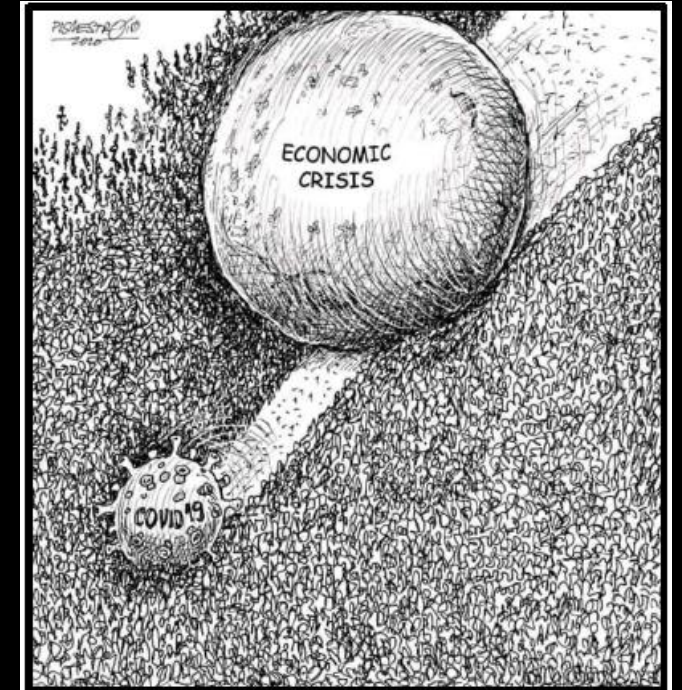


THE NEW NORMAL.

Workplace modelling for post C-19



GLOBAL BUSINESS SOLUTIONS

future think, now



Storyline

Statistics



**Business
strategy**



**Workforce
alignment**



**Legal
context**



Storyline

Statistics



**Business
strategy**



**Workforce
alignment**



**Legal
context**

Pre-COVID, South Africa was already on the edge –

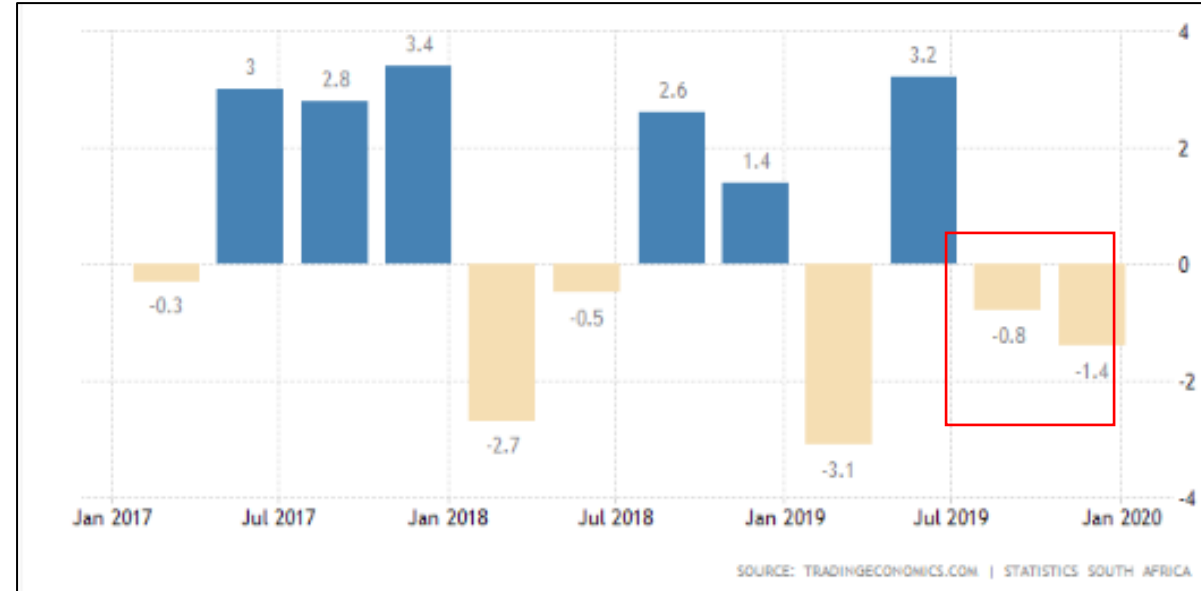
- ❑ World Competitiveness Ranking (below)
- ❑ Technical recession Q3 and Q4 2019 (see right)



The 2019 rankings are set out below

▼ 60 South Africa 62.4

Rank	Country	Score	Rank	Country	Score
▲ 1	Singapore	84.8	▼ 110	Pakistan	51.4
▼ 2	United States	83.7	▼ 111	Ghana	51.2
▲ 3	Hong Kong	83.1	▼ 112	Cape Verde	50.8
▲ 4	Netherlands	82.4	▼ 113	Laos	50.1
▼ 5	Switzerland	82.3	▼ 114	Senegal	49.7
▼ 6	Japan	82.3	▲ 115	Uganda	48.9
▼ 7	Germany	81.8	▼ 116	Nigeria	48.3
▲ 8	Sweden	81.2	▼ 117	Tanzania	48.2
▼ 9	United Kingdom	81.2	▼ 118	Ivory Coast	48.1
— 10	Denmark	81.2	NEW 119	Gabon	47.5
— 11	Finland	80.2	▼ 120	Zambia	46.5
▲ 12	Taiwan	80.2	▼ 121	Eswatini	46.4
▲ 13	South Korea	79.6	▲ 122	Guinea	46.1
▼ 14	Canada	79.6	▼ 123	Cameroon	46.0
▲ 15	France	78.8	▼ 124	Gambia	45.9
▼ 16	Australia	78.7	▼ 125	Benin	45.8
▼ 17	Norway	78.1	▼ 126	Ethiopia	44.4
▲ 18	Luxembourg	77.0	▲ 127	Zimbabwe	44.2
▼ 19	New Zealand	76.7	▲ 128	Malawi	43.7
— 20	Israel	76.7	▼ 129	Mali	43.6
▲ 21	Austria	76.6	▼ 130	Burkina Faso	43.4
▼ 22	Belgium	76.4	▼ 131	Lesotho	42.9
▲ 23	Spain	75.3	NEW 132	Madagascar	42.9
▼ 24	Ireland	75.1	▼ 133	Venezuela	41.8
▲ 25	United Arab Emirates	75.0	▼ 134	Mauritania	40.9
▼ 26	Iceland	74.7	▲ 135	Burundi	40.3
▼ 27	Malaysia	74.6	▲ 136	Angola	38.1
— 28	China	73.9	▼ 137	Mozambique	38.1
▲ 29	Qatar	72.9	— 138	Haiti	36.3
▲ 30	Italy	71.5	▼ 139	Democratic Republic of the Congo	36.1
			▼ 140	Yemen	35.5
			▼ 141	Chad	35.1



