



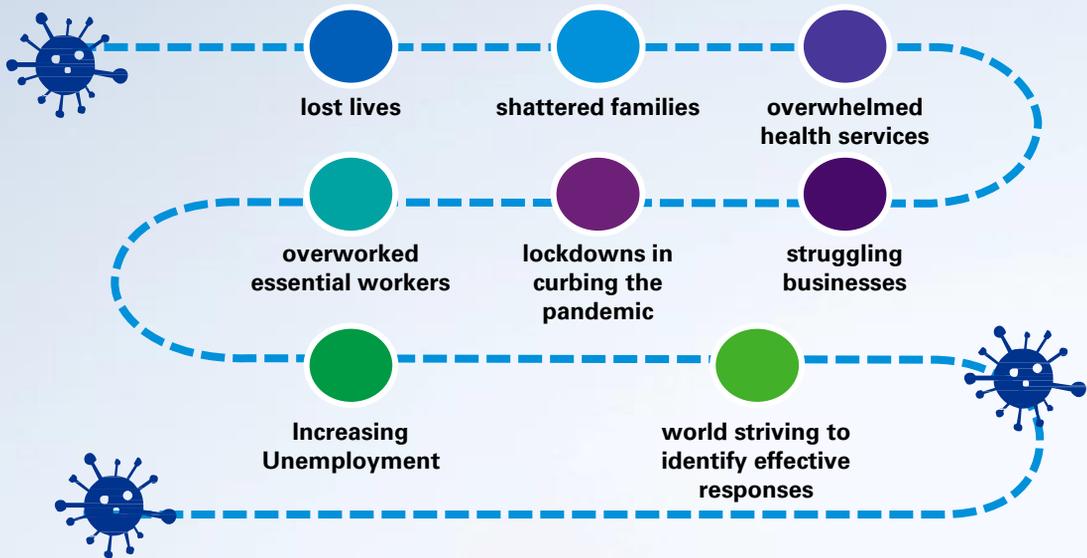
COVID-19: The Game Changer & Workforce Realignment

April 2020

KPMG HR Advisory
(People & Change)



We are in the midst of the COVID-19 pandemic, facing the gravest test of our lifetime and an undefined future with devastating socio-economic consequences.



It is known as the worst global economic disaster since 1930 - the 2nd world war; its impact predicted to last for another two years.

The challenges that come with COVID-19 are unprecedented and require unprecedented responses. These would have different parameters of application based on multiple reasons specific to the countries, business sectors, and entities. The approach one takes to meet the challenges would determine the level of impact; and the approach of response to meet the impact would determine the final outcome.

The world keeps a close watch on the manner different countries respond to this global pandemic. It is not a secret that Sri Lanka is greatly admired by the world at this stage for the approach and response in controlling the impact of COVID-19 that aims at successfully overcoming the pandemic.

It requires wisdom, humility and discernment to learn from others whilst identifying one's own innovative, prudent, humane strategies based on solid policies and goals. These need to be worked out with great hope, courage, determination and leadership that bring out the best in others that define solidarity – once again displaying the Sri Lankan heritage of values and resilience!

During this period, corporates in Sri Lanka that form the backbone of Sri Lanka's economy are presently in a very crucial point of time in making vital decisions, striving to redefine business strategies and continue business operations adapting differed working arrangements apart from the 'remote working' mechanism, utilizing digital platforms by their workforce.



It is in this context that the impact of COVID-19 on the workforce of corporates – the constituent that forms the very backbone of performance excellence of the entities are examined. The mere strategies of overcoming the impact would only depict a somewhat hopeless ‘firefighting’ scenario, whereas the damage would be done by the time it is overcome. Hence, we need robust, proactive, ambitious and courageous strategies that enable identifying and realizing opportunities within the challenges.

As discussed above, success in overcoming the impact requires to be addressed through a process.

Accordingly, it entails to be analyzed in five phases as noted below:

The strategic phases formulate three (03) key milestones:

- **Identify Challenges**
What are the challenges of COVID-19 that impact the workforce?
- **Mitigate Impact**
What are the responses to mitigate the identified challenges and its impact affecting the workforce?
- **Level of Impact**
What is the residual impact that needs to be addressed?
- **Overcome the Impact**
What are the strategies to overcome the impacts to address the residual impact?
- **Reboot and Reinvent**
What are the mechanisms to emerge as a stronger and greater entity?





In moving ahead on the above milestones, let us look at a few factors that form the background of elements in deriving the strategic process.

The key areas of concerns pertaining to the workforce can be clustered within the dynamics of **6Cs**:

1. Capacity

workflow, work volume, workforce cadre and structures and work schedules

2. Cost

workforce cost implications

3. Connection

Workforce engagement, morale and collaboration and interaction.

