McKinsey & Company

Current as of April 2, 2020

Organization Practice

COVID-19 response checklists for CHROs

COVID-19 has affected communities on nearly every continent, with thousands of deaths and hundreds of thousands of reported cases. While we must take vigorous action to control the spread of the coronavirus and save lives, we must also act to protect our livelihoods. These checklists provide chief human resources officers (CHROs) with practical ideas for keeping employees safe while maintaining productivity and charting a path to recovery.

1 Resolve

During the early stages of the crisis, the CHRO's immediate priority is to keep all employees safe and well informed while ensuring business continuity. CHROs may wish to consider the following actions.

Establish policies	◯ Develop policies that adhere to public-health recommendations and workplace laws, including those on sick leave, as well as business priorities and continuity
	◯ Set policies for remote working and who can access the workplace at what times (eg, staggering shifts, business-critical employees on site only)
	◯ Set sign-off processes for policy changes
Initiate two-way communication	◯ Select communication channels and set protocols to communicate early and often
	◯ Develop approach for cascaded communications to provide clarity and direction
	◯ Establish two-way communication and confidential channels for employees needing help
	◯ Use official authorities for information (eg, WHO, CDC)

Promote new norms and safety practices

○ Proactively identify scenarios where employees or office locations could be exposed to the virus

○ Develop action plan for each scenario and communicate with all the relevant stakeholders to prevent further transmission

○ Implement physical mechanisms to reduce transmission (eg, cleaning, staggering shifts)

○ Put in place measures to protect and safeguard the health of employees still coming to work

Support working from home

○ Assess infrastructure needs for remote working or other flexible models (eg, VPN, broadband, laptops, remote desktop); consider piloting or testing system first to learn and adapt (eg, everyone on multiday pilot, remote desktop trials with subset of employees)

○ Maximize productivity while working from home by setting clear directions, enabling small cross-functional teams, and adopting a regular (but not too-frequent) cadence for meetings

Engage stakeholders in government and healthcare

○ Engage with health officials to assess risk and response

○ Collaborate with healthcare providers and payers to access appropriate care for individuals (eg, health plan hotline)

○ Collaborate with appropriate government officials and other regulatory bodies to inform and implement policies

---

The following examples demonstrate how companies are protecting their employees while maintaining business continuity:

Starbucks is offering 14 days of catastrophe pay to US workers who have been exposed to COVID-19 or are more than 60 years old, pregnant, or affected by preexisting health conditions. To help employees manage stress related to the outbreak, it expanded mental-health benefits to cover therapy sessions and other services.

Hyundai is providing up to ten extra days of paid time off to employees who are directly affected by COVID-19 as well as short-term vehicle leases to families that need transportation during school closures. It has also arranged for additional cleaning of high-touch areas such as door handles, elevator buttons, and countertops.

Giovanni Rana, an Italian food company, has offered employees a 25 percent salary increase for March and April, a monthly payment of €400 to cover childcare expenses, and insurance coverage for COVID-19 testing.

2 Resilience

Once immediate needs have been met, CHROs can focus on managing resources carefully through the cycle. The actions listed below can help.

Stay close to employees, showing resilience, empathy, and care	◯ Maintain a good level of employment to the extent it is possible; laying off employees will contribute to turning a health crisis into an economic crisis ◯ Redeploy your idled workforce to conduct socially relevant activities and to combat the virus ◯ Support employees in areas where they need the most help: mental health, practical day-to-day support, and sense of community
Develop scenarios of the overall economic impact of the crisis on the organization	◯ Identify the impact on your business across scenarios based on the effectiveness of government stimulus and policy (to protect employees and businesses) and impact of public-health measures (eg, physical distancing)
Create scenario plans for managing employee cost	*Identify the most appropriate levers for your business:* ◯ Redeployment: shift workforce to other businesses of more demand, and reskill or upskill them ◯ Temporary cost cuts: use absences, reduction in pay, and other levers to get short-term reduction in cost ◯ Permanent cost cuts (last resort): use innovative levers to thoughtfully reduce employee cost
Address short- to medium-term shortage in talent (as applicable)	*Identify two types of action to manage your capacity in the short to medium term:* ◯ Manage your immediate capacity in case your business has increased demand ◯ Conduct strategic recruiting to acquire scarce capabilities

The following examples demonstrate how companies are managing human resources through the crisis:

Dollar General is hiring 50,000 employees, with a focus on restaurant workers who have lost their jobs.

Samsung temporarily shut down a smartphone factory in India and one in South Korea due to concerns related to COVID-19, shifting production to Vietnam instead. The company also allocated some manufacturing capacity to making face masks, in support of the South Korean government's efforts to combat the outbreak.

Wynn Resorts was the first casino operator to close its Las Vegas resort, doing so even before Nevada's governor ordered casinos and hotels to close temporarily. CEO Matt Maddox has said he intends to retain employees, even if it costs the company more in the short run, rather than rehire and retrain thousands of workers.

3 Return

Getting back to business as usual will be a slow, delicate process. CHROs must think about how to help employees return to productivity and recover their good spirits. The following checklist of actions can help.

Define interim operating model and phasing for reactivation	○ Develop scenarios for employees to return to work, including prioritized roles and rationales
	○ Define ways of working for mixed teams with partial work from home and partial in office presence
	○ Support employees to work from offices or stores safely and productively
Maintain focus on culture and health to keep up employee morale and engagement	○ Do not deprioritize organizational culture; keep taking the pulse and act swiftly
	○ Ensure leaders in the organization double down on certain organizational-health practices that matter the most during crisis time: clarity of strategy and roles, personal ownership, external orientation, present and engaged leadership
Re-adjust core HR processes to adapt to the next normal	○ Reassess recruiting processes and explore broader recruiting pools in light of the work-from-home model
	○ Adapt internship, new-hire onboarding, and apprenticeship models to accommodate new ways of working
	○ Re-adjust performance-management goals and processes to reflect the nuances of dislocated teams
	○ Adapt workplace learning to ensure employee capability building continues
Preserve and promote diversity and inclusion in the workplace	○ Put in place measures to preserve and promote diversity and inclusion in the workplace in the short term and long term