Businesses were already in multiple-phase restructuring at end 2019 but not to the extent required and certainly not from a transformation perspective.

- Companies retrenching:
- Multichoice
 - Tiso Star
 - IBM
 - Eskom
 - Distell
 - Miway
 - Nedbank
 - Standard Bank
 - Continental tyres
 - Murray & Roberts
 - PPC
 - SABC
 - Toyota
 - Hullet
 - Absa
 - Parmalat
 - Basil Read
 - VSL
 - YFM
 - Old mutual
 - Royal & summit
 - Adcock Ingram
 - Adcock Virtual Logistics

Table 1: Four Scenarios Linked to Four Covid-19 Policy Responses ⁴

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
GDP change in 2020	-20 %	-15 %	-10 %	-10 %
Employment change in 2020	-3.2 m	-2.5 m	-1.6 m	-1.6 m
Unemployment rate 2020	43 %	40 %	36 %	36 %
Change in real GDP in 2018/19 to 2022/23 (Rbn)	-341	-206	-9,8	+158
Permanent job losses by 2023	-1.8 m	-0,9 m	-0,2 m	+0,2 m
Unemployment rate by 2023	37 %	33 %	30 %	28 %
Tax revenue shortfall in 2020	R 400 bn	R 350 bn	R 225 bn	R 225 bn
3-year tax revenue shortfall relative to 2020 Budget	R 1 562 bn	1 064 bn	R 686 bn	R370 bn
% of tax revenue accruing to interest payments by 2023	29%	23%	19%	17%
Policy response element				
Risk-adjusted strategy effectively implemented				
Township community engagement in physical distancing				
Economic interventions creates bridge for firms and employees to other side. Enables rebound				
Significant structural improvements lead to lifting potential growth rate				

Red means poorly implemented, amber means partially, green means impactful implementation

Multiple disruptions ahead, be new normal ready...now

Long-Term Risk Outlook

Top 10 risks by likelihood and impact over the next 10 years

Multistakeholders

Likelihood

- Extreme weather
- Climate action failure
- Natural disaster
- Biodiversity loss
- Human-made environmental disasters
- Data fraud or theft
- Cyberattacks
- Water crises
- Global governance failure
- Asset bubble

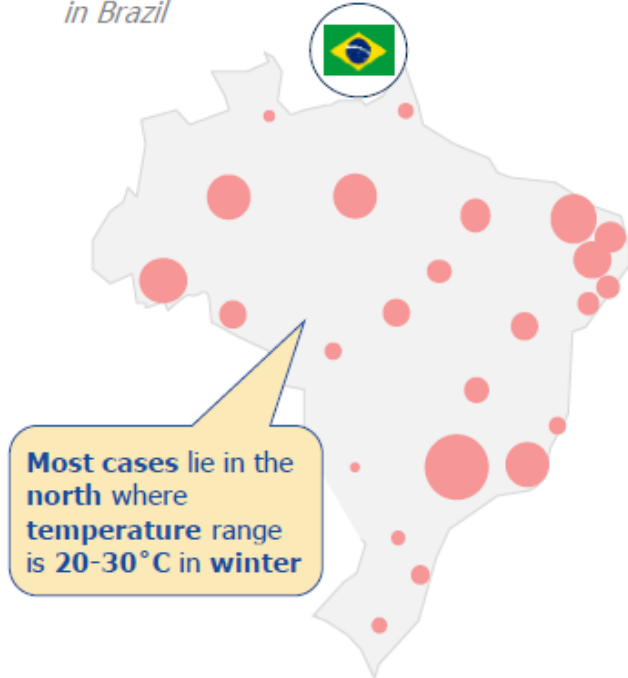
Impact

- Climate action failure
- Weapons of mass destruction
- Biodiversity loss
- Extreme weather
- Water crises
- Information Infrastructure breakdown
- Natural disasters
- Cyberattacks
- Human-made environmental disasters
- Infectious diseases

★ Deep dive: Countries with warm climates have also experienced high infection rates, is the warm climate argument still valid?

