

Tragedy, Trauma & Transcendence

An HR Policy Study on the Impact of COVID-19 on Corporate India

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About the Survey

COVID-19 has hit mankind and business on an unprecedented scale. The trauma of humanity is acute; the tragedy of unwarranted deaths is palpable; the transcendence over the challenge is imperative. The “unknown” elements are many. We are still amidst this crisis; it has not blown away. The ramifications are sinking in, and are seen unfolding day by day, week by week. HR Policy Association commissioned a study under Prof. Sandeep Mann guided by Mr. D P Singh & Mr. Alan Wild over April–May 2020 to capture the mood of the business landscape in India – across size, location, function, sector, and hierarchy. The survey is comprised of 305 respondents, 24% belonging to international companies, 63% from HR, 58% from senior management, and 37% from large or very large companies were kind to share their thoughts.

The analysis has been split into three areas:

IMPACT: This ranges from mapping preparedness level, to what function has been more hit, and in what fashion.

COPING: This covers how the organizations and individuals are coping with this crisis in the immediate short run. The survey provides actionable details which can be leveraged by CHROs and their teams.

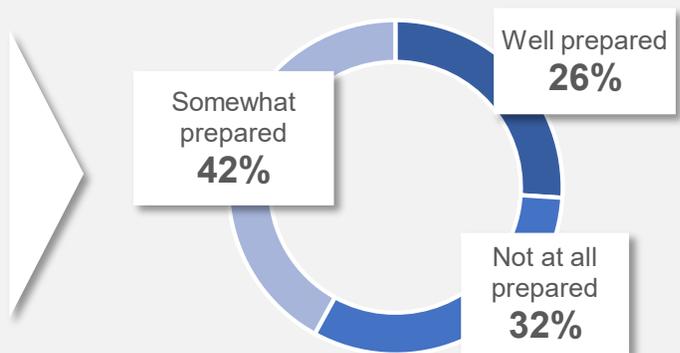
EMBRACING: The survey takes a peek into the thinking of the respondents beyond the current shock and reactivity.

IMPACT OF THE PANDEMIC ▷▷▷

Respondents were asked to provide input on preparedness of their organization to handle a situation like the COVID-19 pandemic. They were also asked to rate the impact of the lockdown on productivity and assess the impact of current crisis across levels and functions including their own. Responses ranged from a high positive impact to a severe negative impact.

What emerges very clearly is that the international organizations are better prepared, most likely because of past experiences and already having a playbook to handle such a crisis, especially the technology sector. There were definite indications that having structured organizational plans is helpful in mitigating productivity losses. **Preparedness and productivity have a strong correlation.**

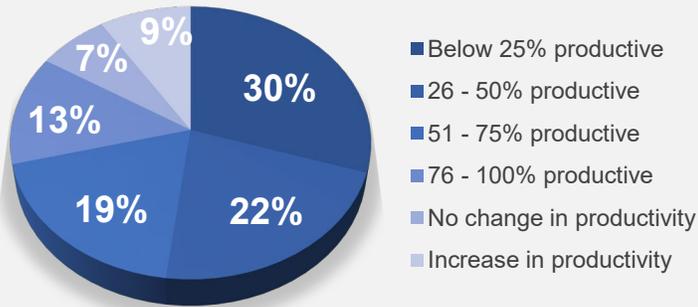
Level of Preparedness



- All sectors were vocal about their unpreparedness
- A large majority (74%) of the respondents admitted lack of full preparedness
- Senior Management was more candid in acknowledging unpreparedness
- Mostly, large companies were better prepared; specifically, large international companies
- IT and ITES led the pack in preparedness

“Preparedness and productivity have a strong correlation.”

