

2020 Newport Survey

Coronavirus Impact on Rewards and Staffing

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Introduction

About This Survey

This survey was launched on March 30, 2020, in response to the COVID-19 pandemic of 2020, and participation closed on April 6, 2020. Responses were received from 60 organizations with responses required to each question. The purpose of this survey was to see what type of compensation and staffing measures organizations have taken as a direct result of the 2020 COVID-19 pandemic.

Survey topics:

- [Compensation responses](#) to include: base pay freezes, base pay cuts, base pay increases, delay of annual merit increases, modifications of short-term incentives, hazard pay, and voluntary and involuntary unpaid leave.
- [Hazard pay details](#), when provided.
- [Staffing responses](#) to include: working from home arrangements, delaying new hires, increasing new hires, reduction-in-force, temporary layoffs, job sharing or reallocating of hours, decreasing or increasing overtime, adjusting shift arrangements, and implementing temporary shutdowns.

About Newport

Newport has over 1300 employees in 23 offices across the country, from which we offer consulting services and provide retirement plan services.

Newport helps companies offer their employees a more secure financial future through retirement plans, insurance and consulting services.

We are dedicated to bringing our clients the most powerful, needs-based array of services and we continually seek to expand our product line and coverage to deliver the services that you need.

Steeped in decades of experience, we provide consulting for employers and serve all industries, with specialization in medical/healthcare, manufacturing, financial institutions, not-for-profit and professional services. Our consulting expertise covers compensation advisory services including executive and workforce compensation, as well as retirement plans and health and welfare.

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Methodology

Data collection was administered via a secure web-based data submission tool. Survey results are based on answers to our questionnaire provided by 60 participants; these answers were analyzed for consistency and prepared for presentation by Newport's Compensation Consulting team. All individually submitted data is kept strictly confidential, and only aggregate results are reported so as not to disclose any individually reported information.

For questions or further information, please contact:



Kevin Paulsen
Principal
kevin.paulsen@newportgroup.com
(319) 393-4836



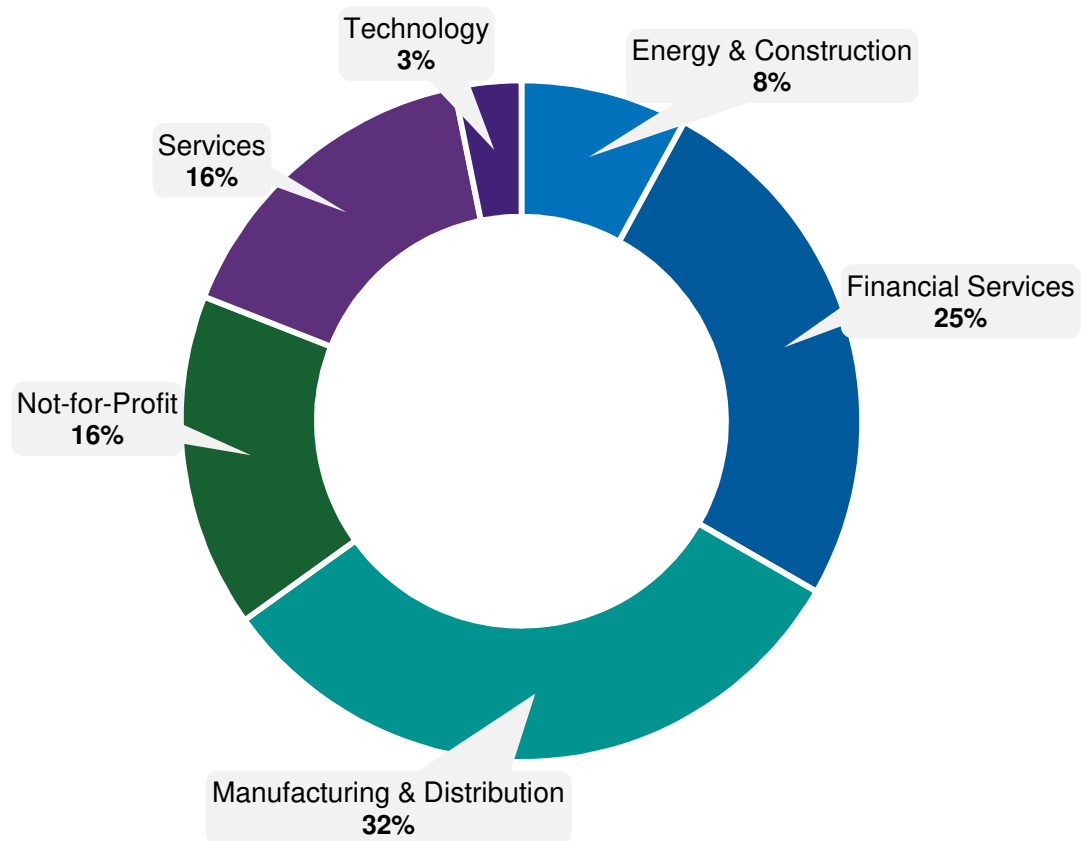
Barbara Ovesen
Associate Compensation Consultant
barbara.ovesen@newportgroup.com
(312) 488-6745

