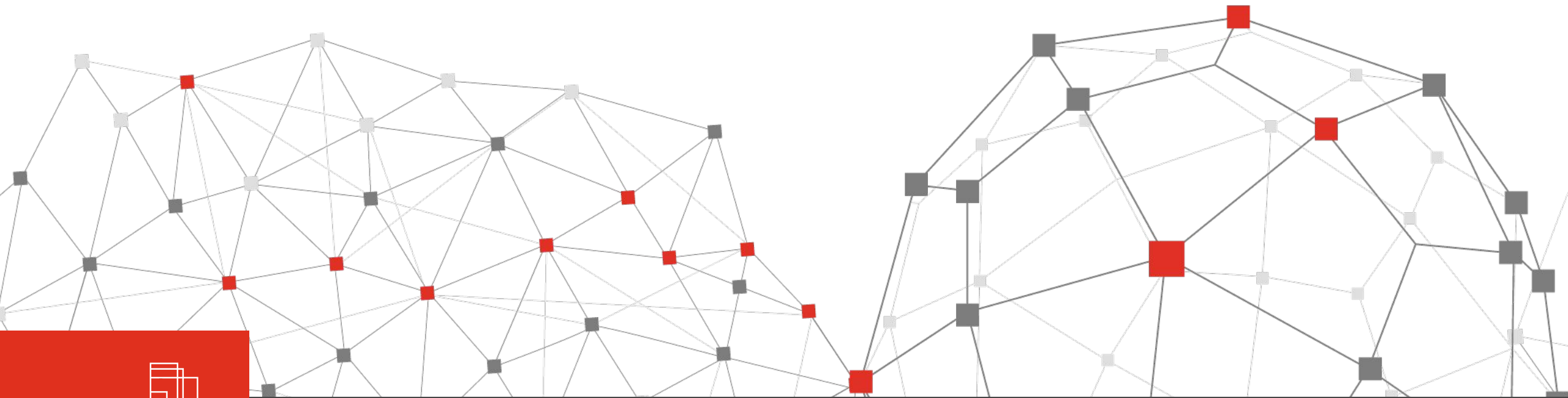


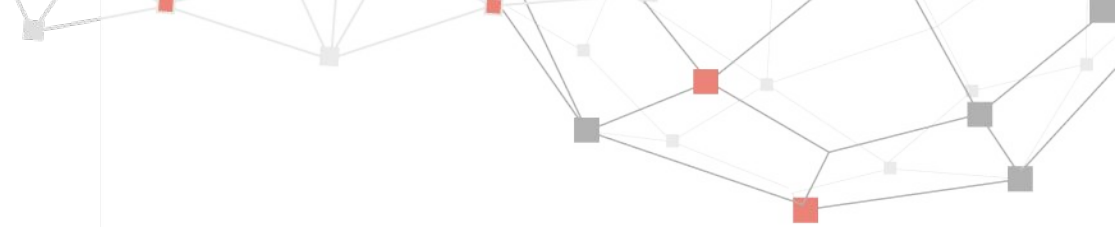
COVID-19

People in the Spotlight:
rising strong after the pandemic

We are working closely with organisations in Eurasia and globally to help them mitigate the negative effects and lead through uncertainty



Introduction



Greetings from PwC People&Organisation practice in Eurasia. Please allow us to wish you health and prosperity.

The pandemic has tested our People management functions like nothing else before. For many organisations now is the time for quick reflection, planning and execution of People related actions to recover and thrive in the future. The purpose of this short survey is to gather market intelligence around people related actions organisations have undertaken and/ or are planning to undertake in the near future in response to the COVID 19 pandemic in the Eurasia region. This survey is designed for top-level executives responsible for people management in your organisation.

Yours truly, PwC People & Organisation team

Ensuring adequate management response to the crisis caused by the pandemic has been unsurprisingly the focal point for HR and business leaders in Kazakhstan and its neighbouring countries.