4. Capability

ability to discharge job role performances

5. Compliance

approvals, controls, safety and security

6. Change

Define change processes, address issues, enable and embrace change

COVID-19 was able to stop the world in its tracks and bring the business operations to a screeching halt while for some, it changed their existing business models and has also changed customer behavioral patterns.

Hence, there are a few questions which need to be pondered on, which are vital in formulating the strategic approach.

- Could COVID-19 be a game changer?
- Could giant players step down and small players step up?
- Would this be a war where the means matter much in deciding the end and not just the mere end?
- Would business leaders be called to re-align the workforce as a captain re-strategizes his/her players with the change in the game?
- How would the business leaders provide their players – the workforce a level playing field that enable them not just to save the game but to maintain the just and fair approach?
- How would the business leaders identify 'the tough' that gets going, 'when the going gets tough'?
- When should the business leaders sort, sift, sieve or winnow the passengers from the performers of the workforce?
- Will it be a war of the 'survival of the fittest' or the 'last resort' to prevent the destructive collapse of the entities and the national economy?
- How should the business leaders shift from big dreams of 2020 to sensible basics in overcoming the storm together with the valued workforce?
- How would the business leaders build a workforce of hope and courage, resilience, loyalty and commitment – a people of strong minds and right hearts that identify great opportunities within challenges; possibilities within impossibilities? A people that form the anchor of stability and strength to the company?
- How would the business leaders redefine the brand identity and values whilst overcoming the situation of COVID-19 and emerge as a stronger and greater entity?



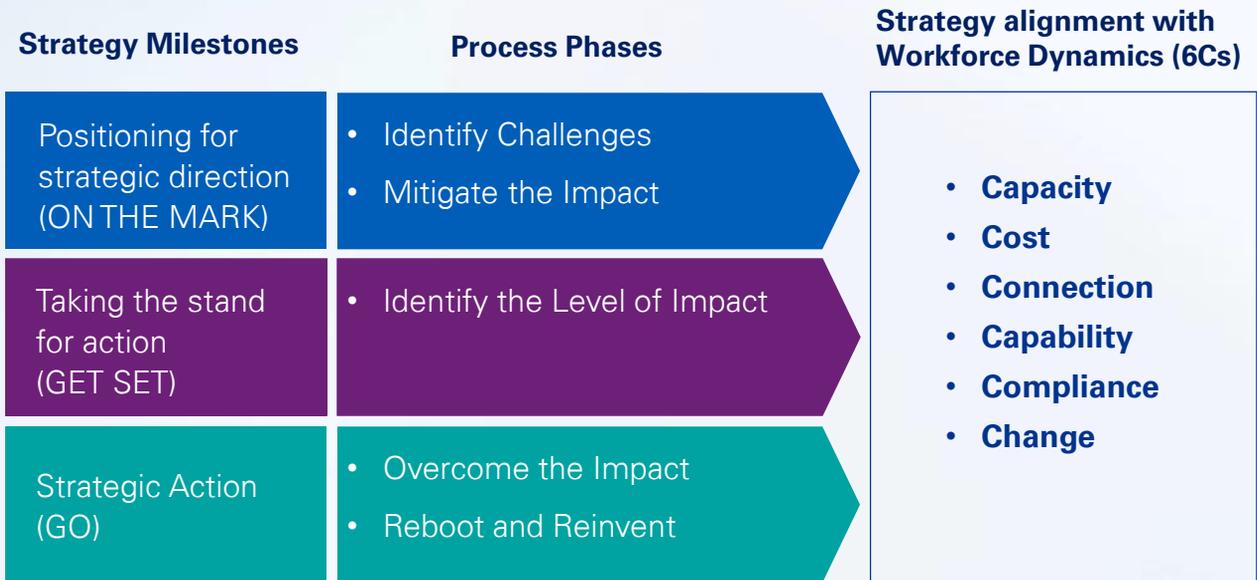
To be strong and courageous was never an 'option', but a 'must' for the successful leaders of the competitive corporates. But, the moment of truth; the real test is now – in this turbulent, ambiguous, despondent and imperceptible time, that has never been experienced before.