Impact on Productivity

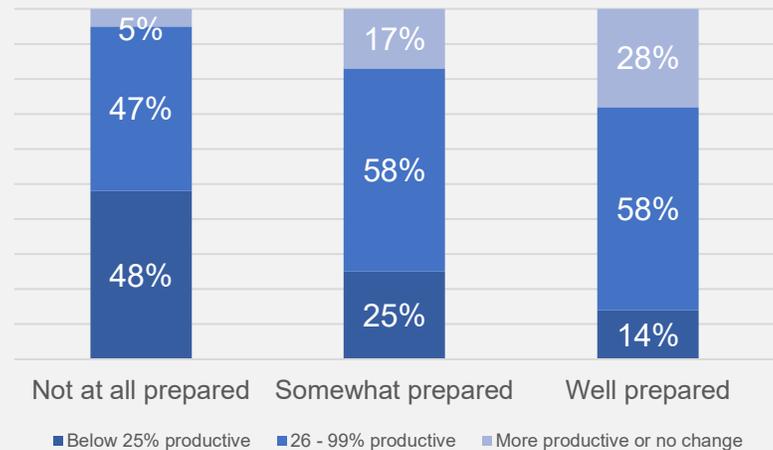


- The impact on productivity has been pervasive
- 84% feel productivity has nose-dived
- 71% saw productivity fall below 75%
- About 52% feel productivity has dropped to below 50%
- Surprisingly, 7% said they saw “no change,” with 9% claiming productivity had improved

84% of organizations feel their productivity has nose-dived

- A whopping 48% of “Not at all prepared” respondents revealed productivity has dipped below 25%
- 19% of the “Well prepared” respondents saw productivity rising above the norm
- 31% of HR saw themselves as well prepared
- 29% of IT/ ITES led respondents on productivity being 76–100% of the normal times

Preparedness versus Productivity



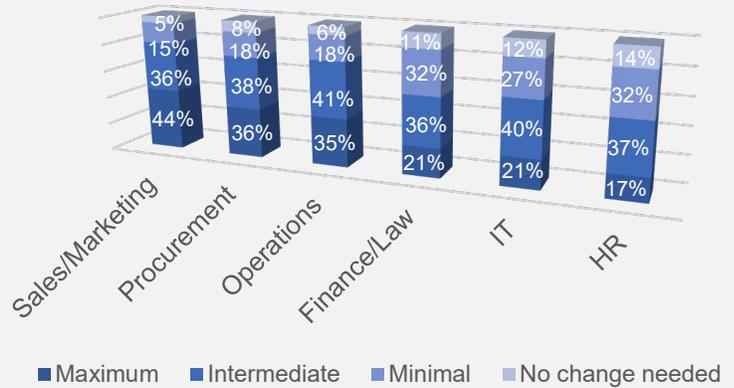
COPING WITH THE PANDEMIC ▷▷▷

Respondents were asked to rate various functions including their own on how they were coping with the current crisis; the responses varied from “struggling,” “somewhat organized,” “emerging stronger,” to “applying innovations.” Keeping an eye on the future, responses were also sought on the degree of re-engineering that would be needed; the responses ranged from “maximum re-engineering” to “no change needed” for one’s own function and others. An assessment was made on hiring requirements across bands up to 2021. Keeping the focus on HR, the survey sought to rate the various verticals of HR functions with respect to how they are coping with the current crisis. Inputs were also sought with respect to the degree of re-engineering needed in various HR verticals, ranging from “Maximum re-engineering” to “No change needed”.

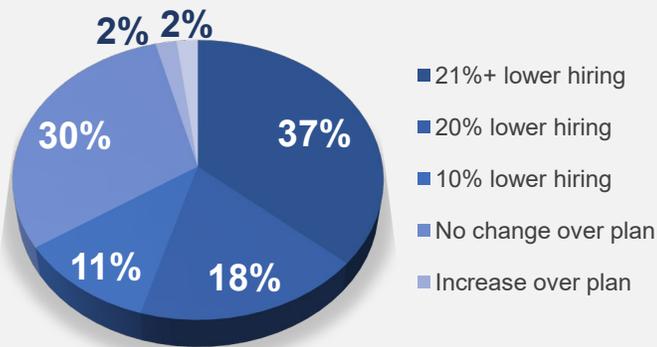
While several functions struggled throughout the crisis, HR and IT fared the best – applying innovative solutions, and were even perceived as emerging strong in the crisis. The re-engineering mandate was evident for all functions. However, the need to reengineer in HR was the least; surprisingly IT still wanted more reengineering even after doing well. Nearly one third of the organizations appeared to have taken a call to cut hiring across all levels. **Overall, the most common coping actions are reduction in hiring and investing in re-engineering.**