70% of our respondents are confident that they have provided for necessary workforce management measures to address the crisis



This level of confidence is going down as organisations seek ways to stabilise the business in the new reality and plan for the future, with only half of respondents (53%) being confident in sufficiency of their workforce management measures beyond crisis response.

We believe taking action to stabilise the business in the new norm and envisaging the future success should be top priorities for business leaders, despite the high degree of uncertainty.



Here, people management tools which have already proven to be effective, include: cc



Strategic workforce planning with scenario planning at its core

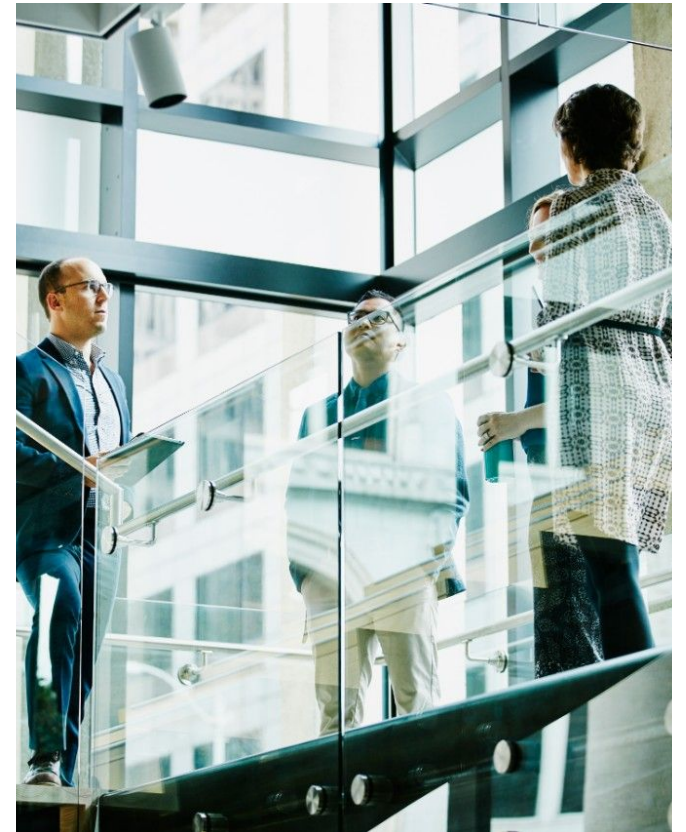


Embedding culture of cross-functional collaboration (i.e. work is organised around value driven customer-centric processes and/ or ecosystems)



Driving innovation and eradicating complacency by implementing people-centric business recovery strategies, including:

- Purposeful reskilling of workforce, building on the strengths of each employee
- Rapid introduction of diversity and inclusion programs
- Shaping and reinforcing your organisation's people value proposition as now, more than ever, people are reflecting on own life choices, health and values and are looking for responsible employers that would match these for them. If employees are happy in this "match", we believe, this creates strong grounds for long-term prosperous future for your business.



“

If there is one area where most organisations felt most confident – it would be HR administration.
As it turned out proper HR admin practices did not fail most organisations in the time of need.



54%

of respondents strongly agreed with the statement: “To activate internal communications during crisis up-to-date employee contact information was available in my organization”




The grey zones of people management

There are a number of areas where organisations could not provide a clear response. These highest uncertainty areas are mostly found within measures to assess and develop workforce skills in the constantly changing environment. This is perhaps due to the complexity of the challenge as well as lack of time and resources to deal with it at the leadership level.

Percentage of respondents who selected “Neither agree nor disagree”

Q19	Accelerated programs on upskilling and reskilling of unutilised workers are developed and put in place.	36%
Q27	A revised talent management strategy (including learning and development and succession planning) beyond 2020 is being developed.	34%
Q4	Roles and skills reassessment is implemented to understand who truly drives your Profit and Loss (P&L) and who in the workforce could be assigned (from talent pool) to sustain it. Succession planning is exercised.	26%

ONLY 10%  of respondents believe they have done enough on planning around upskilling/ reskilling of their workforce

It is good to have clarity

While talent development and workforce upskilling remain the “grey areas” for the majority of organisations, a number of workforce management areas seem a lot more certain. This includes compliance, performance management and leadership communications.