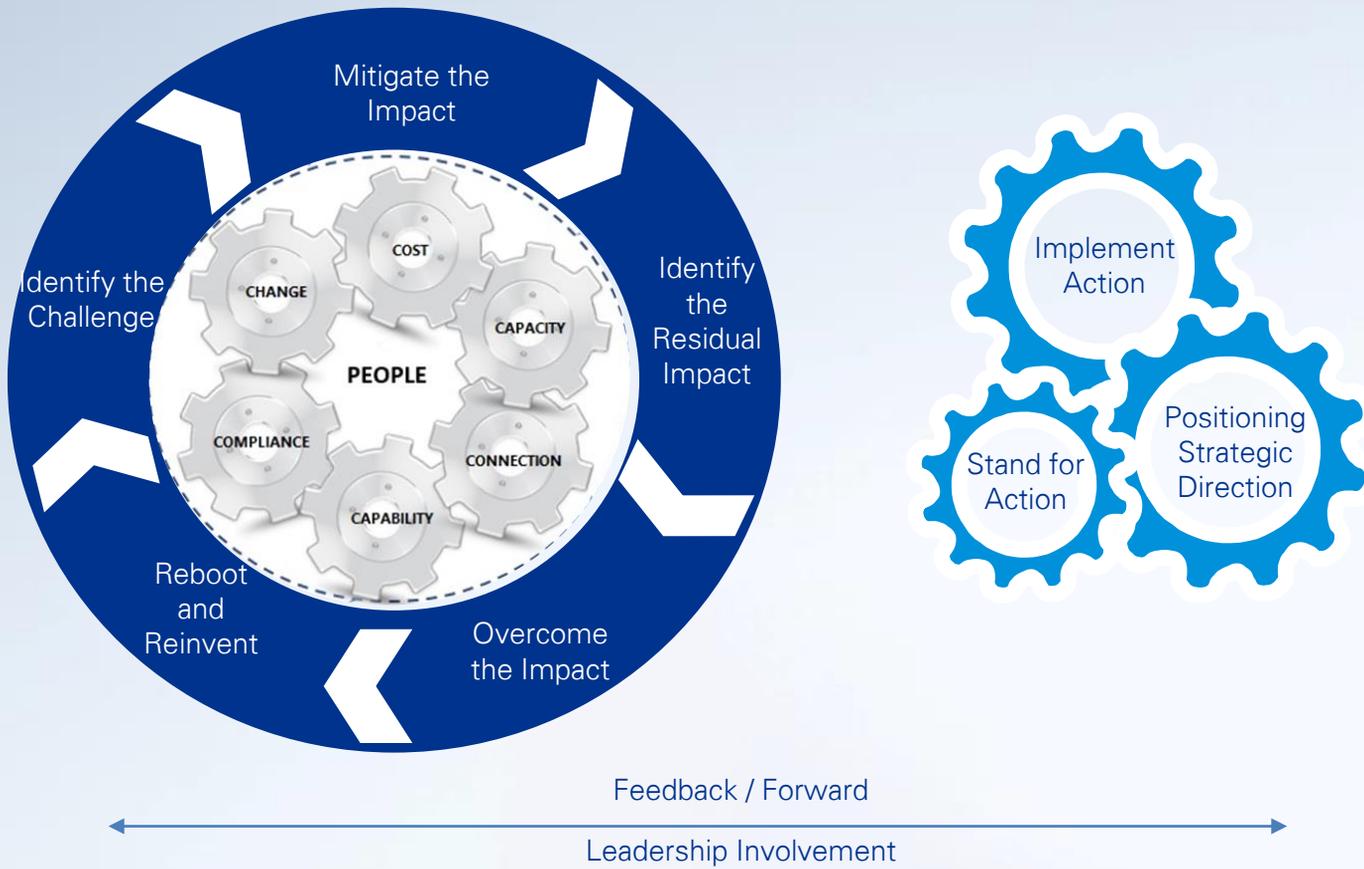
We present as '**annexure - 1**' the key areas that need to be addressed relating the workforce dynamics (6Cs) discussed in a phased approach across the three milestones that enable to derive a strategic way forward.

It requires noting that the applicability of the questions presented would differ and interchange across the milestones from entity to entity.

The COVID-19 workforce realignment model brings together the key components discussed in this paper. It presents a proactive, focused, prudent approach; from 'identifying challenges of COVID-19' to 'Post COVID-19 rebuilding of a stronger entity' - driven by a workforce of great resilience.

COVID-19 WORKFORCE REALIGNMENT MODEL





How KPMG can help?



The HR Advisory (People & Change) team – the HR Advisory arm of KPMG in Sri Lanka together with diverse service functions of KPMG’s Advisory segment are geared in bringing a ‘total solution’ across the key milestones that help you overcome the setbacks of COVID-19 as well as move ahead on new opportunities.

It is of essence that challenges are identified and mitigated in a timely manner with the ultimate aim of building a Post COVID-19 stronger entity that can identify opportunities within challenges enabling innovative approaches, services, products derived through a workforce of greater commitment, competence and above all - resilience.



How KPMG can help?

