLOWING THE LIFTING OF MOST PUBLIC HEALTH SAFETY REGULATIONS IN JUNE 2020, HOW HAS DEMAND BEEN AFFECTED?



In our April Pulse Survey, 83% of respondents stated that they were experiencing some level of decreased demand for their products and services. Of those respondents, 42% were experiencing a decrease of over 50%. Four (4) months later, following the lifting of most public health safety regulations limiting business operations, 29% of Executives report that their organisations have seen a decrease in demand for their products and services while 33% have reported no change in demand. Of the 38% experiencing an increase in demand, the majority (76%) stated that their demand increased by less than 25%.

WHICH OF THE FOLLOWING MEASURES HAVE EXECUTIVES IMPLEMENTED OR PLAN TO IMPLEMENT IN RESPONSE TO COVID-19?





HIRING FREEZES

In our March survey, 37% of HR Professionals had already implemented or anticipated that they would be implementing hiring freezes in response to the COVID-19 outbreak. In August, 63% of Executives reported that they had already implemented hiring freezes, or are likely to do so in the next six (6) months. Of those who implemented hiring freezes, 30% stated that they were likely to leave this measure in place for less than six (6) months, 32% stated that these measures would continue for more than six (6) months, and 38% had not yet decided when they would lift the hiring freeze.



SALARY FREEZES

As a cost-containment measure, 4% of organisations in April responded that they had implemented salary freezes. However, four (4) months later 53% of companies are now reporting that they have implemented salary freezes- or are likely to do so in the next six (6) months. Of those who implemented salary freezes, 18% stated that they were likely to leave this measure in place for less than six (6) months, 37% stated that these measures would continue for more than six (6) months, and 45% had not yet decided when they would remove the salary freeze.



REDUCTION IN WORK HOURS

Organisations are utilising alternative work arrangements inclusive of flexitime, staggered work shifts, employee rotation, and compressed work weeks to ensure employee safety and business continuity. In April, 55% of Executives expected that reduction in total employee work hours would continue and/or be necessary. Four (4) months later, 38% of Executives reported that they had already implemented a reduction in work hours or planned to do so within the next six (6) months. However, 37% of Executives stated that they were unlikely to implement such a measure. Of those who implemented reduced work hours, 47% stated that they were likely to leave this measure in place for less than six (6) months, 4% stated that these measures would continue for more than six (6) months, and 49% had not yet decided when they would return to regular working hours.