Percentage of respondents who selected “Neither agree nor disagree”

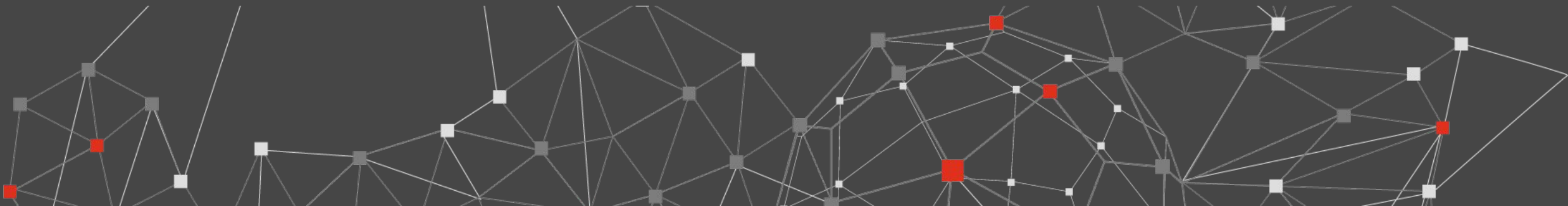
Q1	To activate internal communications during crisis up-to-date employee contact information was available in my organisation.	8%
Q15	Anticipated cancellation of bonuses in 2020 is not seen as the reason to cancel the organisation's performance management program, including such processes as goal setting, feedback, staff evaluation and reward.	19%
Q20	Our leadership proactively reviews lessons learnt from crisis to shape future people strategy. This information is also shared with all employees to demonstrate how we are going to take care of our people going forward.	20%



Prime time for “true” performance management

66%

It is particularly good to recognise 66% of respondents who don't see anticipated cancellation of bonus payments as the trigger to cancel the whole Performance management program. We believe this to be a significant positive trend for the future and hope more organisations improve their performance management practices through elimination of the monetary factor and focus on quality performance/ career management. This is especially important as more organisations consider remote working as a permanent arrangement for at least certain categories of personnel.



Coordinated response

50%

50% of respondents note the existence of a dedicated organisational unit (such as programme management office (PMO)) to manage anti-crisis measures and quick response to a range of rising issues. For others that haven't yet established such a unit it might be a source of additional tactical advantage as the uncertainty unfolds and the need for synchronized cross-functional response is increased.



Crisis response

Areas of strength

The necessity to shift to remote working arrangements appeared to be one of the most significant challenges for the organisations. It, therefore, doesn't come as a surprise that the focus of HR has been on this topic, ranging from compliance and protection of workforce to employee mental health and infrastructure support. Many organisations declare early success in addressing this challenge.

Percentage of respondents who either strongly agree or agree with the statement:

Q1	To activate internal communications during crisis up-to-date employee contact information was available in my organisation.	86%
Q6	Tips to work efficiently from home are shared through various channels (e-mails, e-learning, live sessions, etc.)	86%
Q5	Employees are supported in their transition to remote working, including additional agreements to labor contracts (for remote mode / partial mode), IT support and allocation of tasks, so that everyone is clear on what they need to do.	82%