Strategic initiative in addressing issues

— Organizational restructuring, ideal minimum cadre and formulation of flexible labour models and drawing of business continuity plans

- Alignment to operational changes, regulatory compliance, economic, social and political trade-offs, and address the futuristic operational impact, enabling business continuity and employee productivity
- Work arrangement mechanisms enabling connectivity whilst maintaining the required social distancing having assessed the organization's capability, processes and protocols
- Policy guidelines and implementation support of ideal digital platforms for effective remote working systems
- Assess cost implications of remote access related to technology and tools, security measures and licensing
- Maximize the wave of forced adaptation on digital transformation in formulating collaborative models for greater efficiency
- Identify labour cost reduction strategies through differed work arrangements and flexible labour models
- Analysis of job roles to be created, made obsolete and diversified
- Review of key accountabilities towards reassignment of staff aligned to competencies
- Analysis of multiple factors that identify the ideal minimum cadre
- Study of existing platforms, digital HR readiness and thereby suggest action plans
- Predictive observations on changed customer behaviour trends and durations based on the analysis of related elements, root causes and other associated factors
- Assess cost vs benefit of remote access related to technology and tools, security measures and licensing
- Predictive analytics on changed employee behaviours and performances, based on analysis of related variables and root causes
- Compile business continuity plans with a workforce optimization approach through flexible labour model optimizing workforce utilization and productivity, skill transfers and work re-assignment



How KPMG can help?

Strategic initiatives in addressing issues

— Restructuring of Rewards and Benefits, Drawing of VRS and Computation of Severance Compensation

2

- Legal compliance, humane, responsible and professional approach
- Review of the performance-based pay system/staff incentive schemes, evaluating incentive plans and performance goals for management and the broader workforce on a Post-COVID basis towards cost optimization securing the organization's financial sustainability
- Analyze the total workforce cost profile - direct and indirect costs for identifying cost reductions in assessing the mechanisms of differed salary payments having evaluated the entity's benefits program
- Realignment of the company's benefit schemes through market insights

Strategic initiatives in addressing issues

— HR Policy review and Implementation support on COVID-19 Preparedness Plan addressing potential implications – Promoting the Health and Wellbeing of the Workforce

3

- Design and review policies required to balance employee costs towards business continuity and growth whilst maintaining the alignment to policy standardization and compliance
- Review employment contract terms evaluating the legal framework that facilitates implementation of revised labour/workforce model/ changed accountabilities and job role reassignment
- Identify the level of current HR processes and upcoming challenges in formulating HR solutions, policies and processes
- Development of a unique plan to prevent and control COVID-19 for your workplace: KPMG's Healthcare Team comprised of medical professionals will visit your office/factory in order to develop a unique plan to prevent and control the spread of COVID-19 at your workplace and implement a training plan for the employees of your company.
- Awareness Campaign: Design posters and video clips to spread awareness and educate to the employees and the minor staff for the prevention and control of COVID-19
- Healthy workforce: KPMG can also establish health promotion-related activities to promote a healthy workforce concept to reduce absenteeism due to sicknesses



How KPMG can help?

Strategic initiatives in addressing issues

— Review of the competency framework, gap analysis and formulation of required skills and enhance performance standards

4

- Identify new skills in demand and workforce upskilling through a “Competency Framework” aligned to restructure process and growth opportunities in a futuristic approach required for resilience and building of talent pools and shared resources
- Review the hiring plan for the implementation of new opportunities
- Design and implement multi-tasking teams for skill transfers increasing capabilities, connectivity and reduce the risk of non-availability of specific resources
- Review performance goals to revise and enhance performance standards that Post-COVID-19 demands and formulate the competencies and attitudes that are required to work harder and smarter
- Formulate practical approaches that identify the staff, that strive to stand-up to the test of challenging times and those that take a back-seat in identifying the ‘true performers’

Strategic initiatives in addressing issues

— Building a people of connectivity and resilience, identify change agents and drive a performance culture whilst promoting the employer branding

5

- Provide unique learning initiatives (virtual and real) that bring out the best in people; that build a people of strong minds and right hearts who identify opportunities within challenges and turning impossibilities into opportunities; enhance workforce connectivity and engagement that brings out team synergy, innovation and develop a people of resilience
- Approach to eradicate dysfunctional conflicts and face external challenges successfully and enable different teams to come together in heart and mind with one purpose and togetherness
- Identify the change agents in driving a performance culture towards higher operational excellence proactively with courage and ambition enabling to overcome the storm of COVID-19 together with a workforce that works with their hearts in making the required difference



How KPMG can help?