NOT RENEWING / TERMINATING CONTRACTS

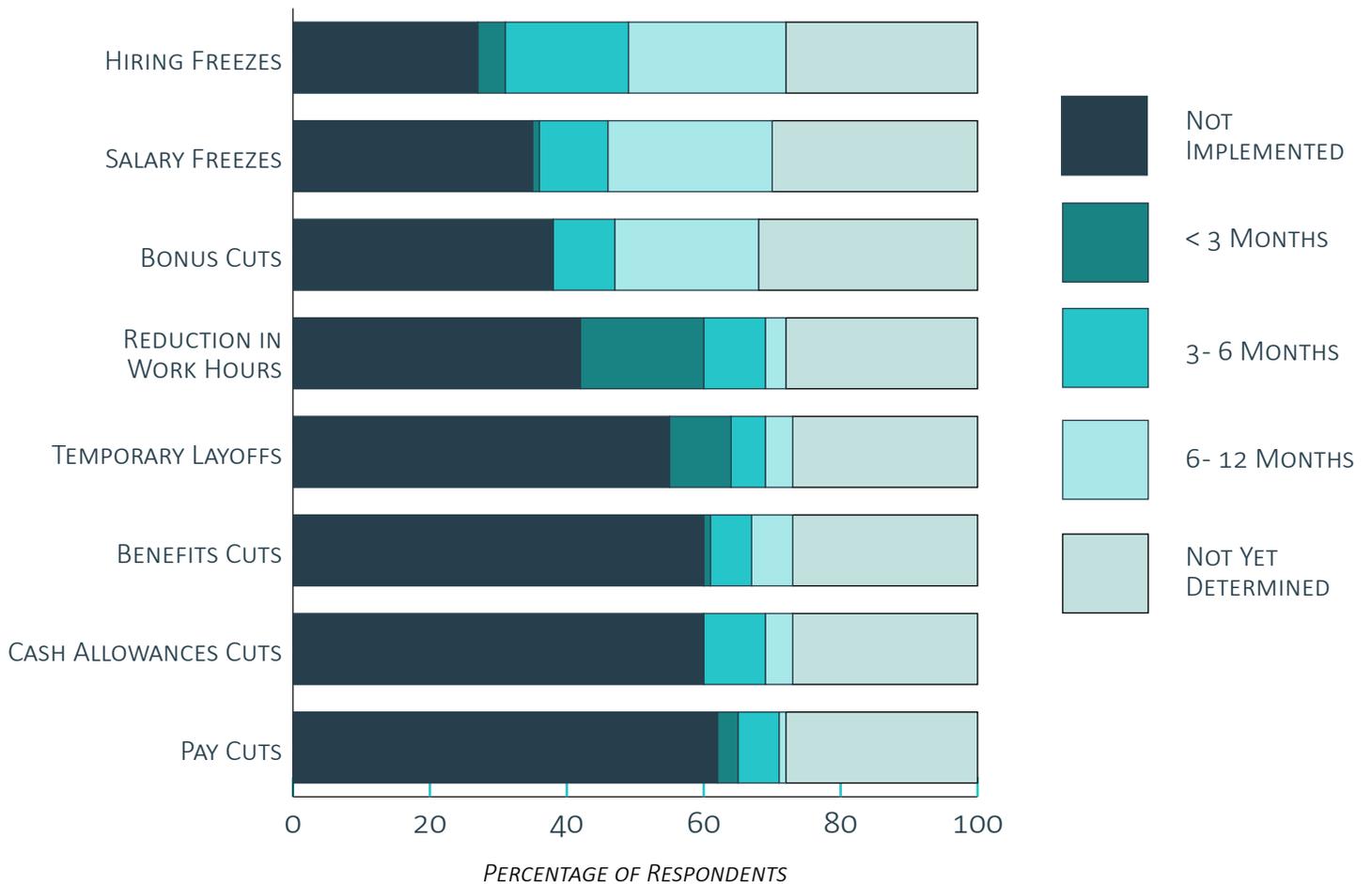
As a measure to reduce costs, employers may consider not renewing or terminating the contracts of temporary employees. Response to this measure by survey participants varied with 44% stating that they had already implemented same, or plan to do so in the near future. However, 29% stated that they were unlikely to terminate or not renew such contracts, while 27% were undecided on the matter.



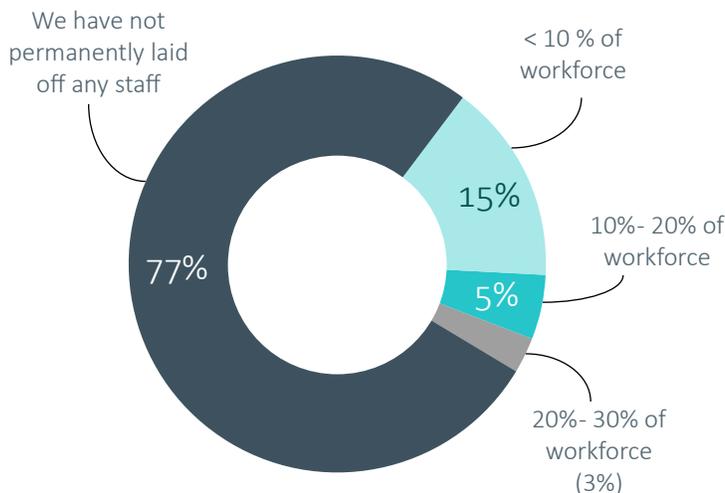
SALARY / WAGE CUTS

1% of Executives stated that they had implemented a salary reduction for some of their employees in our April survey. 13% have now reported that they have implemented or are likely to implement the same measure while 63% stated that they are unlikely to do so. Of those who have already cut salaries and wages in an effort to maintain business continuity, 23% stated that this temporary measure is likely to stay in place for less than six (6) months while 3% stated that these measures would continue for more than six (6) months. 74% had not yet decided when they may reverse this initiative.