Brazil

Heat map showing COVID-19 impacted areas in Brazil



Total confirmed cases: 584,562

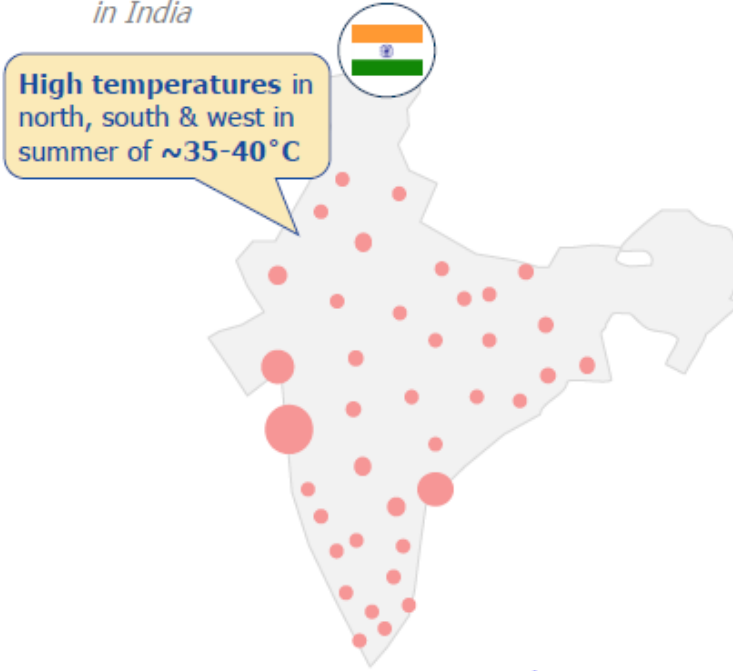


- Active cases: 284,133
- Recovered cases: 267,861
- Fatalities: 32,568

India

Heat map showing COVID-19 impacted areas in India

High temperatures in north, south & west in summer of ~35-40°C



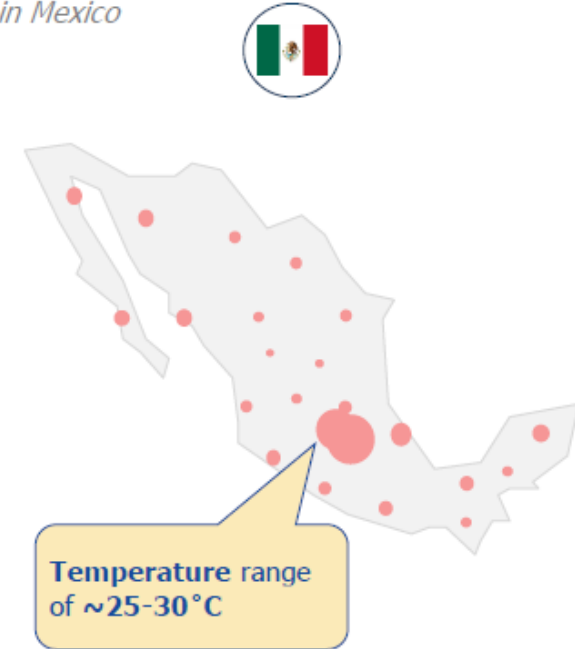
Total confirmed cases: 217,965



- Active cases: 107,632
- Recovered cases: 104,242
- Fatalities: 6,091

Mexico