Degree of Re-engineering Needed

- 74% of the respondents Sales/ Marketing, Procurement, and Operations have spoken on need for re-engineering
- 46% of HR batted for no change or minimal re-engineering
- Oddly, IT too sees 61% respondents bating for a need for these re-engineerings



Senior Management: Hiring Scenario



- 37% or more of the respondents were considering imposing a hiring cut exceeding 21%
- Approximately one third of respondents were seeing no change in hiring
- Campus hiring and internship onboarding were subject to significant reductions
- Even senior management hiring was expected to be slashed by 21%

EMBRACING THE WAY AHEAD >>>

The question looming on everyone’s mind: “What’s next?” The intent of this survey was to grasp the employees’ apprehensiveness, as well as take stock of what the impact could be on workforce rebalancing, outsourcing levels, etc. We sought to learn how the respondent viewed their role changing in the near future; there were 11 options.

When asked if this crisis would lead to additional outsourcing of roles, responses ranged from “unlikely” to “definite plans.” The survey also probed the level of clarity the respondents had with respect to the steps required to get to normalcy post lockdown and social distancing advisory. The respondents were also asked what appeared to be on the top of the mind in their teams.

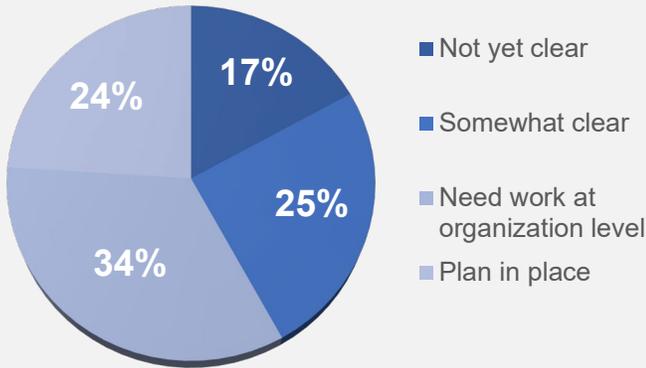
“This is an opportune time to reset roles and buoy motivation levels.”



Considering the array of selected responses, the key decision makers can genuinely utilize the feedback in resculpting roles of various employees. Also, the leaders are going to be taxed, in keeping a positive mood within their organizations. With respect to outsourcing and engaging gig workers, apparently few organizations are inclined to increase the numbers. This is an opportune time to reset roles and buoy motivation levels.

More work is required at the organization level to prepare for the future.

Normalcy Vision

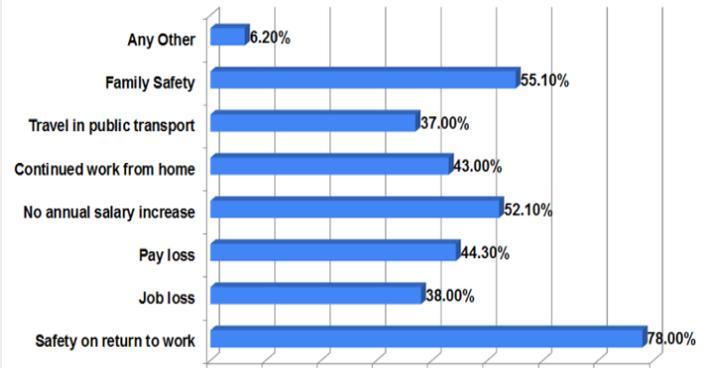


- A large majority (76%) of the respondents have confessed they need at least some work at the organization level to solidify plans for the future
- 24% were bold in saying sure plans were in place to handle the contingencies
- Amongst sectors, BFSI and IT/ ITES had a similar score on “Not yet clear” about normalcy scenario
- IT/ ITES sector was in best health, with its 37% having “Plan in place”

Safety in the workplace and family safety are top priorities.

