

How Retail HR Leaders Are Navigating a New Normal During the COVID-19 Pandemic

By Kristi Maynor and Anja Hermann

Millions of people worldwide are directly employed in retail, and this industry is acutely feeling the hit from COVID-19. While some businesses are able to make pivots, retail companies are struggling with closures and layoffs—and trying to take care of their employees amid these life-changing events. Egon Zehnder virtually gathered HR leaders of retail companies to share how they are handling the crisis—from benefits for part-time workers, to emergency succession planning, to preserving corporate culture remotely.

Balancing Short-Term Crisis Response with Longer-Term Uncertainties

Global companies are navigating being at various stages of the pandemic across their markets. While the APAC region is beginning to see a slow return to “normalcy,” Europe and the Americas are in lockdown mode. “There is a real desire after quarantine to come back into the world,” said the chief talent officer of a fast-food company. “Although it’s limited—people are driving to work instead of taking the subway, people are ordering take out but not yet ready to eat in restaurants, although they’re open. People are trying to get back into normal behavior patterns, which is really good for consumer and retail businesses.”

A vice president of global brands for a major pharmacy shared that it took about eight weeks for China to begin to return regular behaviors, underscoring that China was able to do that by taking aggressive measures early on to contain the virus.

How this impact is playing out on employees is weighing on HR leaders’ minds. Many are looking for ways to ensure employees can retain their benefits and some level of compensation even while physical locations are shuttered or are limited in operations. One chief people officer shared that his company has done a combination of reduced salaries and hours for their workforce. “We have asked executive leaders to take a 20

percent cut in salary, salaried non-executive leaders have been asked to take one week off from pay over next three weeks (or use vacation leave during that time), and hourly team members have been asked to reduce their schedules by eight hours a week,” he said.

But the uncertainty around the longevity of the crisis makes long-term planning difficult—even for e-commerce. “We’ve guaranteed compensation and benefits until April 3, and we’re trying to pay through the duration, but no one knows what that duration looks like,” explained a senior vice president of HR for a luxury goods company. “We are looking for creative ways to pay people and keep them on benefits. If there is a stop to e-commerce, that is very concerning because it’s keeping the lights on right now.”

The uncertainty has also spurred discussions at companies to review—or create—emergency succession plans for local leaders, since global mobility may be impacted for some time. “We are now looking internally at who can be a successor in each market and step in at least in the interim if needed,” explained a vice president of global brands for a major pharmacy. “We have to plan for what will happen if we are shut down for months, so that we are not reactive.”

Maintaining Culture While Maintaining Distance

As the stewards for corporate culture, HR leaders must now find ways of engaging employees while they are furloughed, working remotely, or the essential employees who remain on the job. Everyone is facing a different reality, though the uncertainty and unease about the present—and the future—are shared. How can HR leaders help to reassure employees and motivate them to continue their work amid a crisis? For those on the frontlines, it’s important to instill a sense of purpose to what they are doing, ensuring the safety risks they are taking are for a greater good and part of a solution. “What has gotten traction for us is when we delivered free pizzas to hospital workers or to school teachers,” said a chief talent officer of a fast-food company. “You feel the up swell in engagement, and love and appreciation.”

For remote employees, many companies are engaging in the online tools they already had in place that were neglected. Zoom, Skype, Slack, WhatsApp, and the good old telephone, among other channels, have become integral to communicating with team members on a regular basis. “We had a purposeful approach to maintain social connectivity,” explained one HR leader. “We created a plan to provide help on working remotely – webinars, tips, and more.”

It’s also important to take some of the anxiety away from people as they use new-to-them tools and navigate working from home with different interruptions. “Leaders telling personal stories about their own struggles working from home has helped,” the chief people officer of a fast-food company said. “It takes pressure off employees to be perfect. Communicate upfront that It’s OK for kids to be in background, it’s OK for dogs to jump on your lap during a Zoom call.”

Beyond giving employees the tools and access needed for remote work, HR leaders must also take into account employee wellbeing during this time of heightened stress. “When stores closed down, we reminded employees about the Employee Assistance Program (EAP), over and over again,” explained the CHRO of a fashion apparel company. “We repeated the message in communications from leadership, and encouraged our employees to look out for themselves and their families.”

Clear internal communications during this time from HR are a necessity, and done right, will help to keep employees feeling supported and motivated. “When transitioning to working from home, we crafted employee-centric communications on our internal communications channel that were about more than how to use the VPN and stay productive, but rather how do you take care of yourself or someone else?” explained the head of HR of a footwear and apparel company. “People are looking for permission to engage with others from home—it’s not just about work. You have to balance around the business. Enabling employees through care will in-turn enable them on the business side.”

An Uncertain Road Forward

While there is no clear predictor of when this pandemic may die down, HR leaders are preparing for the long haul, as a post-crisis world will come with its own challenges. Consumer behavior during the crisis may have shifted in ways that cannot be reversed, and retail companies will need to adapt with them—as will retail employees. “We’re thinking about the medium-long-term impact: What is the new normal?” said the chief people officer of a fast-food company. “The new normal may not be the same as old normal, and our operating model may be changed. We need to start thinking about this now.”

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Covid-19 Micro-Website

We have launched a micro website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

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