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Demographics

Participants were asked to identify their industry sector with the following results:

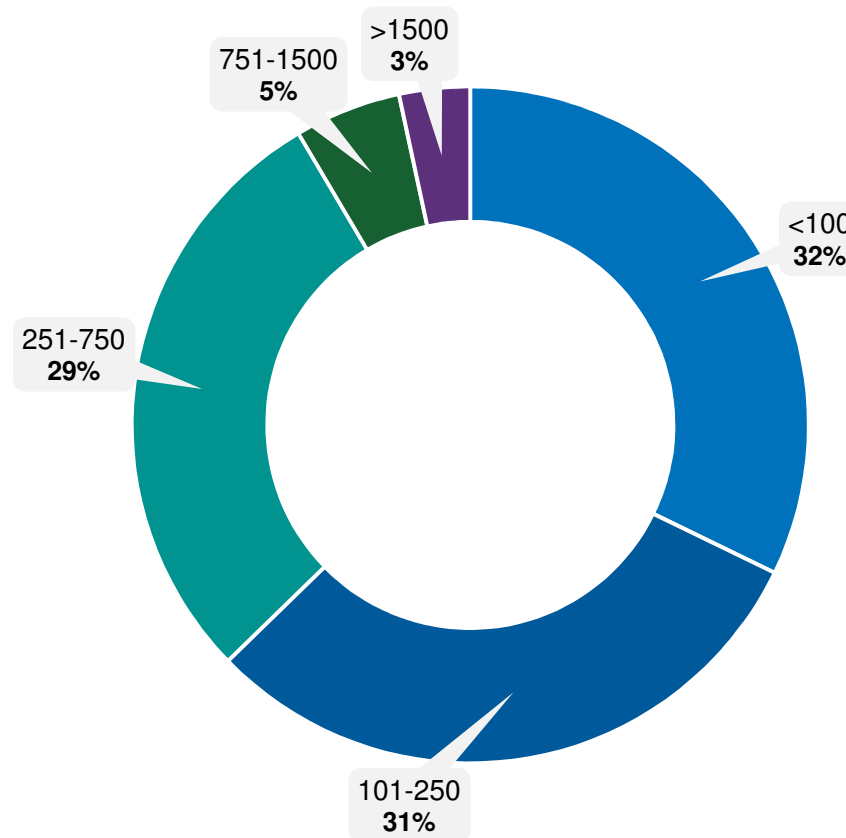
Industry



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Participants were asked to identify their number of full-time equivalents (FTEs), with the following results:

Full-time Equivalents (FTEs)



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Executive Summary

Key Observations for Management Group

- For all change categories, the majority (>50%) of respondents were not implementing or considering implementing the change.
- Of changes **already implemented**, most common change was implementation of voluntary unpaid leave – **20%**
- Of changes **being considered**, most common considered changes were:
 - Delaying payment of annual merit increases – **18%**
 - Making modifications to short-term incentive/annual bonus plan(s) – **18%**

