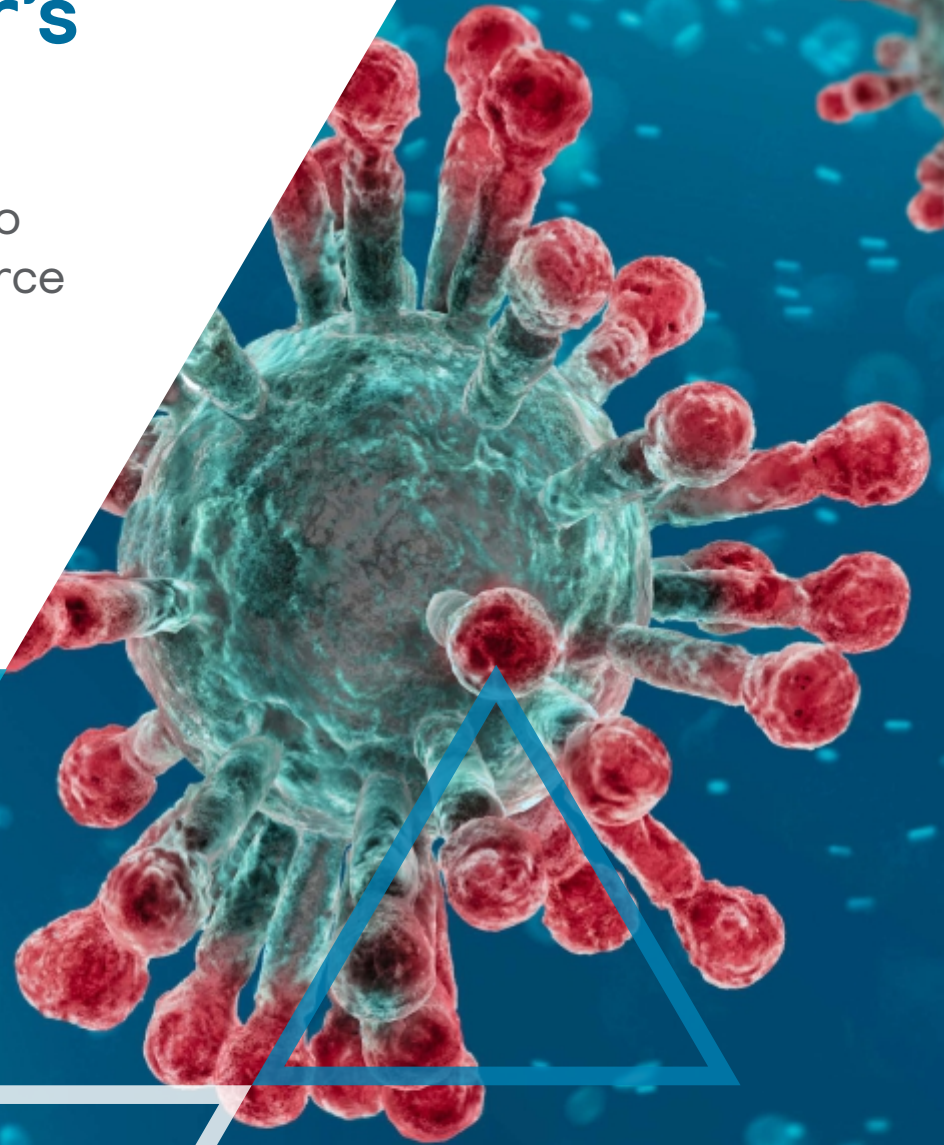


# COVID-19: An Employer's Guide

Ten considerations to  
support your workforce



The novel coronavirus (COVID-19) continues to spread across the globe. It has symptoms similar to a cold or flu — fever, cough and shortness of breath. But its complications, including pneumonia, respiratory distress and kidney failure, can prove fatal.

Experts are still gathering data to determine the full characteristics of the disease. The virus appears to be more contagious and more severe than seasonal flu. Clearly, all companies will need to prepare for its impact on their employees and businesses. This includes policies and reviews to ensure the health and safety of employees, communities and businesses.

Employers of health care workers who care for patients with COVID-19 can anticipate a real and foreseeable danger for those employees. But what should employers not working in direct patient care be doing?

The World Health Organization, as well as national and local health authorities, is continually issuing updates, guidance, travel warnings and directives. Always refer and adhere to these.

However, companies without a flexible working policy may struggle to maintain business as usual. Employees are understandably concerned about the health of their families and communities. Financial market volatility is another worry.

