



# Navigating the new reality as an HR executive

August 2020

## What's the issue?

Over the past few months, the Covid-19 pandemic has definitely helped push a number of people related items right to the top of the agenda for senior management and Board meetings. With digitalization still taking the center of the stage, people agenda is not too far behind. HR executives are getting an opportunity in these board level discussions to highlight how important it is for any firm to include people and change related items in their post-Covid planning and strategy.

Our ways of working are going through a significant disruption. As HR executives, we need to be aware of the latest trends and ways how the global industry is tackling some of the Covid-19 related challenges in the people space and any implications. This will enable the HR teams to drive and execute any required changes within their firms in the most efficient manner. Some of the key focus areas include:

### 1. Manpower planning

With pressures mounting on the business units to reduce the operational cost and rationalize the organizational structures, there is an increasing need to identify the optimal manpower requirements. This is expected to meet the current needs of the firm while taking into consideration any future growth in the post covid-19 phase.

Firms also need to look at their succession planning framework to ensure operational continuity especially in business-critical areas. Also, having a well-defined firm wide communication strategy is a must for any map power planning and rationalization exercise to succeed.

### 2. Learning and Development

Now, more than ever, is the time for firms to invest in upskilling their workforce both at the management and staff level. A completely new set of competencies and skills need to be developed to enable the employees deal with disruptions, manage remote relationships and execute digital strategy.

Physical, classroom-based trainings are not feasible anymore and firms are relying heavily on digital infrastructure and means to conduct these sessions. This gives them more flexibility in terms of the size of audience, multi-location sessions and help them bring the learning and development cost down.

### 3. Compensation reviews and benchmarking

Hiring market in the Middle East and Qatar took a nosedive in response to the pandemic back in March 2020. The downward trend was further exacerbated by the slowdown of the business over the Ramadan/Eid period. Most of the firms have self-imposed hiring freezes which are not expected to go away any time until Q3 or even Q4 in certain cases.

Firms are relooking at the total compensation packages (base salaries, allowances and bonuses) of their employees and any new hires to ensure these are in line with the local and regional benchmarks. This will allow the firms to remain competitive and attract and retain the top talent.

### 4. Long term incentive planning for senior management

It is crucial for firms to retain their key decision makers and material risk takers to steer them through this period of uncertainty. Cost reduction efforts combined with financial challenges make it quite difficult to motivate employees through short term incentive plans including annual cash bonuses.

Firms across the world including the Middle East are looking at adopting long term incentive frameworks for their senior management. These plans ensure alignment of management and shareholders' interests and create a culture of performance-based rewards.

Other key implications are around the increased adoption of flexi working arrangements at all levels of employees, market wide encouragement of part time and project based freelancing arrangements and changes to the organizational culture as a result of the significant changes in the way people are now working and interacting with others.

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