

# Preparing for the 'Great Reset'

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At a panel hosted by the South Africa Board of People Practices and attended by HR professionals as well as employment lawyers, valuable insight was gained surrounding planning for the day after lockdown.



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It was agreed that this will require focus on people, planning and profit – Covid-19 has raised reactionary themes from private business in response to the lockdown in the following order:

- How do we deal with the lockdown? Do we place people on leave? Do we lay them off? Do we place them on short time?
- How do we remunerate people if their contracts of employment and our incentive schemes have not been terminated?
- If employees are working remotely, how do we manage performance? Is it fair for this to be done remotely? If employees were due to be disciplined, could the process continue remotely?
- Then there was the rush to adapt and/or adopt technology to augment business. The term 'the new normal' was adopted.
- And now we look to the day after the Covid-19 lockdown...

## What is the great reset?

From a human resources and employee relations perspective, this requires a change in strategy. Employers are urgently required to create operating procedures that address capabilities to manage change. Structures and terms need to urgently consider change, risk and emergency management. This in turn informs how we deal with people, planning and profit.

## How do we resume operations post-lockdown?

In order to truly give effect to this great reset, an apt term coined by the speakers, we need to effect the following:

- The employer needs to devise a plan to cope through and beyond the Covid-19 crisis.
- This raises two aspects - the correct attitude and the use of real time intelligence:
  - The correct attitude requires a resolution vision – the focus is on what the employer will look like after Covid-19.

- “Real time intelligence” means the employer needs to embrace the fact that they are now a learning organisation. This requires creating a culture of shorter feedback loops to employees and generally, learning from this to effect a culture of change and to pivot in response.

## **Remote working and the new state of trust and faith**

For an employment lawyer, these are critical components to the employment relationship, without which the continuity is rendered intolerable. Employees will return with the knowledge of the employer’s capacity and appetite to work remotely. The expectation will be for this to continue post-lockdown.

We need to instil in managers the skills to manage remote workers, adopt and adapt the platforms for remote work and look at the tools of the trade to support remote work.

## **Wellness strategies**

It is clear that reduced consumer spend would adversely impact the employer’s business. Lost opportunities need to be identified and reconciled on the books of account. This impacts how the employer invests in its people and its strategy. A critical point is that employers need to adopt the best fit for their business rather than the best market practice. This requires an “outside in” approach. Organisations need to look at extraneous factors including market conditions and adopt what could work to build an employee value proposition.

### **Some key indicators are as follows:**

- There is a real need to transfer a capacity to employees to invest in the new business model and acquire a growth mindset around change. This will result in buy-in for employee relations strategies which will manage employee liability as follows:
  - Employees need to be taught how to manage stress. Financial and emotional stress from the lockdown and future changes has an adverse impact on workplace morale. If this is not addressed proactively this will impact performance and team synergies.
  - Importantly, we need to invest in building resilience amongst employees.

## **Managing employee liability**

The above can only deal with salaried employees and once their buy-in is secured to the ‘great reset’ in this new normal, employers can consider some possibilities:

- reducing salaries;
- repurposing bonuses and incentives;
- delaying promotions and salary increases.

The issue is also how to deal with waged employees – the employees who provide labour by manning machines and equipment in manufacturing, mining, construction and automotive sectors. If automation is adopted, it will likely result in a redundancy of these employees. This is a simplistic answer and may happen over time. Employers can also look to outsourced models - functional outsourcing and procurement of products alone. At this juncture they need to commit to reskilling or upskilling waged employees to protect the economy.

There are tough times ahead but everyone can work together with employees and organised labour through and beyond the crisis.

## ABOUT THE AUTHOR

Sherisa Rajah is a partner in the Labour, Employment and HR practice in the Johannesburg office of the law firm Fasken. She serves clients in the Middle East and Africa in all aspects of labour litigation, public procurement, regulatory, corporate governance and employment law across sectors and industries.

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