Heat map showing COVID-19 impacted areas in Mexico

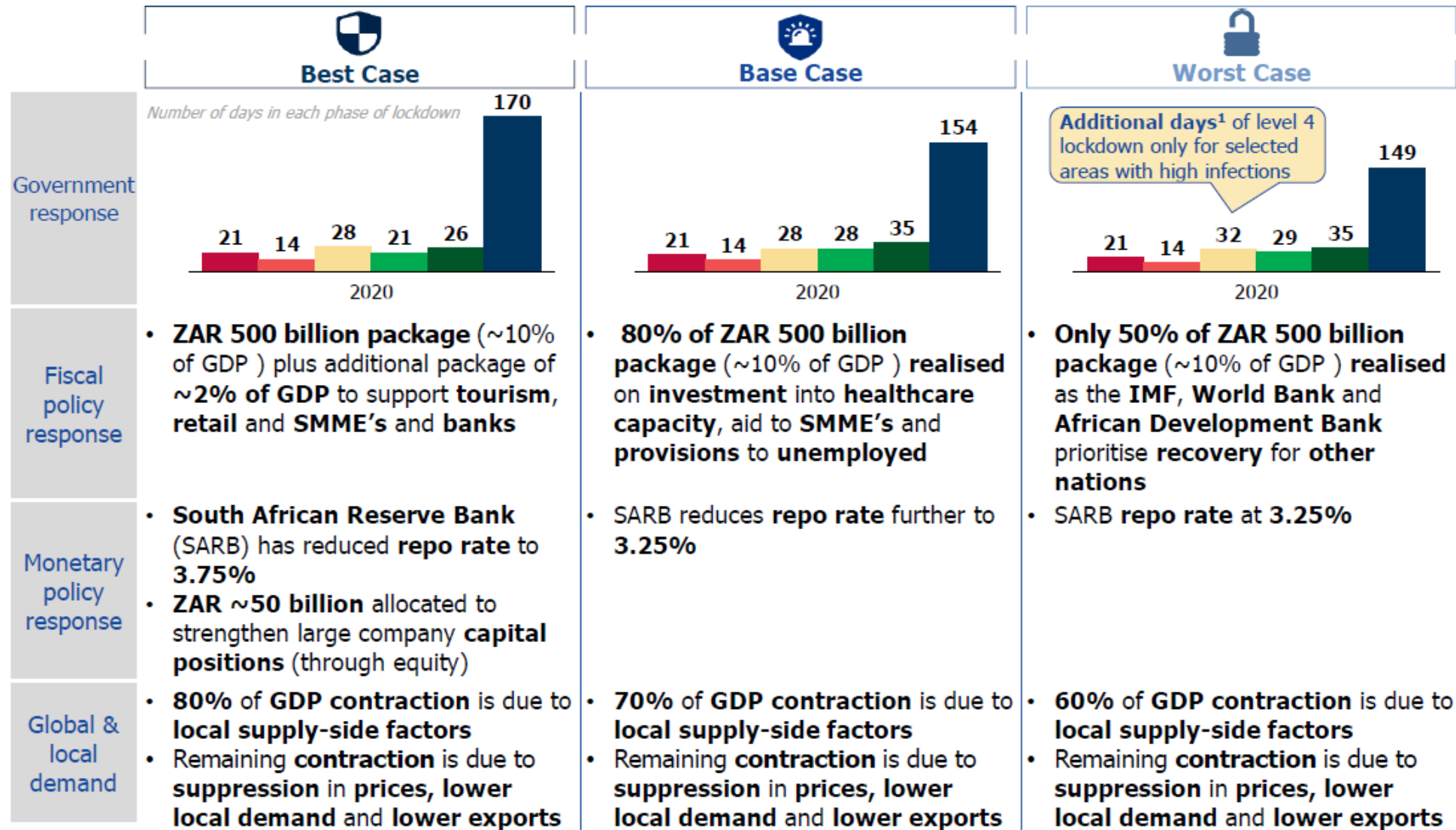


Total confirmed cases: 101,238



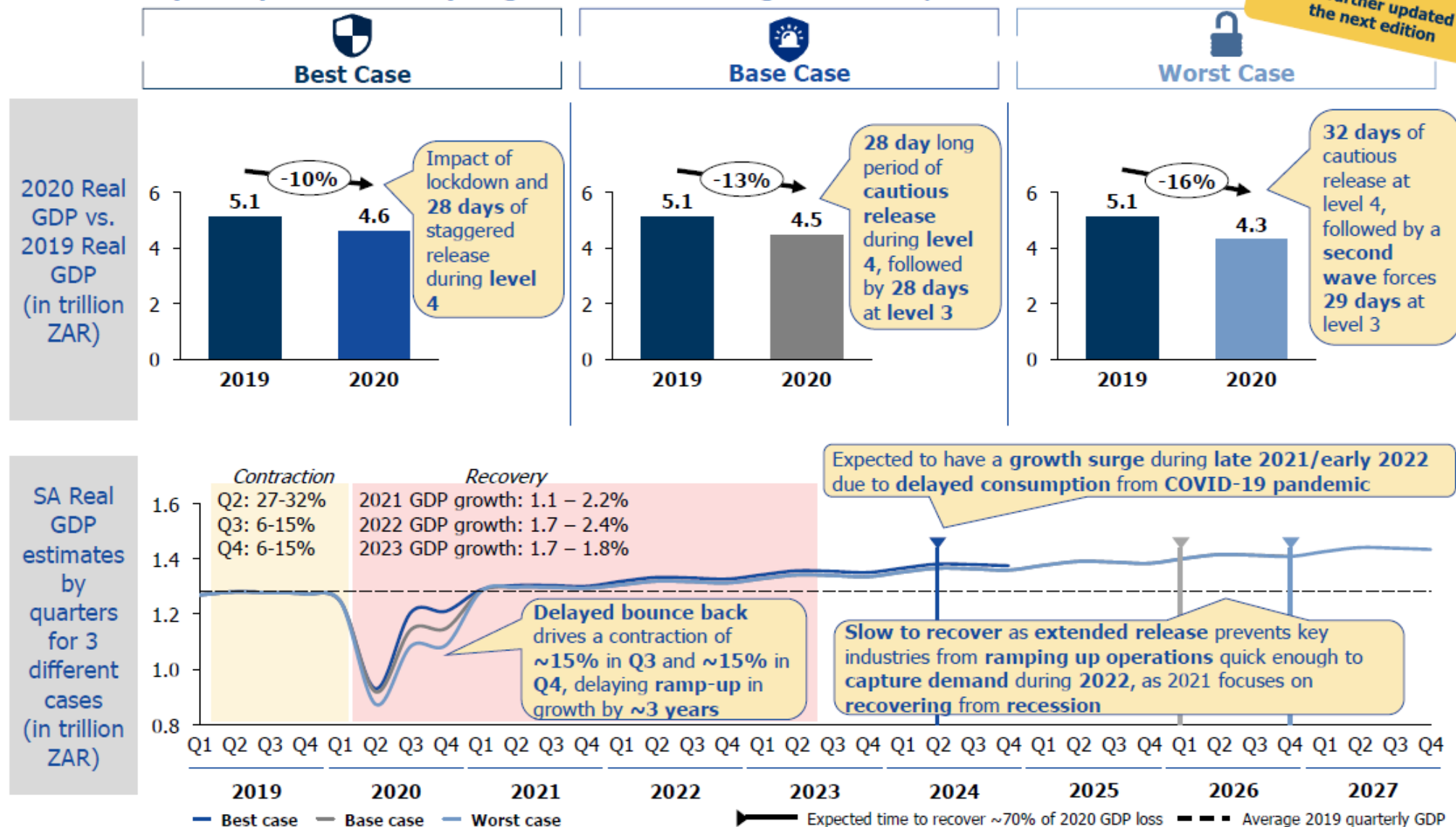
- Active cases: 16,238
- Recovered cases: 73,271
- Fatalities: 11,729

COVID-19 has led to a national lockdown and staggered release would be defined based on further spread



Note: 1 – Weighted average national lockdown of 4 days, for 1-2 weeks based on GDP contribution per affected province, Source: Singular research and analysis