HOW LONG WILL THESE IMPLEMENTED MEASURES STAY IN PLACE?

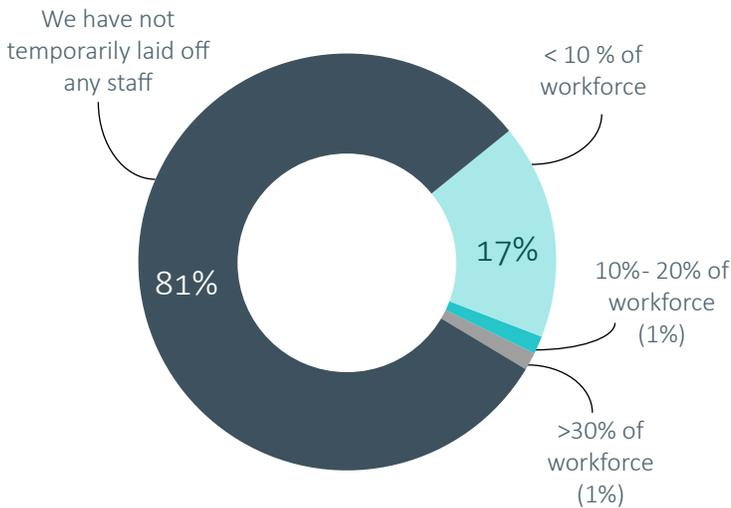


WHAT PERCENTAGE OF YOUR WORKFORCE WAS PERMANENTLY LAID OFF AS A RESULT OF COVID-19?



Last April, our 3rd pulse survey found that 29% of CEOs were expecting to retrain some portion of their workforce by July 2020. Presently, the majority of respondents (77%) have not implemented any permanent layoffs of staff as a result of COVID-19's impact on their organisation. Of those who reported laying off some of their workforce, 67% reported that they laid off less than 10% of staff, 22% laid off 10%- 20% of staff, and 11% laid off 20%- 30% of staff. No respondents reported laying off more than 30% of their workforce.

WHAT PERCENTAGE OF YOUR WORKFORCE WAS TEMPORARILY LAID OFF AS A RESULT OF COVID-19?



Four (4) months ago, 35% of CEOs anticipated that temporarily laying off some staff would be necessary. However, 81% of Executives stated that their organisation did not engage in temporary layoffs as a result of the COVID-19 pandemic. 17% reported that less than 10% of staff were furloughed. Only two (2) organisations reported that they furloughed more than 10% of staff.

WORK FROM HOME

96% of Executives stated that their organisations allowed at least some of their staff to work from home during the first COVID-19 wave. Moreover, our surveys found that 85% of employees were working from home for at least part of the week when surveyed in May. As of August 2020, 87% of Executives reported that some staff are still working from home at least part of the week. When asked how long they plan to offer work from home arrangements to at least some of their staff, 13% stated less than three (3) months, 38% replied three (3) to twelve (12) months, 8% anticipated more than one (1) year, while 31% reported that they have implemented or are implementing permanent work from home arrangements.

DURING THE FIRST COVID-19 WAVE, DID YOUR ORGANISATION ALLOW FOR AT LEAST SOME OF ITS EMPLOYEES TO WORK FROM HOME?