So what can companies do to keep their workplaces and employees safe, engaged and productive? And what can we learn from this situation to build resilience in the future?

# 1. Employee communication

As the situation changes daily, employers should keep up-to-date with the latest developments. Communicate to your employees what is being done to protect them and to maintain business continuity. In addition, all employers need a pandemic/crisis management plan. Consider updating it in relation to COVID-19.

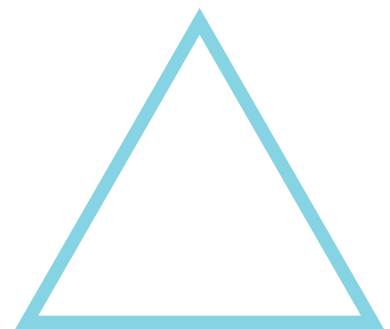
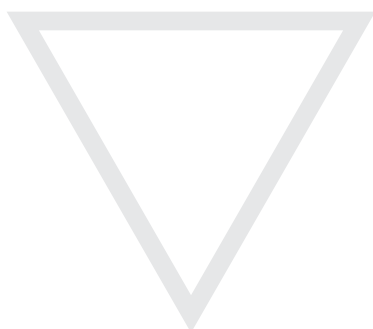
Employee communications can be used to:

- Highlight current support mechanisms.
- Reinforce travel restrictions and policies.
- Provide tips and assistance to facilitate remote working.
- Remind employees of hygiene practices to maintain health.
- Share information on current business continuity and pandemic response plans.

Consistent communication can convey leadership, avoid confusion and reduce anxiety.

1. **Make sure to work cross-functionally.** HR, business leadership, operations, risk management, occupational health, travel and corporate communication need clearly set responsibilities, by region and business line.
2. **Make key decisions now.** What would trigger a breakdown in business? When and how to communicate with employees and customers in both “normal business” and “crisis” scenarios? How will employees engage with customers/clients in both scenarios?
3. **Prepare a “normal business” communication plan.** Draft communications and agree trigger events for sending them.
4. **Prepare a “crisis” communication plan.** Draft communications and agree trigger events for sending them.
5. **Identify key target audiences** (business leaders, managers, location leaders, HR, corporate employees, field employees, customers/clients, media, government entities, business partners, suppliers and families/dependents).

In your communications, be sure to direct employees to reliable sources of information on COVID-19.



## 2. Support mechanisms

Employers can promote existing support mechanisms to employees and their families. For example, unnecessary exposure to infection at hospitals and care centers can be avoided through virtual care. Telemedicine or digital health are good options for low-level non-epidemic issues.

Other alternatives include health education and evaluation at on-site or near-site clinics, as well as mental health support through counselling, employee assistance plans and other interventions. Many organizations are innovating to support their workforce. We've seen extra ergonomic benefits for building a comfortable home-working space, new hospitalization cash allowances and special caregiving benefits.

Do your current health and benefit providers (including insurers) have appropriate messaging about COVID-19? Have your employee health support resources (in employer-sponsored plans) been suitably trained? Are they well prepared to respond to employee questions on COVID-19?

Review your own policies. Do you have the appropriate level of coverage? A complex medical evacuation may exceed existing limits.

### Mental health

Epidemics are historically associated with a rise in depression and anxiety. Employers have a role in communicating information and providing mental health support for their employees. Educating managers and making services available for those affected will help to mitigate the impact of the epidemic.

### Financial wellbeing

Financial wellbeing is another area where employees may need support. The volatility of the financial markets and the associated falls in asset values are affecting people's retirement savings and other investments.

Given the recent steep equity declines and strong bond performance, many employees (particularly, "do it yourself" investors in defined contribution plans) may be significantly underweight in equities and overweight in fixed income. Such investors should be encouraged to maintain a disciplined asset-allocation process through rebalancing if their allocation has changed significantly.

Although markets could decline further, investors will find it nearly impossible to catch the low. Recent history shows that market recoveries can be rapid. Rebalancing can help investors position their portfolios to benefit. We suggest companies:

1. Obtain feedback from the organizations that discuss such issues with participants and employees (record-keepers, employer-sponsored/recommended advisory or coaching organizations).
2. Assess the appropriateness of the messages to participants.
3. Consider whether additional, supplementary communication may be required.



There is more to explore outside defined contribution plans. For example, a reduction in asset values can have an impact on share incentive programs within your organization.