Strategic initiatives in addressing issues

— Preparedness with HR Big Data and Digital HR

6

- Analyze HR touch points of the company to capture all data requirements to face future challengers more effectively, timely and productively. (digital HR readiness)
- Provide valuable insights for decision-making in a HR perspective using advanced analytics of existing data repositories
- Introducing HRISs or upgrading of the existing HRIS to reduce employee movements, and integration with the existing ERP system and facilitate automation of specific HR processes and tasks
- Developing a modern, simple digital HCM strategy
- Introducing a modern HCM or upgrade an existing HCM platform that easily integrates with the existing systems (i.e., ERP)
- Automate routine HR tasks using robotic process automation (RPA)

Strategic initiatives in addressing issues

— Labour law provisions to keep the business afloat under crisis (Refer Annexure - 2)

7

- Important Information of labour law provisions on derived corporate strategies, policies and guidelines which might help to keep the business afloat under crisis
- Review the existing employment contracts and advise on the way forward
- Facilitate amendments and revisions to employment contracts/appointment letters
- Propose new terms of employment to be incorporated into employment contracts
- Review the existing salary structure and advise future changes that need to be implemented to revise the same
- Facilitate the review of corporate strategies, policies and guidelines in compliance with regulatory provisions of labour laws and tax regulations for finalization through management decisions
- KPMG does not intend to provide legal advice as individual situations will differ and should be discussed with an expert and/or lawyer.



Annexures



Annexure 1

WORKFORCE DYNAMICS 1 – CAPACITY

Milestone 1 - Positioning for strategic direction

Identify Challenges: Identifying the challenges of COVID-19 that impact the workforce

- Are there operational hindrances due to inapplicable or reduced market demand of products/services or deficiency in input material or information for work process continuity?
- What are the business units operationally overwhelmed by high work volumes of existing work operations and that need diversification due to changes in market needs?
- Do you have the short and long-term operational visibility based on supplier and market demand changes?
- How do you respond with workforce planning to changing operational strategies?
- How do you confirm business continuity and employee productivity with remote working or differed work arrangements?
- How do you assess the workforce demand to formulate the minimum required workforce?
- Have you identified job roles that need to be created, made obsolete, diversified or multi-tasked?
- Have you compiled the entity specific strategies for the COVID-19 Preparedness and Response Plan in preventing the spread of disease within your entity?
- How would you implement this plan, respond to unexpected situations and ensure effective business operations?

Mitigate Impact: Identifying the responses to mitigate the impact affecting the workforce

- Is there proactive engagement with business partners, process owners and related stakeholders apart from a market study and research in:
 - Capturing elements of 'inapplicability' and its predictive duration?
 - Capturing the extent, level and duration of input or information unavailability?
 - Identifying changed customer behaviour trends of the market and its duration?
 - Identifying the elements, root causes and factors contributing to the reduced market need?
 - Identifying the key assumptions in workforce planning and scheduling for work continuation?
- Have you considered the long-term negative implications in strategizing for labour reductions even as a last resort?
- Have you identified strategies to address critical elements related to the COVID-19 Preparedness and Response Plan?
- Have you created a Business Continuity Plan in case your staff are quarantined? Is backup capacity available?



Annexure 1

WORKFORCE DYNAMICS 1 – CAPACITY

Level of Impact: What is the residual impact that needs to be addressed?

- Have you identified the level of successful mitigation of adverse impacts as against the challenges in 'workforce capacity' that were identified?
- Have you identified the critical elements and potential challenges on the actual impact that needs to be addressed?
- Have you formulated clear goals to be achieved with a clear focus in addressing the key issues pertaining to workforce capacity?
- Are you in the process of identifying the revision of strategies in addressing critical elements of the COVID-19 Preparedness Plan?
- Have you identified the critical job positions for the on-going work functions and their BCP?
- Have you considered revising the workforce plan with provision for 'what if' scenarios?

Milestone 2 – Taking the stand for Action



Annexure 1

WORKFORCE DYNAMICS 1 – CAPACITY

Milestone 3 – Strategic Action

Overcome Impact: What are the strategies to address the residual impact?

- Is there a review in the decision making process and key accountabilities?
- Have you planned reassigning staff from noncritical areas to most critical areas?
- Have you assessed the organization’s capability, processes and protocols for diverse work arrangements?
- Do you have mechanisms in place to review/reallocate resources across high-demand areas?
- Can you plan for the sharing of critical resources?
- Evaluate the pre-COVID and Post COVID work approach efficiencies and productivity
- Is the leadership in the process of formulating decisions and policies for reviewing business strategies and operations for the short and long-term?

Reboot and Reinvent: Identifying the mechanisms to emerge as a stronger and greater entity?

- Are you identifying a segment of the workforce in ‘inapplicable’ work areas based on their high expertise and proven exceptional work performance to define, design, and review the service or product processes and strategies for greater market edge in re-entering the market in a short and long-term basis with required diversification?
- Are you planning to enable these high performers to provide strategic and operational support to business units and work operations across the entity in alignment to their competencies, influencing their high performance culture?
- Are you planning on the process to capture assumptions on market trends and innovatively identify new drivers in analyzing the long-term workforce planning whilst identifying potential operational, socio-economic challenges?
- Have you identified the elements that are the ‘anchors of stability’ and derived strategies to strengthen those?