Crisis response

Areas of improvement

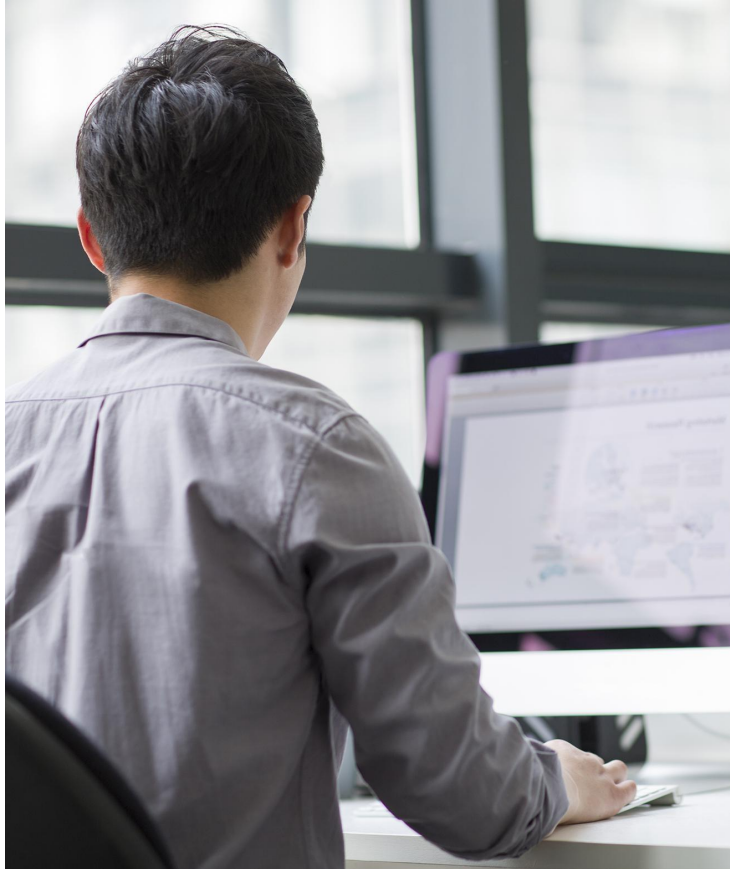
When dealing with a crisis situation it is clearly hard to keep an eye on employee well-being and provide for a synchronised coordinated response. Most organisations have found these areas to be hardest during crisis response time.

Percentage of respondents who either strongly agree or agree with the statement:

Q3	Employee wellbeing programmes are introduced and/or reinforced during the pandemic. For example, online coaching support, e-learning courses and live sessions on nutrition, stress management, sport, individual "check-ins", etc.	57%
Q7	A dedicated organisational unit (such as programme management office (PMO)) is set up in my organisation to manage anti-crisis measures and rapid responses to a range of rising issues.	50%
Q9	Impact on personal data protection is assessed and managed in response to crisis. For example, privacy policies, cookies, and terms of use for websites are updated.	59%

Our tips

Success in shifting to remote working is an increasingly important organizational capability and it rests within:



I. “It is here to stay” mindset. Addressing remote working as a long-term capability rather than a temporary necessity.

II. Meticulous compliance management

III. Innovative approach to getting the work done. Organisations that are able to see things differently and promote new ways of thinking came top at shifting to remote working, even if they didn’t have prior experience with it.

IV. Investing in employee maturity and their remote working skills (including management skills)

V. Existence/ Development of IT equipment and infrastructure

Business recovery

Areas of strength

Robust costs management is leading the way to business recovery. Management of employee remuneration as a major cost item for organisations seems to be taken care of in the minds of respondents along with associated compliance and risk management.

Percentage of respondents who either strongly agree or agree with the statement:

Q15	Anticipated cancellation of bonuses in 2020 is not seen as the reason to cancel the organisation's performance management program, including such processes as goal setting, feedback, staff evaluation and reward.	66%
Q12	We have an integrated plan to manage workforce costs which covers total rewards (i.e. not just salaries), use of government assistance programs to support employment and compliance with employment law and regulations.	63%
Q17	Workforce related risks associated with remote working are closely monitored and managed. For example, such risks may include data collection and security, liability issues when moving to remote working (e.g. need to formally document decisions) or accountability and trust issues.	62%