Beyond investment, the virus has already had an impact on many industries. For example, income generation in the travel and tourism industry has been severely impaired. We also need to appreciate that the virus in some geographies has led to reduced employment opportunities or reduced work hours, for example employees in the travel and tourism industry. The majority of these employees will still have bills to pay so assisting such employees to bridge a period of financial difficulty could be welcomed. If not then there is a risk we will see people avail themselves of opportunities, where possible, to cash in retirement investments, take out loans against their retirement plans or cut back on retirement plan contributions.







### 3. Group medical and risk protection benefits

The stance taken by insurers varies and is likely to evolve. Employers who sponsor medical, life, disability, accident and special-risk insurance (such as business travel and expatriate coverage) should be familiar with the terms and conditions in their policies with regard to pandemic exclusions, eligibility requirements and unique provisions for quarantine. Our advisors, brokers and consultants can assist and provide guidance on local benefits.

### 4. Onsite/Near-site clinic protocols

All onsite or near-site employee health clinics must be prepared to evaluate and manage risks or questions about possible exposure. Health care workers in all levels of the system — including laboratories, ambulance services, clinics and hospitals — need to be informed about the virus and its transmission. They also need to have proper infection-control equipment and be prepared to safely isolate, transport and quarantine potential patients.

If an employee or supplier is found to have been exposed, there should be protocols for transport, communication and decontamination.



## Traveler risk management and communications

- Follow travel warnings strictly.
- Review advice from local public health authorities.
- Define essential travel, and limit all nonessential travel.
- Establish process checks to ensure business travel is truly required.
- Set up a process for reporting concerns and clarifying authority and accountability.
- Put in place governance for approval and standards for return to impacted areas.
- Be proactive in evacuating employees from any newly impacted areas as borders may be closed to control the spread of disease.
- Recommend social distancing in impacted areas, avoiding large gatherings.
- When business travel is required:
  - Enroll in home government “travelling abroad” consular programs.
  - Book flights closer to the departure date and purchase refundable tickets.
- Review current corporate travel policies and insurance programs (e.g., business travel accident and medical, evacuation, workers’ compensation and liability) for adequacy and support.
- Contact travel assistance and security vendors to determine any limitations on support and capacity.
- Use (or implement) travel risk management protocols and supporting services, such as traveler tracking programs that push automatic security and health advisories to the traveler in real time.
- Think outside the norm – risk is inherent beyond direct travel into the impacted areas.

## 5. Business travel management

Travel presents unique health and business challenges during pandemics. Be prepared for travel limitations and delays, including long-time quarantines in some areas. As COVID-19 expands geographically, business travelers can anticipate more screenings, longer waiting times, potential quarantines and refusal of entry.

To limit business disruption and protect their employees, employers need to be proactive. Employees should be discouraged from traveling for business to the impacted regions. Even mild, unrelated injury or illness may be difficult to treat as the medical infrastructures are likely to be exhausted.

Evacuation may not be feasible. Many major air ambulance providers will not transport anyone suspected of having COVID-19, and several commercial airlines have ceased flying to the impacted countries. Employers should consider adjusting travel policies and restricting travel and business operations in affected areas.



## 6. Employees traveling from impacted areas

All employers and employees should collaborate with local health authorities to aid in the prevention and control of COVID-19. Health care workers or those who have been working with COVID-19 patients represent a higher degree of risk, and employers should consult closely with health authorities on definitions for exposure.

Business travelers who are returning from the affected areas should be educated on the symptoms of COVID-19.

Employer and employee obligations under employment law will vary from country to country, jurisdiction to jurisdiction. It is important to remind all staff that local public health departments are the primary authority and ultimately responsible for the COVID-19 containment.

Employers should seek legal counsel and follow the direction of local public health department officials if there are concerns about known, suspected or high-risk cases.

## 7. Operation closures and employee experience

Despite the media reports and concerns, companies are adopting a balanced approach to operational questions related to the outbreak.

In our February 2020 survey, *Mercer Talent All Access – Business Responses to COVID-19 Outbreak*, a third of respondents told us they were actively monitoring the situation to determine the global need to work remotely. Over a half (58%) had already decided to do so in regions affected by the virus. Additional steps, such as closing offices and curtailing travels were mostly limited to China and Asia Pacific, with 58% of respondents in China affirming these decisions.

With regard to expatriates, the situation remains fluid, with 48% of companies saying they will monitor developments to determine the need to end long-term foreign assignments. At the time of the survey, 96% said they had not acted to do so. We would expect the situation has changed in the interim. We are conducting additional surveys to understand how perceptions are developing.

