

The impact of Covid-19 on pay, jobs and employee concerns

June 2020

This research from CIPD Ireland examined how employers had to respond through the Covid-19 crisis and in returning to the workplace. The findings show that employers have significantly scaled back their intentions to increase employment and rates of pay in 2020, were aware of employee concerns about returning to the workplace and the majority expected to facilitate more remote working in the future.

These findings are based on a CIPD Ireland survey of people professionals in June 2020 to find out how organisations were dealing with the Covid-19 crisis in areas such as pay, jobs, working from home, and returning to the workplace.

Employment and pay

The results indicate that by June 2020, 18% of organisations were planning, or had made, redundancies, and a further quarter were unclear about their future employment plans. For employers forced to make redundancies, over two-thirds expected this to affect less than 10% of their workforce. So the landscape may not be as severe as some predictions.

Nearly a fifth, 18%, were planning to increase employee numbers this year, with 50% expecting to maintain employee numbers in 2020. CIPD findings show that job expansion plans have been significantly curtailed by the Covid-19 crisis, as the similar *CIPD / IRN Private sector pay and employment survey* which gathered data in January 2020 found 28% more employers were expecting to increase employee numbers in 2020 at that point, 46%.

On pay trends, by June 2020, only 10% of employers were expecting to increase basic rates of pay this year, down a massive 37% from the survey in January 2020. Close to a quarter of respondents had not made a decision at the time of either survey, and in June the majority, 59%, planned to maintain current rates of basic pay.

In relation to bonuses, in January 2020, 79% of employers had expected to make bonus payments to some or all staff in 2020, but this had dropped to 21% by June 2020. These figures show the depth of the impact of Covid-19 on employment and pay this year. With the high number of individuals on the State's Pandemic Unemployment Payment or the Temporary Wage Subsidy Scheme, job stability has increased in importance for 2020.

Remote working

In line with government health guidance, the majority of employees were working from home in the two months preceding the survey. Over half of organisations, 52%, had more than 75% of employees working remotely, and in total, 64% of organisations reported that over 50% of employees were working remotely. This pattern across not only Ireland but most developed countries, has fundamentally changed the exposure and expectations around remote working. There is a positive trend that 70% of organisations will facilitate more employees to work remotely after Covid-19 than before the crisis, and only 14% of respondents stated that they would not facilitate it.


The experience has the capacity to fundamentally change future ways of working, as no longer will many roles have to be tied to a specific desk or place of work, or even country. CIPD insights and other research (*Remote working during Covid-19: Ireland's national survey initial report*, May 2020) indicates a strong preference among employees for **Blended working** options, where individuals benefit from a mix of working remotely some days and working with colleagues onsite other days. Among many/large employers, this is already leading to fundamental review of how and where work is done, what are the work activities that achieve most from face to face interaction, and how to best develop talent in a more virtual environment.

Absence


The pandemic created many situations where working parents did not have any support for childcare. Our survey found that in two thirds of organisations, employees had had to take time off to meet their childcare needs. This was most commonly a combination of paid leave, such as annual or parents leave, or unpaid leave including parental leave, and is likely to have had a financial impact on many households.

On a more positive note, there was a significant decrease in the amount of sick absence being reported during the lockdown (excluding Covid-19 illness). A massive 43% of respondents said that sick absence reporting had decreased, for another 41% it stayed at the same level and it only increased for 12% of organisations. The environment of home working, health awareness and being distant from others appears to have a positive impact on the health of the workforce, according to this data.

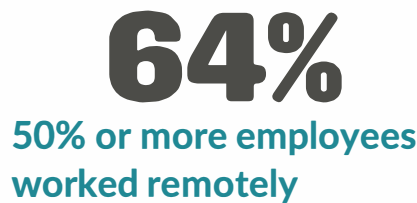
Plans for employee numbers

Jan plans		Jun plans
46%	Increase	18%
12%	Decrease	17%
35%	Maintain	50%
9%	Don't know	16%

Plans for basic pay




Jan plans		Jun plans
47%	Increase	10%
-	Decrease	10%
27%	Maintain	59%
26%	Don't know	21%

Remote working percent of companies



Return to the workplace

Top challenges in government protocol

- 1** Physical distancing 
- 2** Risk assessment & COVID-19 plan 
- 3** Identifying who returns & when 

Top employee concerns

- 1** Childcare 
- 2** Health & mental health 
- 3** Transport 

Top topics employees were asked about

- 1** Working remotely 
- 2** Health & mental health 
- 3** Childcare 

Return to the workplace

In May the government published the Return to Work Safely Protocol to provide guidance to employers on how to secure a safe workplace and minimise the risk of the spread of Covid-19, as workplaces planned a phased reopening.

The survey asked about the biggest challenge for workplaces in implementing this protocol. Over 50% of organisations mentioned implementing physical distancing as the biggest challenge and carrying out a risk assessment and developing a COVID -19 plan was a challenge for 42%. The third largest challenge faced by 32% of organisations was identifying which individuals should return to work and when. These figures show that a safe return to the workplace was a complex struggle for many organisations.

In supporting employees to return to the workplace, employers were aware of several employee concerns. Nearly two thirds of organisations, 65%, said that childcare had been expressed as a concern by their employees, and 45% identified health and mental health as an employee concern. For over a third, 36%, transport was as a concern, at a time when the government was advising people to avoid using public transport.

The survey explored whether organisations had asked employees about their circumstances / preferences for returning to the workplace. A third, 33%, had not engaged with employees at all on this matter. More positively, 48% of organisations, had asked employees about their preference / circumstance for working remotely, and 40% had asked about health and wellbeing. Even though childcare was seen as the most common concern for employees, only 31% of organisations had asked employees about their childcare circumstances for returning to the workplace. Transport did not feature highly on the list of what employees were asked about (only 21%) although it was seen as a common concern among employees.

Throughout summer 2020 many workplaces are reopening on a phased basis, and ongoing communication with employees, sensitivity with regard to redundancies, providing a safe place to work and responding flexibly to employee concerns and preferences are all central to laying the path for the future success of organisations.

Note: CIPD Ireland conducted this survey of members and people professionals from 28 May to 10 June 2020. There were 341 respondents, with representation from professional and other services sectors such as retail and hospitality, the public sector, manufacturing, as well as smaller numbers from financial services, the voluntary sector and distribution.