2020 GDP to contract by 10%-16% (yoy, real terms) and lost GDP recovery expected by Q2-2024 to Q4-2026, under 3 cases





Storyline

Statistics



**Business
strategy**



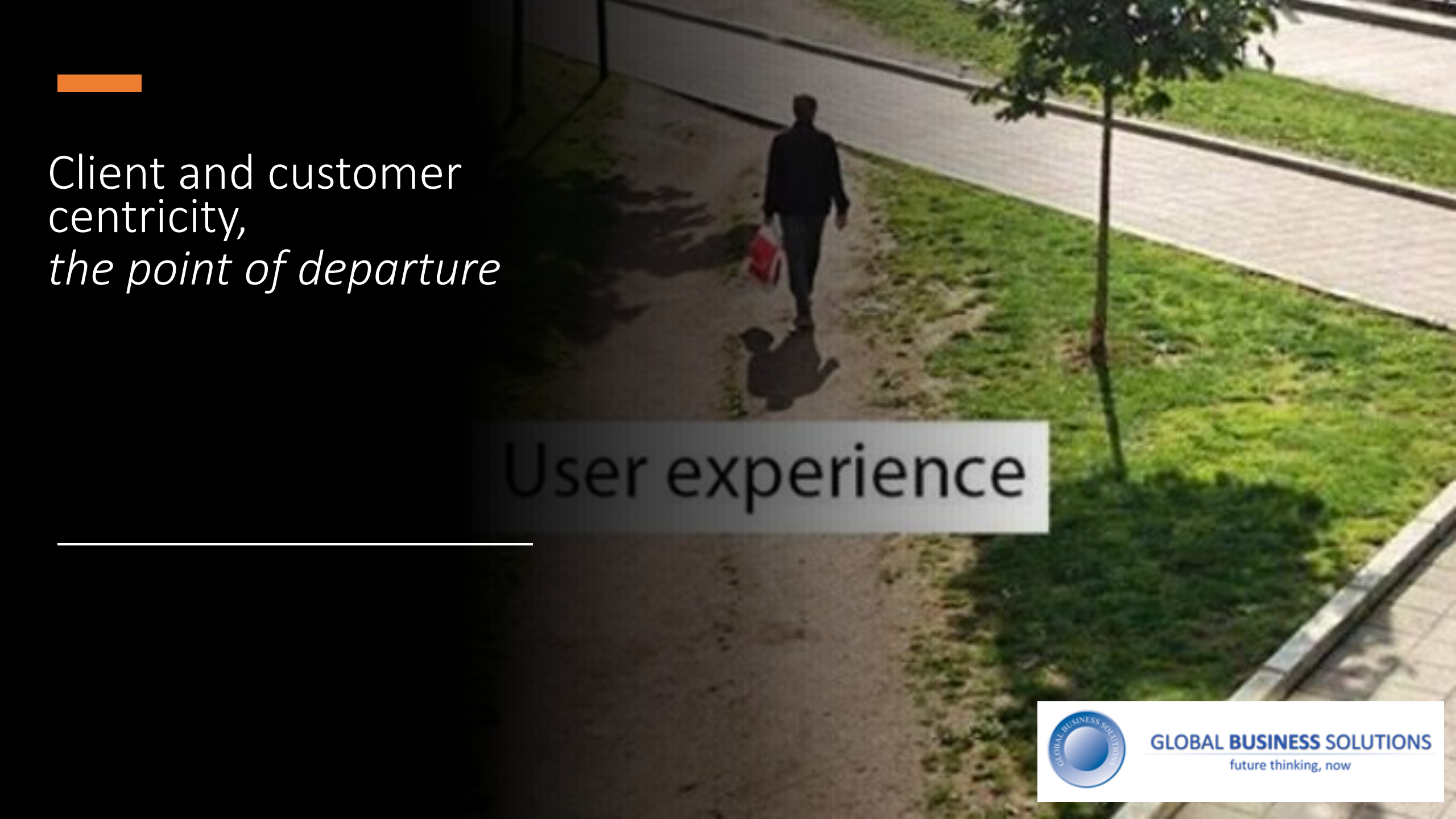
**Workforce
alignment**



**Legal
context**



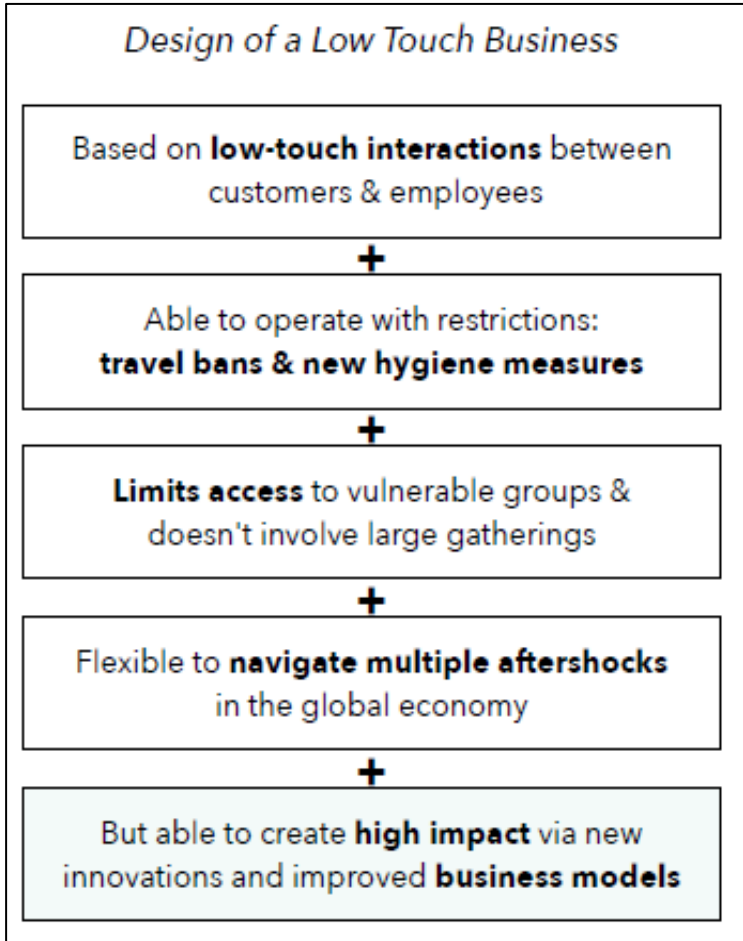
Client and customer
centricity,
the point of departure