Business recovery

Areas of improvement

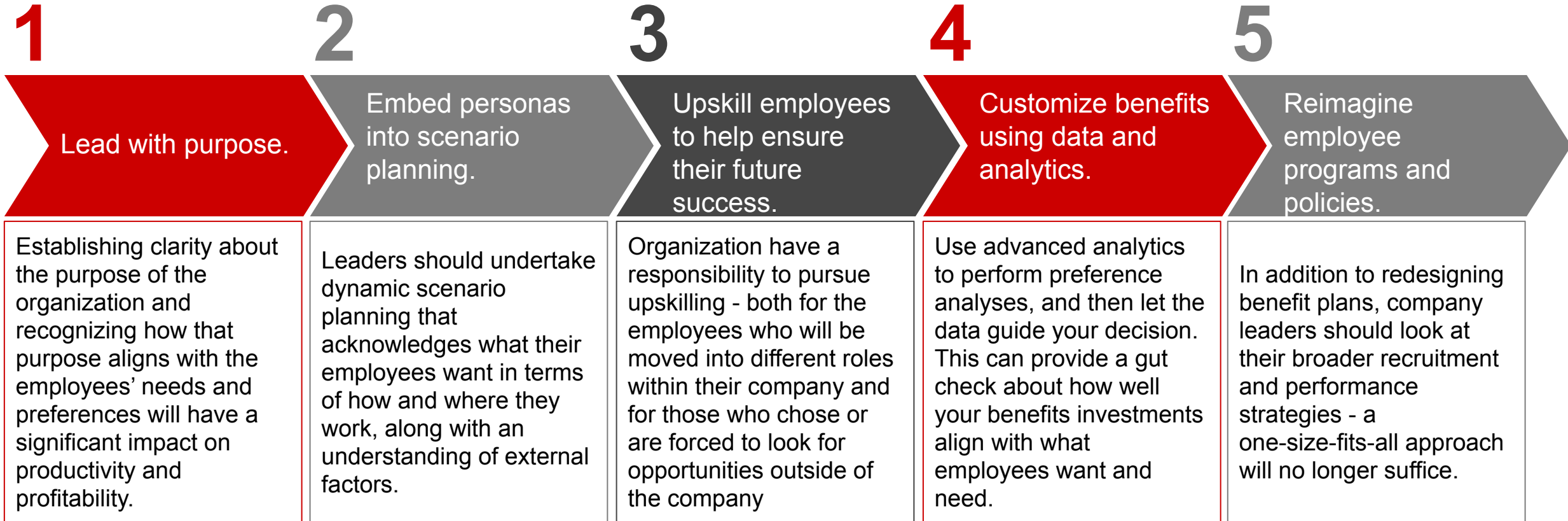
A lot of organisations traditionally struggle with integrated people analytics which makes it very difficult for their leadership to understand the true situation with the overall workforce, including such key, but at times difficult to measure, parameters as employee workload, productivity, skills and development needs.

Percentage of respondents who either strongly agree or agree with the statement:

Q19	Accelerated programs on upskilling and reskilling of unutilised workers are developed and put in place.	31%
Q16	Workforce data and analytics including evaluation of productivity levels, areas of underperformance and back office efficiency are being used to inform operational management decisions.	42%
Q14	Non-salary workforce costs (for example, learning and development and recruitment) are not being cut without assessment of their potential returns.	53%

Our tips

5 ways to make well-being strategy more employee-focused



Source: strategy-business.com/wellbeing

Future state

Areas of strength

If there is one thing that many organisations are taking away from the crisis it would be the importance of regular sincere leadership communications to the employees. In addition, organisations rethink their People (HR) management functions to identify if these are fit to drive the future people strategy. Lastly, organisations seem to be relatively clear of the future skills required from employees and have a certain understanding of how to develop these. While this is a great fact, we believe there might be flaws in this approach as it doesn't take into account the concept of "starting where you are" (i.e. taking stock of what is currently available) and instead focuses on developing future skills which may lead to unnecessary "blind" spending.