### Employee experience

As companies contend with supply chain challenges, they may be tempted to slow operations or close entirely. Although such decisions may be necessary, they create substantial uncertainty for employees across the enterprise, especially for those with variable income.

In uncertain times, employers may choose to move beyond the contractual components of traditional compensation and benefits. Leaning into the emotional and experiential parts of the employee value proposition requires sensitive employee communications and clarity on the continuation of payrolls. It also means consistent messaging by managers about access to health benefits and more, such as expanded paid leave and well-being interventions – especially for those affected by the stress or concern for peers.

We are seeing companies taking a decidedly compassionate approach – maintaining payrolls, auditing benefits to ensure coverage and extending flexible use of paid time off and other paid leave programs. In fact, in our February 2020 survey, 77% of companies said they were not adjusting plans for compensation. Their overarching goal is to sustain a bright future for their employees while supporting them through the difficulty.

## 8. Remote, flexible and adaptive working

Mercer has developed a framework to help clients work more flexibly. Our Adaptive Working solution allows employees and employers to establish whether workers need to be physically present at the office to complete their work. Our approach is based on a clear and structured methodology to deliver practical and repeatable results – namely, when, where, what, who by and how work is done.

Short-term fixes may be necessary, but lessons from the current crisis will help pinpoint and optimize vulnerable areas before the next crisis hits – especially with regard to flexible working and business process digitization.

Your responses may need to be recalibrated as the virus advances or recedes. But in either case, your employees will need consistent communications throughout. Be sure to develop communication templates, conversation guides and resource guides for managers to adjust their approaches as the situation changes.

Your managers will also need support. Assure them that the key to success is to lead with compassion during the uncertainty. Displaying empathy will yield far greater impact than any terrain knowledge that might apply.



## 9. Pension and other asset fund volatility

Many companies are concerned about their ability to meet their pension commitments in light of the recent market volatility. Equally, employees are worried about the impact of market falls on their savings and retirement pots.

COVID-19 is a classic “tail risk” event. It may only cause a short-term disruption to global supply chains and certain industries. But the impact may be much further reaching. The main concern for company pension plans is whether the outbreak leads to large-scale panic selling of assets, exacerbated by global deleveraging.

That is why central banks and governments are considering or implementing rate cuts and other fiscal stimuli. Given low yields and high debt levels, it is not clear how effective such stimuli will be.

Companies should urgently review their investment strategies and hedging approaches. They should also develop plans to either de-risk or re-risk their pension plans as individual circumstances and market movements warrant.

## 10. Pandemic preparedness plans

The rise of COVID-19 serves to remind us that country borders cannot contain the major risks to our businesses. Cyber attacks, environmental disruption and infectious agents are not limited by geography. So our response must be coordinated and cross-functional.

Having committed cross-functional crisis management teams is the best defense against adverse events that are increasingly part of a global economic landscape. A robust preparedness plan comprises governance structures, clear protocols and lines of communication. It also includes assessing supply chain viability and collaborating with public health entities.

All employers should take this opportunity to review their existing pandemic, crisis management and response plans and establish new protocols for the current environment.

### Employee experience

-  World Health Organization Coronavirus Disease 2019  
<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>
-  National Department of Health  
<http://www.health.gov.za/>

Please access local health authority websites for relevant health information.





### About Mercer Marsh Benefits

Mercer Marsh Benefits provides clients with a single source for managing the costs, people risks, and complexities of employee benefits. The network is a combination of Mercer and Marsh local offices around the world, plus country correspondents who have been selected based on specific criteria. Our benefits experts, located in 135 countries and servicing clients in more than 150 countries, are deeply knowledgeable about their local markets. Through our locally established businesses, we have a unique common platform which allows us to serve clients with global consistency and locally unique solutions.

### Important Notice

This document does not constitute or form part of any offer or solicitation or invitation to sell by either Marsh or Mercer to provide any regulated services or products in any country in which either Marsh or Mercer has not been authorized or licensed to provide such regulated services or products. You accept this document on the understanding that it does not form the basis of any contract.

The availability, nature and provider of any services or products, as described herein, and applicable terms and conditions may therefore vary in certain countries as a result of applicable legal and regulatory restrictions and requirements.

Please consult your Marsh or Mercer consultants regarding any restrictions that may be applicable to the ability of Marsh or Mercer to provide regulated services or products to you in your country.

[Mercer.com](https://www.mercer.com)  
[Marsh.com](https://www.marsh.com)