User experience

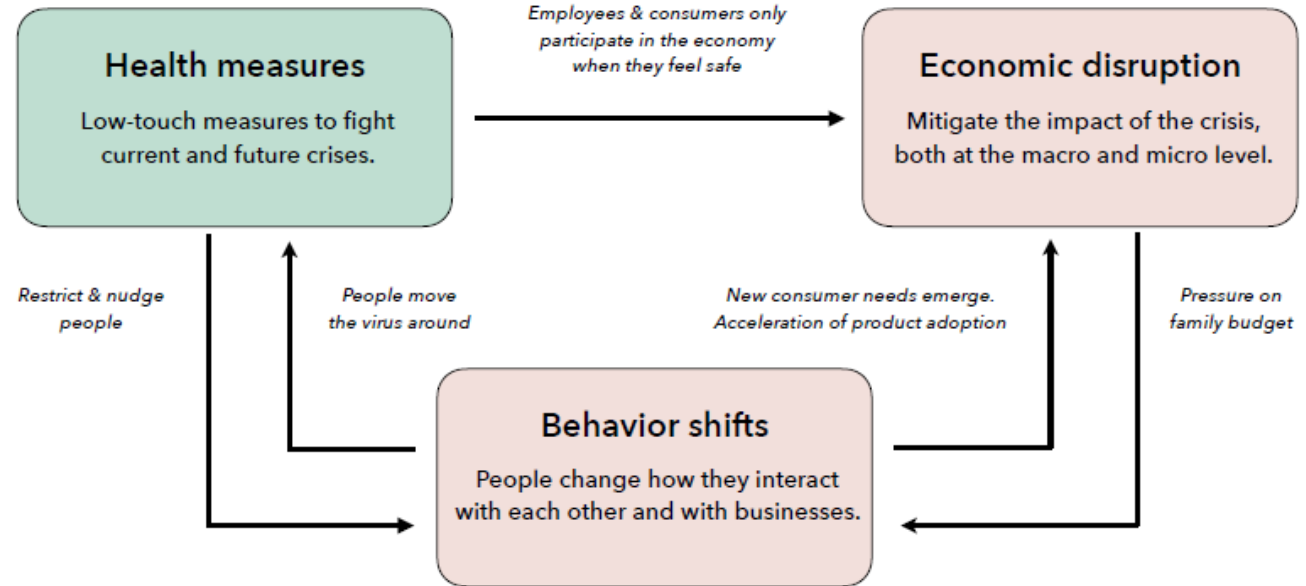


GLOBAL BUSINESS SOLUTIONS
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The feedback loop of the Low Touch Economy

A series of pandemic-control health measures lead to behavior shifts and economic disruption, creating a fairly unpredictable system. The longer the health measures sustain, the more fundamental the behavior shifts and economic disruptions will be.



CHECKLIST 1

Rate your readiness level for the Low Touch Economy

		1	2	3	4	5
Employee interactions	Is physical contact between employees and/or clients needed to conduct business?	•	•	•	•	•
Client interactions	Clients and/or employees need to share the same equipment or objects?	•	•	•	•	•
Physical location	Clients or employees share the same indoor spaces	•	•	•	•	•
Employee gatherings	Employees work in groups closely together to run your business	•	•	•	•	•
Client Gatherings	Clients are in groups to enjoy your product or service	•	•	•	•	•
Extra vulnerable	Your employees or clients are (partly) vulnerable groups like elderly, ...	•	•	•	•	•
Travel	Client or employees need to travel (local vs international)	•	•	•	•	•
Supply chain	Your business model is dependant on local or international supply chain	•	•	•	•	•
Demand	Demand volatility of your business model is closely correlated with the health crisis	•	•	•	•	•

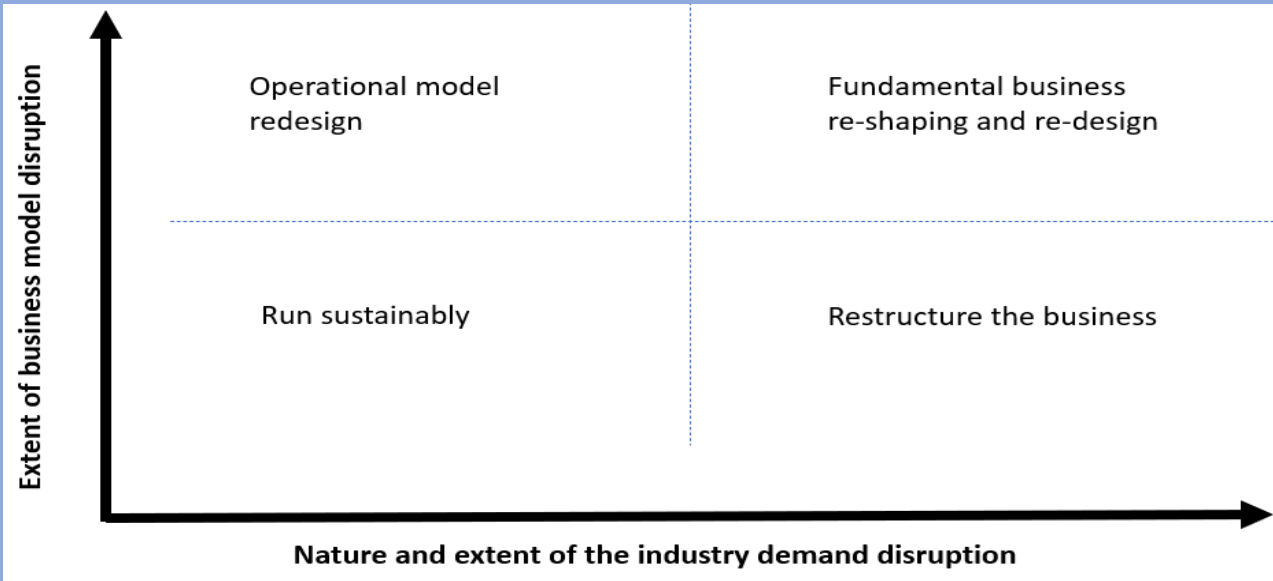
Results: Lower scores are better

1 = doesn't apply to your situation
5 = applies to your situation


- › Score 1 or 2 at all sections? You should be able to adapt your organization with minor tweaks to the Low Touch Economy
- › Any score 3, 4 or 5 needs to be addressed. This could reflect a significant hurdle to grow in the Low Touch Economy
- › **A total score above 25? You will need to redesign a large part of your business model and/or operating model to play any role in the Low Touch Economy.**
- › The higher the score, the more agile your organization needs to be. You must prepare for potential aftershocks in the market.