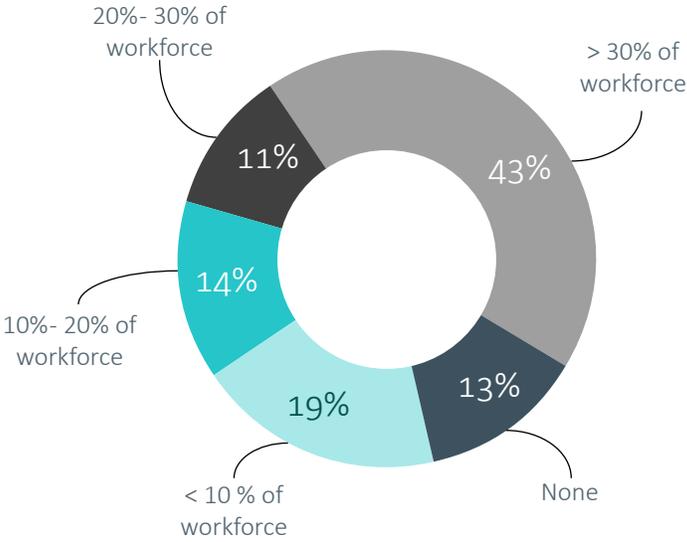
96% YES



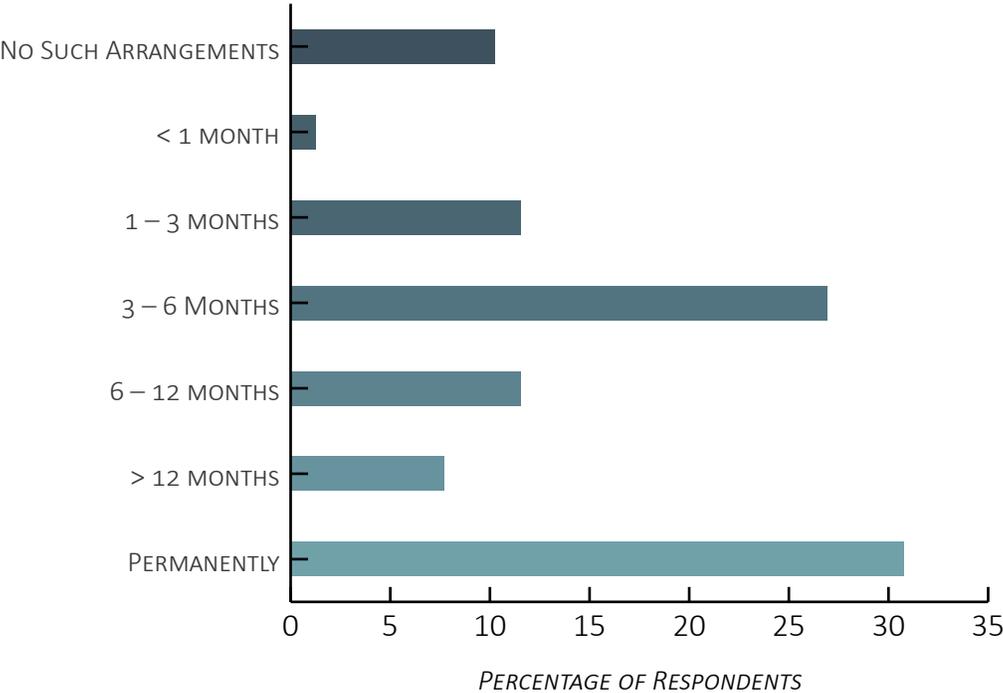
4% NO

WORK FROM HOME

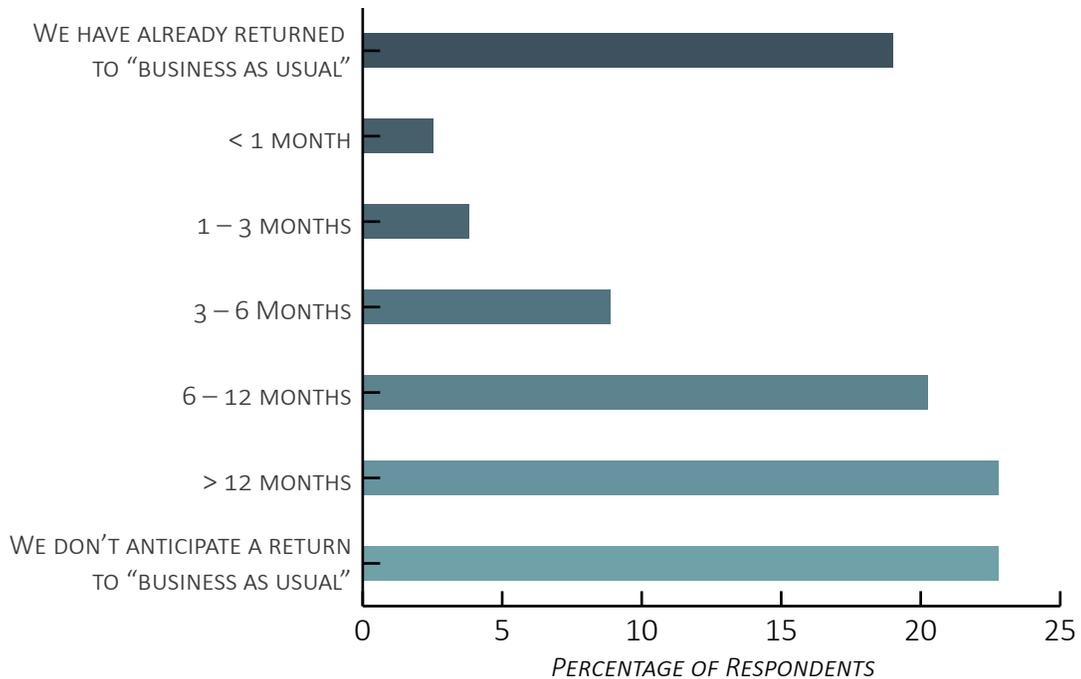
AS OF AUGUST 2020, WHAT PERCENTAGE OF YOUR STAFF ARE STILL WORKING FROM HOME AT LEAST ONE (1) DAY A WEEK?