Percentage of respondents who either strongly agree or agree with the statement:

Q20	Our leadership proactively reviews lessons learnt from crisis to shape future people strategy. This information is also shared with all employees to demonstrate how we are going to take care of our people going forward.	69%
Q22	Our People management function, including HR, is evaluated for its readiness to deliver on the revised People strategy with necessary improvement measures on the way.	56%
Q26	Future priority skills are identified and there is a clear plan for their development.	55%

Future state

Areas of improvement

There seems to be a certain lack of appetite in tackling the traditional HR management areas and finding their place in the future. This refers to reward strategy, talent and performance management. It might be that some respondents believe that these do not require changes in the future or that the future is so uncertain – it is impossible to predict and plan within these areas properly. While both might be true, we believe simply leaving these “untouched” is no smart way to a bright future.

Percentage of respondents who either strongly agree or agree with the statement:

Q25	Performance management: we have a plan to revise approach to performance management. This should define revised strategic goals to be cascaded down with respective KPIs, evaluation and feedback tools, components of reward relative to performance, etc	51%
Q23	Reward strategy: we have a plan to revise reward strategy beyond 2020. This includes revised executive pay, government support (if any), grading system, pay-scales, pay mix and benefits, etc	49%
Q27	A revised talent management strategy (including learning and development and succession planning) beyond 2020 is being developed in conjunction with the revised People strategy. This should include priority skills' gaps, identification of critical L&D programs, based on hard measures (eg L&D ROI), designing innovative cost-effective training delivery solutions (eg virtual learning), focusing on the “70-20” of the learning process	44%

Our tips

Measure, communicate and engage around PEOPLE VALUE

It is clear that the future will be bright for those organisations that are able to define, measure and predict the value People generate for the business. The value of people can be divided into:

- **Human capital** (e.g. individual knowledge, skills, competencies and attributes) and
- **Social capital** (e.g. networks, shared norms, values and understanding).

Core set of common metrics and disclosures

The recent WEF report laid out the core set of common metrics and disclosures on non-financial factors for investors and other stakeholders of any organisation.

We recommend any organisation to measure TODAY the following People metrics from the report.



Dignity and Equality:

Diversity and Inclusion (%), Pay equality (%), Wage level (%), Risks for incidents for child, forced or compulsory labour



Health and Wellbeing:

Health and safety (%)



Skills for the future:

Training provided (%)

For further information and calculation methodologies, please refer to “Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”, which can be found online.

Immediate: Crisis response

Recommendations

Your immediate people related crisis response measures require urgent and significant attention.

Protection of your people, specifically the physical safety and protection of workforce rights, should remain your utmost priority.

- Review, update and communicate respective Health and Safety (HS) and Human resource (HR) policies.
- Review policies' reinforcement measures, for eg use of effective communications rather than sending out emails and disciplinary measures for non-compliance.
- Test compliance with HS and HR policies relating to crisis response.
- Keep control of all response measures within one organisational unit.

Your immediate people related crisis response measures appear to be sufficient, yet there are a number of things you could consider in addition.

Ensuring comprehensive risk management practices should be your priority.

- Review your value chain from people and skills' perspective and make necessary adjustments. For eg redeploy most skilled employees to areas of value creation and/ or revenue generation.

- Conduct rapid assessment of people development needs in changing business processes and deliver effective development options.
- Conduct workforce risk assessment and implement workforce risk management plan.

Your immediate people related crisis response measures appear to be mature. Here are a few more things you could consider.

Ensuring sustainability of results achieved through immediate crisis response measures should be your priority.

- Conduct workforce risk assessment and implement workforce risk management plan.
- Consider use of free psychological help-line for your people and/ or other ways of maintaining employee morale and mental health.
- Where possible, review people related response measures implemented by organisations within your supply chain and suggest practice sharing and improvements.

Stabilise the business: Recovery Recommendations

Your people related measures to stabilise your organisation in the new reality require urgent and significant attention.

Effective workforce costs' management should be your focus.

- Initiate robust workforce cost/ benefit analysis as means of smart cost reduction.
- Conduct close monitoring of the financial impact of any cost reduction measures, i.e. so that they don't just appear on paper.
- Consider impact of government incentives on your cost base and ensure compliance with legislation and regulations when implementing cost cutting measures.

Your people related measures to stabilise your organisation in the new reality appear to be sufficient, yet there are a number of things you could consider in addition.