Businesses are asking the hard questions

It will take authentic leadership to transform



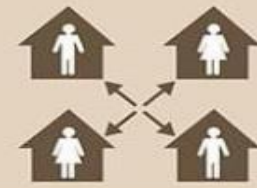
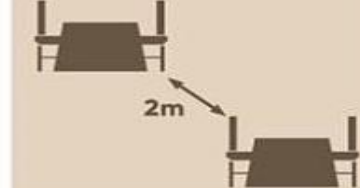




COVID-19
We are Prepared for your visit



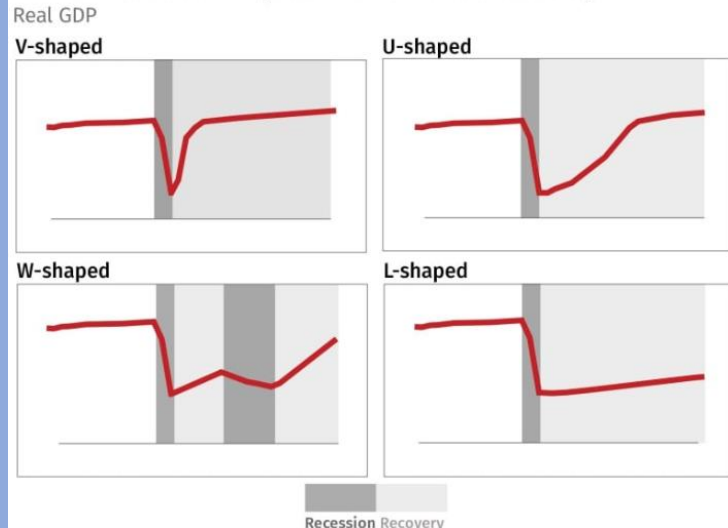
EXAMPLE

We are looking forward to the time when we can host guests again at our beautiful spaces. We are adjusting our best practices to safeguard these spaces and ensure the health and safety of everyone who enters them.

OUR PREVENTATIVE MEASURES

LIMITED SOCIAL CONTACT	RESTAURANTS	PLATING & SERVING
<p style="font-size: 0.9em;">All our tents, rooms & suites are comfortably spaced.</p> 	<p style="font-size: 0.9em;">Our tables will be spaced at least 2 metres apart.</p> 	<p style="font-size: 0.9em;">No buffets will be served and all meals and snacks will be individually plated & prepared, under strict hygiene standards and in a controlled environment.</p> 
SANITIZERS	TEMPERATURE SCREENING	STAFF MONITORING
<p style="font-size: 0.9em;">70% Alcohol based hand sanitizers will be readily available in each of the Tents, Rooms and Suites. Sanitizers will also be available in communal areas.</p> 	<p style="font-size: 0.9em;">As a necessary measure - inobtrusive temperature screening will be undertaken for all employees and visitors.</p> 	<p style="font-size: 0.9em;">Staff returning to work will be put through a thorough screening process and be isolated until deemed ready to engage with our guests.</p> 

The four letters of a possible economic recovery





GLOBAL BUSINESS SOLUTIONS
future thinking, now



C-19 workplace regulatory compliance (OHSA, DEL and DoH)



Workforce modelling, remuneration & benefits



Co-funding, cross-subsidization and tax efficiencies



Financial re-modelling (revenue, margins and redirect spend)



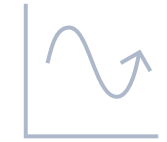
Skills of the future (EQ and DQ)



Technology and digitisation



Labour law optimization – agile, robust and lean



Disruption-aligned (W-curves)



Unconditional client focus and centricity, design-thinking (outside-in)



Labour law optimization – agile, robust and lean



Strategic partnerships

**What business transformation entails...
They all impact workforce re-alignment**



Storyline

Statistics



**Business
strategy**



**Workforce
alignment**



**Legal
context**

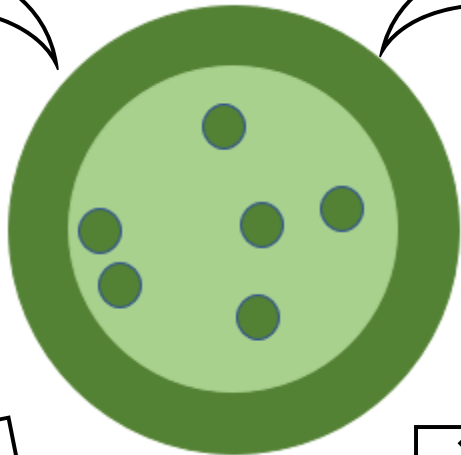
Procuring vs payroll Workforce modelling