IF YOU CURRENTLY OFFER WORK FROM HOME ARRANGEMENTS TO AT LEAST SOME OF YOUR STAFF, HOW LONG DO YOU PLAN TO CONTINUE TO DO SO?



FOLLOWING THE LIFTING OF PUBLIC HEALTH SAFETY REGULATIONS IN JUNE 2020, HOW LONG DO YOU THINK IT WOULD TAKE YOUR ORGANISATION TO RETURN TO “BUSINESS AS USUAL”?



While “business as usual” is a very subjective concept given the dynamic nature of the COVID-19 pandemic, 19% of Executives stated that they have already returned to “business as usual” following the lifting of public health safety regulations in June 2020. This is in comparison to the 55% of CEOs who, when asked in April, indicated that their operations would have returned to “business as usual” by now.

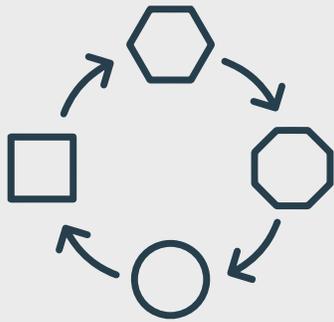
7% anticipate a normalisation of operations within the next three (3) months, 29% said within three (3) to twelve (12) months, 23% thought it would take more than a year. However, 23% do not ever anticipate a return to “business as usual”.

DID YOUR COMPANY CEASE OPERATIONS DURING LOCKDOWN?

The majority of respondents (73%) did not report a cease in operations during the lockdown period. However, 18% stated that they ceased some operations while 9% ceased all operations.



WHAT IS THE SINGLE MOST IMPORTANT THING THIS CRISIS HAS TAUGHT YOU?



ADAPTING TO A CHANGING ENVIRONMENT

“Agility and decisive action based on putting your people first.”

“Significant potential exists in the business with “out of the box” thinking.”

“Diversification is key.”

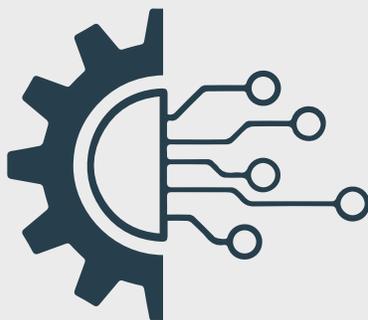
“Agility, capacity, and critical thinking to adapt.”

WORK FROM HOME

“Working remotely can be more productive and cost-effective if managed but requires discipline.”

“Work From Home is a viable business alternative model that will help increase employee job satisfaction and performance at the same time.”

“Need to plan for new normal of virtual working.”



TECHNOLOGY

“Digitize. Digitize. Digitize.”

“The importance of reliable and robust ICT.”