Annexure 1

WORKFORCE DYNAMICS 2 – COST

Milestone 1 - Positioning for strategic direction

Identify Challenges: Identifying the challenges of COVID-19 that impact the workforce

- Have you accounted for implementation costs of the COVID-19 Preparedness Plan and potential implications?
- How would you manage the workforce costs, given the changes in productivity, reduction in revenue and cash flow; whilst retaining the valued workforce - maintaining corporate values and brand image?

Mitigate Impact: Identifying the responses to mitigate the impact affecting the workforce

- Have you reviewed your policies on paid and unpaid leaves, project releases, capacity ramp downs, and identified idle employees and discussed the critical changes with the senior leadership team?
- Have you evaluated the impact of external factors on your salesforce performance and earnings opportunity?
- Have you assessed cost implications of remote access related to technology and tools? Have you reviewed reimbursement policies for remote workers' home office equipment and costs arising from differed work arrangements?
- Have you analyze the total workforce cost profile - direct and indirect costs for identifying cost reductions?
- Have you assessed the mechanisms of differed salary payments?



Annexure 1

WORKFORCE DYNAMICS 2 – COST

Milestone 2 – Taking the stand for Action

Level of Impact: What is the residual impact that needs to be addressed?

- Have you identified the level of successful mitigation of the adverse impact as against the challenges pertaining to 'workforce cost' that were identified?
- Have you identified the critical elements and potential challenges on the actual impact that need to be addressed?

Milestone 3 – Strategic Action

Overcome Impact: What are the strategies to address the residual impact?

- Have you started reviewing the cost and time impact of changes to the workforce plan? Are you planning to activate a hiring freeze for some time?
- Have you started evaluating incentive plans and performance goals for the management and broader workforce on a Post-COVID basis that navigates a high performance culture?

Reboot and Reinvent: Identifying the mechanisms to emerge as a stronger and greater entity

- What are the new policies you need to draft to balance employee costs and business continuity? Have you fully considered the impact of the short-term cost reduction on your long-term ability to maintain business continuity and future business growth?
- How would you align your Post-COVID-19 workforce strategies to gain a higher edge and long-term benefits from investments made during the pandemic period on workforce strategies?



Annexure 1

WORKFORCE DYNAMICS 3 – CONNECTION

Milestone 1 - Positioning for strategic direction

Identify Challenges: Identifying the challenges of COVID-19 that impact the workforce

- Can your information technology (IT) infrastructure support the full adoption of remote working?
- Will there be a delay or constraint in adopting IT infrastructure, how is this going to be communicated?
- How will you strengthen and empower your global employee support groups?

Mitigate Impact: Identifying the responses to mitigate the impact affecting the workforce

- Are there robust communication plans for clear, honest and timely sharing of information with staff and relevant stakeholders that enhance confidence, comfort and greater cooperation?
- Have you been communicating with your employees regularly on all the changes and next steps and minimize potential feelings of anxiety and isolation among your workforce? Is there communication on the potential impact on operations, supply chain, revenue, cash flow, etc. and management expectations from staff?
- How are you planning to keep employee motivation and morale high and drive a culture of collaboration?



Annexure 1

WORKFORCE DYNAMICS 3 – CONNECTION

Milestone 2 – Taking the stand for Action

Level of Impact: What is the residual impact that needs to be addressed?

- Have you identified the level of successful mitigation of adverse impacts as against the challenges pertaining to 'workforce connection' that were identified?
- Have you identified the critical elements and potential challenges on the actual impact that need to be addressed?

Milestone 3 – Strategic Action

Overcome Impact: What are the strategies to address the residual impact?

- Is there a structured plan to promote the well-being of employees and protect productivity while embracing large-scale adoption of differed work arrangements apart from remote working?
- Towards gaining higher work performance, how will you build virtual connections as part of the talent strategy that bring team synergies together and support one another in creating a greater connection of hearts and minds whilst maintaining the required social distancing? Have you introduced employee support networks?

Reboot and Reinvent: Identifying the mechanisms to emerge as a stronger and greater entity?

- Will a new flexible work time policy be needed for Post-COVID enhanced operational work process?



Annexure 1

WORKFORCE DYNAMICS 4 – CAPABILITY

Milestone 1 - Positioning for strategic direction

Identify Challenges: Identifying the challenges of COVID-19 that impact the workforce

- Have you identified critical capabilities in your organization that will be most impacted by COVID – 19?
- Have you decided to change performance expectations to a higher level? How are you planning to support your employees through that?
- Are you reviewing employee performance projections for the year? Have you started prioritizing work and listing mission-critical work items?