Key Observations for Professional Group

- For all change categories, the majority (>50%) of respondents were not implementing or considering implementing the change.
- Of changes **already implemented**, most common change was implementation of voluntary unpaid leave – **25%**
- Of changes **being considered**, most common considered changes were:
 - Delaying payment of annual merit increases – **17%**
 - Implementing Hazard Pay – **17%**

Key Observations for Hourly Group

- For all change categories, the majority (>50%) of respondents were not implementing or considering implementing the change.
- Of changes **already implemented**, most common change was implementation of voluntary unpaid leave – **25%**
- Of changes **being considered**, most common considered changes were:
 - Implementing Hazard Pay – **20%**
 - Delaying payment of annual merit increases – **15%**

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Key Observations for Organization-Wide Staffing Measures

- 95% have **already implemented** some form of working from home arrangements
- 50% have **already implemented** a delay of new hires
- 45% have **already implemented** an adjustment to shift arrangements

Other measures **being considered** include:

- Job sharing/reallocating hours – **23%**
- Temporary layoffs – **18%**
- Delaying new hires – **17%**
- Adjusting shift arrangements – **17%**

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Results

Executive/Management Roles

	Already Implemented	Considering	Not Implementing or Considering	Don't Know	Not Applicable
Base freeze	10%	10%	57%	10%	13%
Base cuts	2%	5%	67%	15%	12%
Base increases	2%	8%	68%	10%	12%
Annual merit increases delayed	7%	18%	50%	8%	17%
Short-term Incentive/Annual Bonus modified	7%	18%	43%	10%	22%
Long Term Incentive modified	0%	12%	53%	10%	25%
Voluntary Leave (Unpaid)	20%	3%	45%	18%	13%
Involuntary Leave (Unpaid)	7%	5%	58%	18%	12%

Key Observations

For executive and management roles, for all change categories, the majority of respondents were **not implementing or considering** implementing the change. Of changes already implemented, the most common change was the implementation of voluntary (unpaid) leave, with 20% of respondents indicating that they had already implemented some type of voluntary leave policy. Eighteen percent (18%) of respondents were **considering** delaying the payment of annual merit increases, and 18% were **considering** making modifications to their short-term incentive/annual bonus plan(s).

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Professional/Staff Roles

	Already Implemented	Considering	Not Implementing or Considering	Don't Know	Not Applicable
Base freeze	8%	10%	60%	8%	13%
Base cuts	2%	7%	70%	10%	12%
Base increases	3%	8%	68%	8%	12%
Annual merit increases delayed	7%	17%	55%	7%	15%
Short-term Incentive/Annual Bonus modified	8%	13%	50%	8%	20%
Hazard Pay: temporary increase for attendance	3%	17%	53%	7%	20%
Voluntary Leave (Unpaid)	25%	12%	45%	7%	12%
Involuntary Leave (Unpaid)	13%	15%	53%	8%	10%

Key Observations

For professional/staff roles, the most common change was the implementation of voluntary (unpaid) leave, this time with 37% of respondents indicating that they had **already implemented or considering** some type of voluntary leave policy. Across all change categories, the majority of respondents were **not implementing or considering** implementing the change. And again, of changes already implemented, seventeen percent (17%) of respondents were **considering** delaying the payment of annual merit increases, and 17% were **considering** implementing some form of hazard pay, a temporary pay increase for attendance during the pandemic crisis.