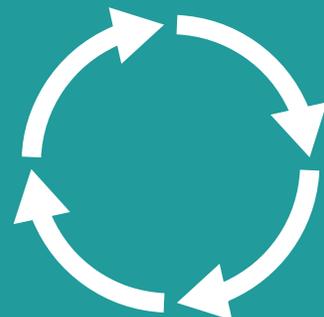
“Technology has played an integral role in boosting the company’s processes and productivity, making it more agile and allowing greater collaboration and connectivity.”

BUSINESS CONTINUITY

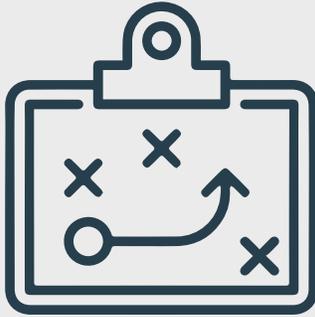
“The importance of a risk assessment plan for continuity of business in unforeseen/unplanned events (e.g. pandemics)”

“How important the Business Continuity Planning process is for organization survival when crisis hits.”

“Greater focus on business continuity and risk mitigation.”



WHAT IS THE SINGLE MOST IMPORTANT THING THIS CRISIS HAS TAUGHT YOU?



STRATEGIC AND SCENARIO PLANNING

“Leave nothing to chance- plan properly.”

“Preparation is key to build a resilient organisation.”

“...plans must be more short term and fluid”

“The value of courage to create new ways of executing our business to achieve set targets.”

FINANCES

“Cash is King!”

“Most businesses do not have the capability, configuration, or reserves to withstand a 2-3 month systemic shock.”

“The benefit of being properly capitalized.”

“Need for consistent focus on improving efficiency levels and management of cash reserves.”



EMPLOYEE RELATIONS

“The safety of our people is our highest priority.”

“Innovation and collaboration is key to transition beyond this difficult period.”

“Empowering Autonomy to make decisions worked very well in this crisis.”

“Constant communication to keep everyone on the same page.”



LEADERSHIP

“...the response and unity of a leadership team are critical to the survival and sustainability of any institution.”

“...the leadership opportunity to influence culture through turbulent times.”



CONCLUSION

We found that Executives are reflecting on their experience steering their organisations through unfamiliar seas during the beginning of the COVID-19 pandemic and the resulting lockdown period. The second wave of COVID-19 presents its own challenges to Executives as they switch their focus from protecting and preserving their businesses to medium and long-term planning and altering their organisation's strategic course to operate within a "new normal" that is incredibly

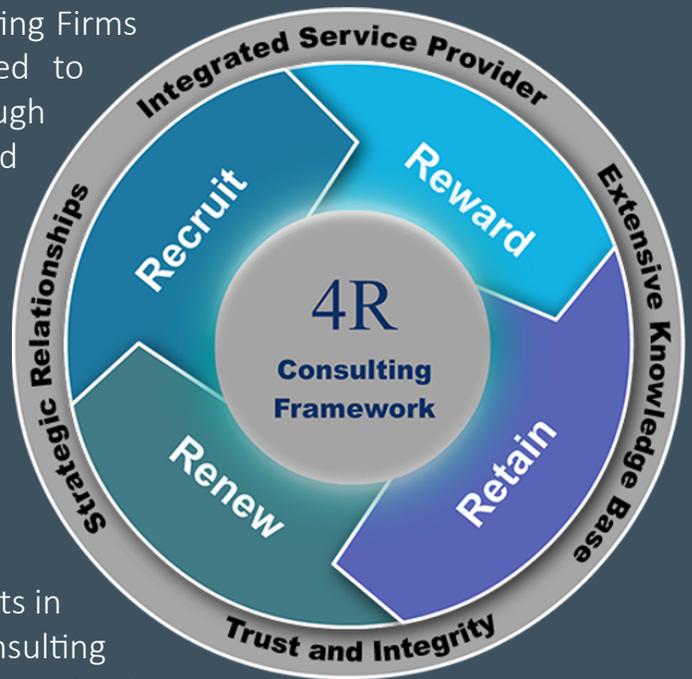
dynamic and at times volatile. Measures implemented in response to the outbreak relating to work from home arrangements, temporary layoffs, and compensation cuts are likely to remain in place in the months to come for many organisations. Executives are trying to determine what the future will look like for their operations, employees, customers, and themselves.

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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