Effective workforce productivity management should be your focus.

- Consider using strategic workforce planning and predictive HR analytics to match ongoing demand and supply of workforce.
- Use effective communication tools to announce cost cutting and productivity enhancement measures.
- Ensure cost-effective upskilling and reskilling measures to prepare people for changing tasks and responsibilities.

Your people related measures to stabilise your organisation in the new reality appear to be mature. Here are a few more things you could consider.

Seeking ways to capitalise on any benefits arising from the crisis should be your focus.

- Conduct focus groups with diverse workforce representatives to seek their views on how to further boost productivity.
- Invest in manager capability to conduct robust career conversations with people.
- Recognise teamwork behaviours and promote effective virtual teaming as basis for business success.



Strategy for future success: Future state Recommendations

Your people related measures to secure future success of your organisation require significant leadership attention.

Ensuring comprehensive and flexible People strategy beyond 2020 should be your priority.

- Workforce structure: conduct inventory of skills and capabilities of your workforce along the entire value chain. Identify future skills' shortages and plan measures to reduce them.
- Organisation design (OD): Review the impact of crisis on the OD, run core OD analytics (e.g. span of control, management layers, ratio of General & Admin (G&A) staff, etc), revise OD.
- Review and revise approach to Reward management, Learning & Development, Performance management, Recruitment.

Your people related measures to secure future success of your organisation appear to be sufficient, yet there are a number of things you could consider in addition.

Ensuring aligned execution mechanisms for your People strategy beyond 2020 should be your priority.

- Agree resources needed for the execution of the People strategy beyond 2020.
- Ensure your HR and broad people management function are fit to deliver on the People strategy beyond 2020.

Your people related measures to secure future success of your organisation appear to be mature. Here are a few more things you could consider.

Considering future scenarios, role of people in your business and their respective *People experience* should be your focus.

- Review pre-crisis people trends and assess their evolution through the crisis. Shape your strategy ahead or in-line with these trends. For eg workforce diversity and inclusion, upskilling and reskilling, purpose and meaning of work.
- Review the impact of crisis on your organisational DNA, ensure the changes are captured and reflected in the values, competencies and behaviours.



Crisis response: Heatmap

1. To activate internal communications during crisis quick and up-to-date employee contact information was available in my organisation



2. Internal Health and Safety policies and procedures are being effectively updated in response to crisis development. For example, policies to allow for safe and productive remote working and infection control.



3. Employee wellbeing programmes are introduced and/or reinforced. For example, online coaching support, e-learning courses and live sessions on nutrition, stress management, sport, individual "check-ins", etc.



4. Roles and skills reassessment is implemented to understand who truly drives your Profit and Loss (P&L) and who in the workforce could move to sustain it (succession planning is exercised).



5. Employees are supported in their transition to remote working, including IT support and allocation of tasks, so that everyone is clear on what they need to do



6. Tips to work efficiently from home are shared through various channels (e-mails, e-learning, live sessions, etc.)



7. A programme management office (PMO) to enable rapid responses to dealing with the range of rising issues is set up in my organisation



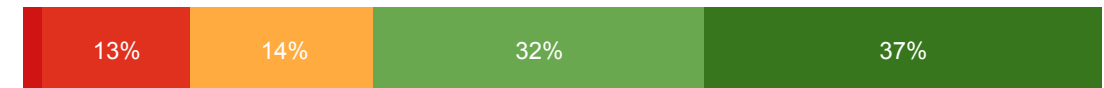
8. Internal policies and systems regulating access to sick and other types of paid or unpaid leave are effectively updated to reflect external requirements and internal operations during crisis, in real-time mode.



9. Impact on personal data protection is assessed and managed in response to crisis. For example, privacy policies, cookies, and terms of use for websites are updated.



10. Employment tax implications for varied obligations and employment taxes relief measures are continuously assessed and deployed (where possible)



11. Frequent, regular leadership communication is effectively delivered to manage employee expectations and engagement as well as to reduce uncertainty. For example, sharing positive experiences and success stories, maintaining confidential channels to raise concerns, pulse employee surveys, etc.