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Hourly Roles

	Already Implemented	Considering	Not Implementing or Considering	Don't Know	Not Applicable
Base freeze	7%	7%	58%	7%	22%
Base cuts	0%	2%	68%	8%	22%
Base increases	5%	8%	58%	8%	20%
Annual merit increases delayed	3%	15%	53%	7%	22%
Short-term Incentive/Annual Bonus modified	7%	5%	52%	5%	32%
Hazard Pay: temporary increase for attendance	7%	20%	45%	5%	23%
Voluntary Leave (Unpaid)	25%	13%	37%	7%	18%
Involuntary Leave (Unpaid)	15%	12%	47%	7%	20%

Key Observations

For hourly roles, twenty-seven percent (27%) of respondents were **considering or have implemented** some form of hazard pay, and 15% were considering delaying the payment of annual merit increases. For hourly roles, once again, for all change categories, the majority of respondents were **not implementing or considering** implementing any immediate change. In addition, similarly to the management and the professional/staff roles, of changes already implemented, the most common change was the implementation of voluntary (unpaid) leave, again with 25% of respondents indicating that they had already implemented some type of voluntary leave policy.

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Hazard Pay

For those organizations that indicated that they have already implemented or are considering implementing “hazard pay” (a temporary pay increase for attendance), some typical descriptions or comments include:

- A one-time bonus of between \$300 and \$600, depending on FTE status
- \$9/hour for all plant staff
- \$9/hour for everyone under a certain level
- \$20 per diem for any employees who have to work on site
- 15% of base to be paid out after the pandemic
- Hazard pay for additional hours needed for essential staff
- An extra week of PTO for all employees

Several organizations reported that they are waiting to respond and will probably do so in mid-April or May.

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Organization-Wide Staffing Measures

	Already Implemented	Considering	Not Implementing or Considering	Don't Know	Not Applicable
Encouraging working from home arrangements	95%	3%	2%	0%	0%
Delaying new hires	50%	17%	23%	0%	10%
Increasing new hires	3%	10%	63%	3%	20%
Permanent reduction in force	2%	3%	80%	8%	7%
Temporary layoffs	10%	18%	55%	10%	7%
Job sharing/reallocating hours	23%	23%	37%	10%	7%
Decreasing overtime	23%	10%	43%	7%	17%
Increasing overtime	12%	8%	57%	8%	15%
Adjusting shift arrangements	45%	17%	25%	2%	12%
Implementing temporary shutdown	7%	10%	70%	0%	13%

Key Observations

Participants were also asked about staffing measures they may have taken on an organization-wide basis. A full 95% of participants have **already implemented** some form of working from home arrangements, making it the most common measure taken by far. Fifty percent (50%) of respondents reported that they have **already implemented** a delay of new hires, and 45% have already implemented an adjustment to shift arrangements. Other measures being **considered** are job sharing/reallocating hours, 23% of respondents; temporary layoffs, 18% of respondents; delaying new hires, 17% of respondents; and adjusting shift arrangements, 17% of respondents.

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Participants

ARAG	Holmes Murphy & Associates	OPN Architects, Inc
Calibre Systems, Inc.	Illinois Manufacturers Association	Par Aide Products Co.
CBE Companies	ImOn Communications	Paul's Machine & Welding Corp
Ciranda Inc	Iowa Corn Growers Association	PDCM Insurance
Collins Community Credit Union	Iowa Donor Network	Poplar Bluff Municipal Utilities
DockYard, Inc.	Iowa Interstate Railroad	PREMIER
Dupaco Community Credit Union	Kum & Go	Price Electric
DuTrac Community Credit Union	Lesaffre Corporation	Profol Americas Inc.
East Central Energy	Linn County REC	Raining Rose
ESCO Group	Loparex	Search Institute
ESP	Merchants Bank	Sears Seating
EveryStep	MidAmerica National Bank	Seedorff Companies
First Citizens Bank	MidWestOne Bank	TH Foods, Inc.
First Security Bank & Trust	Minnesota Corn Growers Association	Think Small
Folience	Neighborhood Finance Corporation	U.S. Grains Council
Frontier Coop	New Leader Manufacturing	Veridian Credit Union
Geater Machining & Manufacturing, Co.	NRTC Managed Services/Security Coverage	Vibrant Credit Union
GreenState Credit Union	Ohio Chamber of Commerce	West Music
Health Enterprises	Ohio Corn & Wheat Growers Assn.	Western Fraternal Life Association



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