Mitigate Impact: Identifying the responses to mitigate the impact affecting the workforce

- Is the current infrastructure available for remote working, optimum for delivering necessary results?
- Do you have a clear and robust understanding of your current workforce capabilities, skillsets and structure?.
- Do you have a short-term development plan for reallocating resources to address gaps/ unexpected immediate needs?
- Do you have the ability to reskill employees while they are working remotely? Do you understand the current and previous experience and capabilities of your resources? Are you able to determine which resources can be rapidly reskilled should demand require?
- Have you identified people who are top retention priority for the organization? Have you spoken with them on re-skill requirements and revision of job roles?



Annexure 1

WORKFORCE DYNAMICS 4 – CAPABILITY

Milestone 2 – Taking the stand for Action

Level of Impact: What is the residual impact that needs to be addressed?

- Have you identified the level of successful mitigation of the adverse impact as against the challenges pertaining to 'workforce capability' that were identified?
- Have you identified the critical elements and potential challenges on the actual impact that need to be addressed?

Milestone 3 – Strategic Action

Overcome Impact: What are the strategies to address the residual impact?

- Have you identified the biggest risks to your organization's productivity?
- Have you captured the work task deviations and formulated the revised job roles in a multi-task approach and revised the competency matrix to facilitate the change of direction and higher performance?
- Have you identified the skills within the entity, which are mission critical to manage through COVID-19?
- How would you train the mindset of the people to accept change in multiple dimensions and require a higher commitment to hard work that is vital to overcome the economic downturn impacted by COVID-19?
- How would be build a people with a strong and innovative mind to identify new opportunities and possibilities in challenges and impossibilities that will create a positive financial outcome?
- Are you making decisions in keeping with your corporate values and policies that define and rebuild your brand image?
- How will you define build, buy, and borrow talent strategies considering this scenario to extend in future? How will you create agile models so that ramp-ups/ downs can be easily managed?

Reboot and Reinvent: Identifying the mechanisms to emerge as a stronger and greater entity

- Are leaders prepared and do they understand the new norm for making informed decisions? How will you build leadership capabilities to manage this agility and ambiguity in the future?
- Is there a process to re-evaluate the organization's processes and operations and identify ways to remove/minimize human intervention?



Annexure 1

WORKFORCE DYNAMICS 5 – COMPLIANCE

Milestone 1 - Positioning for strategic direction

Identify Challenges: Identifying the challenges of COVID-19 that impact the workforce

- Do you have a plan to help ensure that employees are aware of and compliant with your social media policy?
- Have you done a risk assessment of the identified collaborative technological tools?
- Are people able to comply with your regulated processes while working from home, e.g. are electronic approval processes in place? Do you have a plan to address the renewal of required professional licenses for employees?
- Are you able to mobilize teams to provide multijurisdictional/region wide services if required for businesses continuity? What if the current situation extends beyond a few months?

Mitigate Impact: Identifying the responses to mitigate the impact affecting the workforce

- Are you communicating the importance of data security? Phishing scams can be prevalent at this time.
- Have you confirmed the immigration and visa status of all your expat employees given that there are potential travel bans? Are there any significant risks in any specific locations?
- How will you evaluate virtual employee compliance? Do you need to build new tools?
- Have you considered the legal provisions relating to workforce re-structure, salary re-structure and staggered salary payments and such other cost optimization initiatives?



Annexure 1

WORKFORCE DYNAMICS 5 – COMPLIANCE	
Milestone 2 – Taking the stand for Action	<p>Level of Impact: What is the residual impact that needs to be addressed?</p> <ul style="list-style-type: none"> • Have you identified the level of successful mitigation of the adverse impact as against the challenges pertaining to ‘compliance’ that were identified? • Have you identified the critical elements and potential challenges on the actual impact that need to be addressed? • Are you able to conduct talent and performance reviews and implement any necessary short-term actions to help ensure ongoing compliance? • Are your decisions in line with ethical principles and the organization’s values? • Are there risks associated with working from home/remote working?
Milestone 3 – Strategic Action	<p>Overcome Impact: What are the strategies to address the residual impact?</p> <ul style="list-style-type: none"> • you have compressed and readily accessible knowledge transfer and on-boarding programs to address your compliance requirements? How are you planning to communicate with your contract workforce? • How will you design new T&E policies for employees for the future? How will you track and manage overtime? • Is a risk assessment of the collaborative technological tools needed to be carried out? <p>Reboot and Reinvent: Identifying the mechanisms to emerge as a stronger and greater entity</p> <ul style="list-style-type: none"> • What are the key areas of compliance issues that you would submit to relevant authorities to be addressed taking into consideration economic and social impact arising from Covid 19 • Are you thinking of implementing a compliance monitoring solution ?