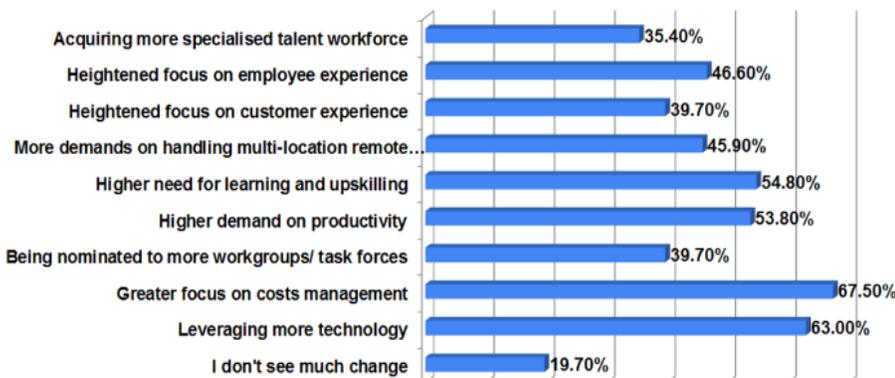
- A stupendous 78% were concerned with Safety on return to work
- Family safety ranked second highest at 55%
- No annual salary increase was ranked the third highest
- 44% answered loss of pay, followed by 38% anticipating job loss
- 43% saw continued work from home as the new reality

Team’s Top of Mind Issues



Clear communication is needed during this time; ambiguity can be costly.

Perception on Role Change

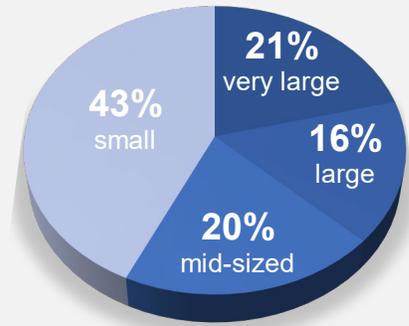


- Over 60% of the respondents considered that their role will require much greater focus on cost & on leveraging technology
- About 20% of respondents saw no change hitting their work profile

305 RESPONDENTS PROFILED >>>

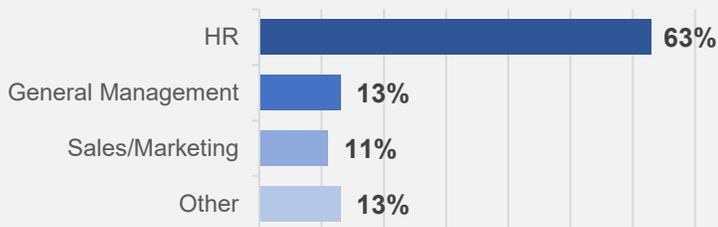
- **Very Large** (more than 20,000 employees)
- **Large** (5,001 – 20,000 employees)
- **Mid-Sized** (1,001 – 5,000 employees)
- **Small** (1,000 employees or less)

Company Size



Over one third of respondents are from “large” or “very large” companies.

Function



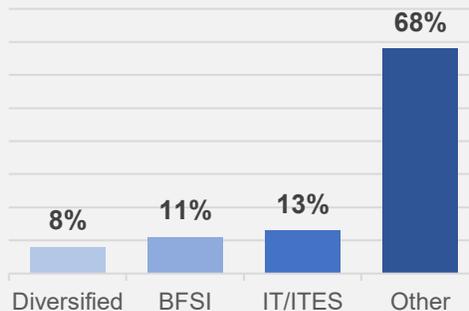
- Almost two-thirds of respondents (63%) belong to the HR function
- General Management was second largest at 13%
- Sales/Marketing make up 11% of respondents

24% of respondents have top management in international locations.

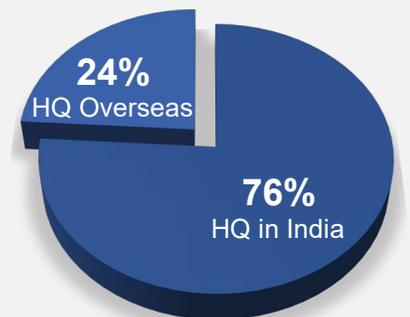
Hierarchy



Sectoral Split



HQ of Company*



*All respondents were employed in entities operating on Indian soil

CONCLUSION >>>

This was a unique survey unlike many others. The preponderance of CHRO respondents was huge – this seniority plus HR combination brings forth a unique perspective. Again, the intent was to come up with actionable insights. The profile of the respondents is varied, and the reader can easily identify with match of his or her organization’s describing tags: Very Large, Internationally Headquartered, Diversified. Or Indian city Headquartered, BFSI sector Large enterprise IT department outcomes. It’s hoped the Corporate India (and the global one too) transcends the challenge imposed by this pandemic.

Your feedback
is welcome.

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