● Strongly disagree ● Disagree ● Neither agree nor disagree ● Agree ● Strongly agree

Recovery: Heatmap

12. We have an integrated plan to manage workforce costs which covers total rewards (i.e. not just salaries), use of government assistance programs to support employment and compliance with employment law and regulations.



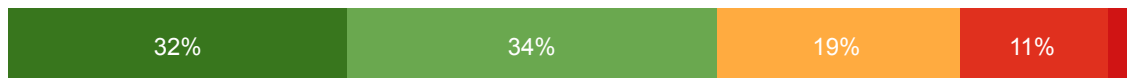
13. Clear governance rules are set for the execution of the Integrated plan to manage workforce costs (i.e. no decision is made at individual discretion). The responsibility for the Integrated plan to manage workforce costs lies within a broad leadership team and not just within HR and CEO office.



14. Non-salary workforce costs (for example, learning and development and recruitment) are not being cut without assessment of their potential returns



15. Anticipated cancellation of bonuses in 2020 is not seen as the reason to cancel the organisation's performance management program, including such processes as goal setting, feedback, staff evaluation and reward



16. Workforce data and analytics including evaluation of productivity levels, areas of underperformance and back office efficiency are being used to inform operational management decisions



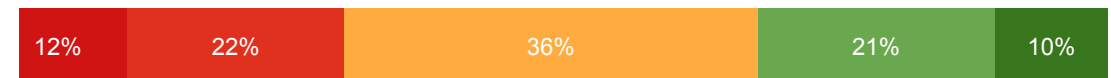
17. Workforce related risks associated with remote working are closely monitored and managed. For example, such risks may include data collection and security, liability issues when moving to remote working (e.g. need to formally document decisions) or accountability and trust issues.



18. Capacity gaps are forecasted and addressed through effective redeployment of available people to new functions/roles to sustain critical business operations



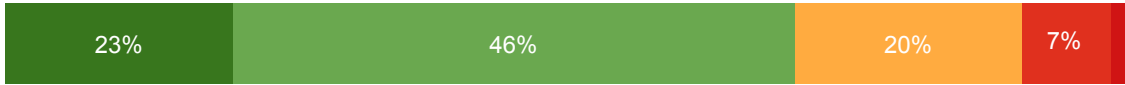
19. Accelerated programs on upskilling and reskilling of unutilised workers are developed and put in place



● Strongly disagree ● Disagree ● Neither agree nor disagree ● Agree ● Strongly agree

Future state: Heatmap

20. Our leadership proactively reviews lessons learnt from crisis to shape future strategy. This information is also shared with all employees to demonstrate how we are going to take care of our people going forward.



21. A revised People strategy beyond 2020 is being developed with strategic workforce planning and organisational design in focus.



22. Our People management function, including HR, is evaluated for its readiness to deliver on the revised People strategy with necessary improvement measures on the way



23. Reward strategy: a revised reward strategy beyond 2020 is being developed in conjunction with the overall People strategy. This includes revised executive pay, government support (if any), grading system, pay-scales, pay mix and benefits, etc



24. Recruitment approach: a revised recruitment approach beyond 2020 is being developed in conjunction with the overall revised People strategy. This should clearly define employee value proposition, revised competency model and job profiles, innovative recruitment sources and methods, etc



25. Performance management: a revised approach to performance management is being developed in conjunction with the overall revised People strategy. This should define revised strategic goals to be cascaded down with respective KPIs, evaluation and feedback tools, components of reward relative to performance, etc.



26. Future priority skills are identified and there is a clear plan for their development



27. A revised talent management strategy (including learning and development and succession planning) beyond 2020 is being developed in conjunction with the revised People strategy. This should include priority skills' gaps, identification of critical L&D programs, based on hard measures (eg L&D ROI), designing innovative cost-effective training delivery solutions (eg virtual learning), focussing on the “70-20” of the learning process.



Thank you

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