Annexure 1

WORKFORCE DYNAMICS 6 – CHANGE

Identify Challenges: Identifying the challenges of COVID-19 that impact the workforce

- Have you identified, staffed, and trained a crisis response team to keep your employees, customers and business partners informed in managing change?
- How do you know key leaders are aligned to current initiatives and efforts? Are leadership action plans developed and in place?
- How will you start planning for people strategies after the COVID- 19 pandemic? What factors will you include in planning? Do you plan to conduct social network analysis to understand who your influencers are to align your communication and change strategy?

Mitigate Impact: Identifying the responses to mitigate the impact affecting the workforce

- Have you established an employee check-in process to understand and key concerns or any change issues or challenges? Are you also planning to allow them to write or post anonymously?
- How do you identify, measure, and address resistance when working virtually? Have you identified action plans?
- Have you identified the best adaptors and influences of change in forming the change agents?

Milestone 1 - Positioning for strategic direction



Annexure 1

WORKFORCE DYNAMICS 6 – CHANGE

Milestone 2 – Taking the stand for Action

Level of Impact: What is the residual impact that needs to be addressed?

- Have you identified the level of successful mitigation of the adverse impact as against the challenges pertaining to ‘change aspects’ that were identified?
- Have you identified the critical elements and potential challenges on the actual impact that need to be addressed?
- Have you identified what changes are likely to become permanent and which will revert to the pre-pandemic state?
- Will you use any analysis or focus groups to understand how employees feel about changes in the organization?

Milestone 3 – Strategic Action

Overcome Impact: What are the strategies to address the residual impact?

- Have you analyzed the responses communicated by staff on the new ways of working and leading practices?
- Have you aligned your senior leadership team on the new ways of working, e.g. leading virtual teams?
- Have you enabled a fear free and supportive culture that enable creative ideas that identify opportunities within the challengers in promoting innovative solutions, processes, services and products?

Reboot and Reinvent: Identifying the mechanisms to emerge as a stronger and greater entity?

- Do you have the ability to follow through and execute on the changes required for the in-flight initiatives in the organization? How will you keep the teams engaged even if the initiatives are stopped for some time?
- How will you support the changes your organization and employees are facing from the social, political, economic, and other external dynamics? How will you prepare your leaders to lead in the future in situations like these?
- Have you enabled the workforce to have hope in their hearts and move ahead with courage in regaining much more despite setbacks, obstacles and impossibilities?
- Are the staff made to realize that if they are to overcome difficulties, pursue new opportunities and become stronger as an entity, it requires them to work harder and smarter in bringing about a higher performance culture?
- Have you utilized the momentum to start planning for people strategies Post the COVID-19 pandemic?



Annexure 2

Important Information on labour law provisions which might help to keep the business afloat under crisis.

*KPMG does not intend to provide legal advice as individual situations will differ and should be discussed with an expert and/or lawyer.

Shop and Office Employees (Regulation of Employment and Remuneration) Act. No.19 of 1954

— Shop and Office Employees (Regulation of Employment and Remuneration) Act. No.19 of 1954 (as amended) is one of the key legislations which relates to the terms and condition of employment. It provides for the regulation of employment, hours of work and remuneration of persons employed in shops and offices.

Wages Board Ordinance No: 24 of 1941

— This legislation was enacted with the principle objective to regulate the wages and other emoluments for the persons employed in trades (i.e.- Garment manufacturing, Hotel and Catering, Printing, etc.) Provisions relating to wages and hours of work are also encompassed for these scheduled categories of employment.

**Employees Provident Fund Act No: 15 of 1958
Employees' Trust Fund Act No. 46 of 1980**

— These acts were introduced to provide mandatory retirement and termination of employment benefits to employees in the private sector and certain government corporations. This legislation imposes a legal requirement for an employer to make deposit of contributions to the Employees' Provident Fund/ Employees' Trust Fund to enable the retired employees or those whose employment has ceased, to obtain provident fund benefits easily and without delay, to keep the employees informed and to take other necessary action in this regard. The Act provides in detail for the method of computation, payment, penal consequences for defaults in payment, etc.

Termination of Employment of Workmen (Special Provisions) Act No: 45 of 1971,

— This Act was enacted with the objective to provide special provisions in respect of the termination of the services of workmen in non-disciplinary situations (such as a closure of business or a division). This Act protects the employees from unlawful termination and also specified the grounds and method to effect termination of employment. This piece of legislation is especially important when providing for VRS situations.



Annexure 3

Glossary

VRS	Voluntary Retirement Scheme
HRIS	Human Resources Information System
ERP	Enterprise Resource Plan
HCM	Human Capital Management
RPA	Robotic Process Automation
BCP	Business Continuity Plan
T&E	Travel and Expense

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