

WHAT'S NEXT FOR COMPLIANCE? HOW COVID-19 IS RESHAPING THE HR LANDSCAPE

The COVID-19 pandemic has fundamentally changed the way businesses operate in the short term and some of these impacts are likely to extend far beyond the health crisis. As the situation continues to evolve, what should human resources teams be considering?

As countries begin to emerge from lockdowns and a tentative – perhaps temporary – recovery gets underway, businesses are assessing the damage and adapting to changes caused by COVID-19. Some will even be looking ahead, and reconsidering expansion plans in light of the new economic reality.

The pandemic is impacting all our employees and clients. First, there is the health crisis, which has tragically taken many lives and touched every jurisdiction. Next are the personal and professional challenges of working remotely, taking risks to fulfil essential public roles and juggling disruptions to family life. Finally, there are the economic impacts, with government intervention to prop up job markets, and the eye-watering number of job losses around the globe, signalling a deep – but hopefully short – recession.

When managing HR teams through this crisis, we must focus on agile change, understanding that this is a continuously evolving situation. Each business needs to agree on both a tactical short-term approach, whilst also considering longer term strategies. A useful way to break these problems down is to focus on people, processes and systems to help address the most urgent and important questions.

👤 People

People are generally a company's most valuable asset, and Covid-19 is first and foremost a human crisis. When managing HR departments, professionals need to be even more sensitive to the personal impacts as they lead people whose job is to look after other employees.

We are living through a high-pressure situation that will likely continue for months, or even years. People have sadly lost loved ones, spent months indoors and had to quickly learn how to home-school their children. Others have put their health on the line performing essential jobs that cannot be done remotely, and all of us have seen our lives change in ways we never could have expected.

This social and economic upheaval will have affected many people's emotional and mental health. People are stressed and frustrated and that needs to be factored into our interactions and planning. HR teams must ensure that everyone who works for them can get the help they need so they can do their jobs effectively.

The switch to a large amount of remote working exacerbates these challenges as most managers are used to face-to-face interactions with their staff, to build rapport and gauge employees' state of mind. HR teams now need to support staff virtually and may need training in this area. Businesses



must consider how every aspect of work life translates to remote working – from maintaining staff morale to ensuring the home-life balance stays healthy.

It is important to understand the cultural norms in different jurisdictions – for example, there may be significant differences in how Northern Europeans typically react to workplace pressure when compared with a similar scenario in Asia or LATAM. For international managers, there are also the normal language barriers, difficulties working across time zones and other challenges.

As quarantine eases up in some jurisdictions, businesses must plan how to ‘exit’ the current operational set-up. With the risk of additional virus peaks later in the year, any changes should be made cautiously and with staff safety and plan flexibility in mind. Plus, we need to assess the impacts of the short-term changes to decide where exactly to roll back to – for example, will we ever return all our workforces to the office or will we continue with a proportion of remote workers?

The keys to success are keeping people front and centre of your strategy, putting health and safety first and being flexible, based on all the considerations and limitations.

Processes

Once plans are in place to ensure people are looked after, businesses can address the other operational changes wrought by COVID-19.

Recently, a European business with outlets in Latin America came to us when it had to furlough hundreds of employees. Even once we had worked with them to explain how to do this, they didn’t have the people on the ground with the capability and capacity to write the large number of letters, deal with the requisite filings and hold the conversations needed in the timescale required. With 150 staff located in the country in question, we were able to help immediately and ensure this sensitive project was managed humanely and compliantly.

There are many more considerations that businesses must respond and react to. How does government support for employers, which is changing all the time, vary across locations? Do supply chains require review or modification? How do you quickly adapt or expand Business Continuity Plans that never factored in such a global crisis? What about employee safety and the local regulations that affect it – for example, what are the current social distancing rules in all the jurisdictions the company operates in? And what forecasting and planning needs to be done to maintain cashflow to ensure employees can be paid?

Based on the speed of the changing circumstances, businesses must be **agile** and quickly respond with new processes that can be immediately communicated to staff or clients. Additionally, they need to be **flexible**, accepting that yesterday’s plans may need to be amended tomorrow. The approach must be one of continuous improvement with proper governance to ensure changes land clearly and don’t create confusion.

The key to getting this right will be keeping abreast of the situation; combining central control to ensure consistency with feet-on-the-ground knowledge to adapt this to different local circumstances. Our recommendation is to create a Covid-Action-Force with representatives from key functions and jurisdictions to ensure different perspectives are voiced and considered.

Systems

The shift towards home working has forced many businesses to review the way they store, access and maintain their data and applications. Whatever companies decide to do in terms of moving staff



back to the office, or continuing with flexible working, it will be essential to assess the impact of the recent changes and what this has meant for productivity and teamwork.

Taking a strategic view will help companies stay ahead of this curve. Data must be maintained in an accessible but secure fashion. Documents will need to be signed by people who can't be physically present. Information has to be distributed to keep employees up to date and engaged in the absence of physical meetings. And applications need to be remotely accessible, backed up by infrastructure that supports higher levels of utilisation.

At TMF Group, we have heard from clients without laptops for employees, or who don't have software set up for remote working. Managers are having to find new ways to quality-assure team members' work. Many want to refine their document management processes or understand their options around using e-signatures. We have helped many clients with these types of questions, albeit under different circumstances, so we are adapting our own approach to apply our experience to these new challenges.

Technology is of course vital to all of this, but it cannot operate alone – maintaining a human touch is even more important in these uncertain times. Processes must be designed and agreed alongside system selection and deployment, so that business requirements and system capabilities are jointly considered. Once again, on-the-ground expertise that helps firms understand and support the needs of employees locally will be key to success. Approaches need to be centrally governed and carefully managed to avoid unnecessary variation, but also allow for legitimate local differences.

In the current landscape and moving forward, getting human resources right is crucial. HR directors that keep abreast of this ever-evolving situation and react quickly and strategically to get ahead of the resulting changes will be well placed to help carry their businesses forward.

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