Commercial agreement

Pay for performance

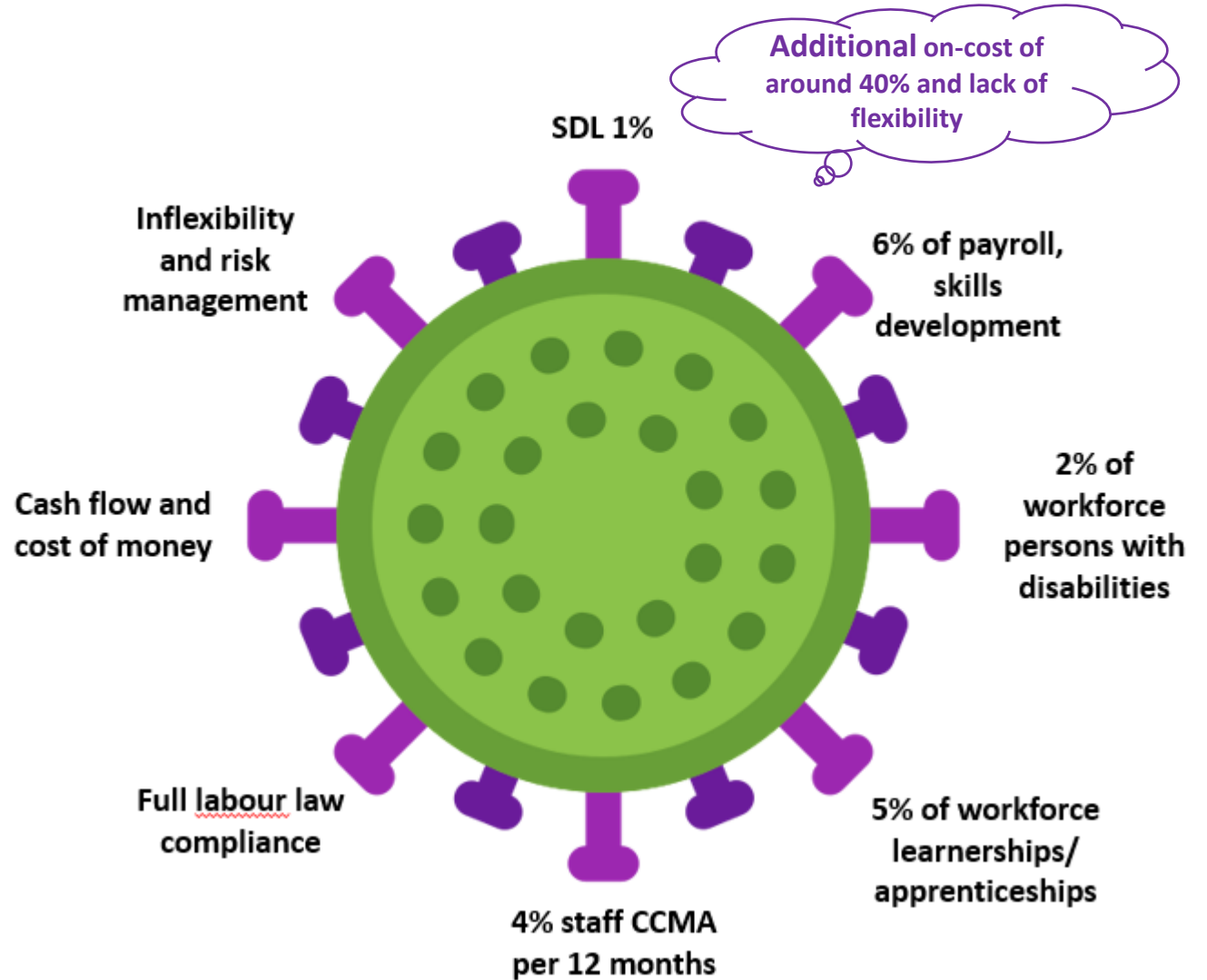
Outputs required



Independent Contractor

TES

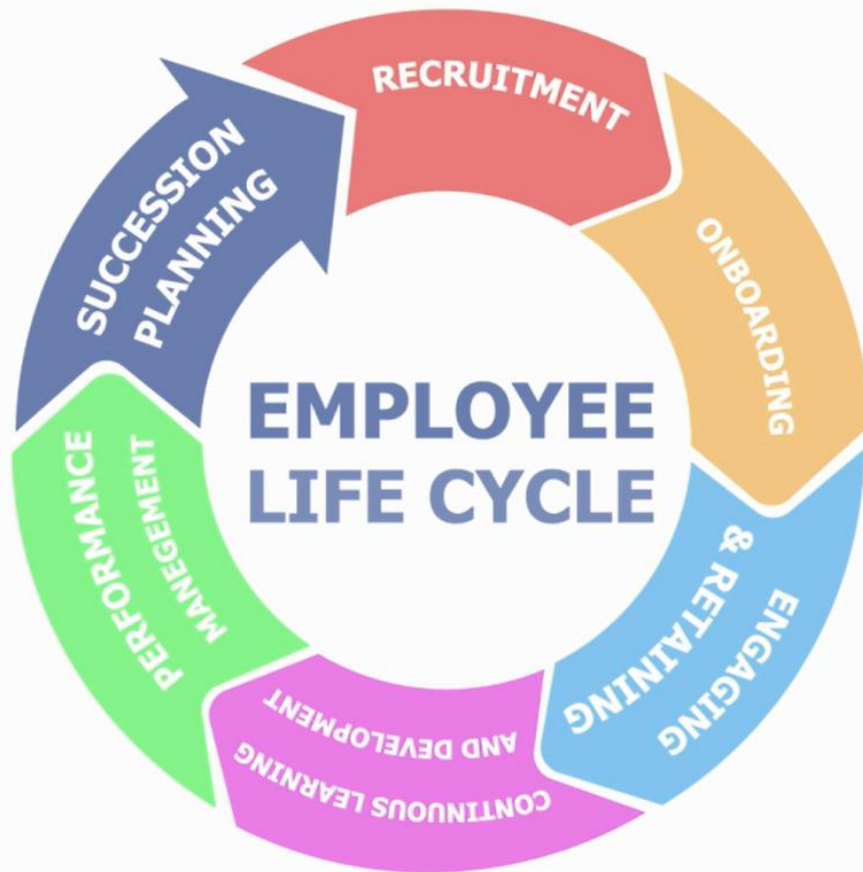
Payroll – unintended consequences



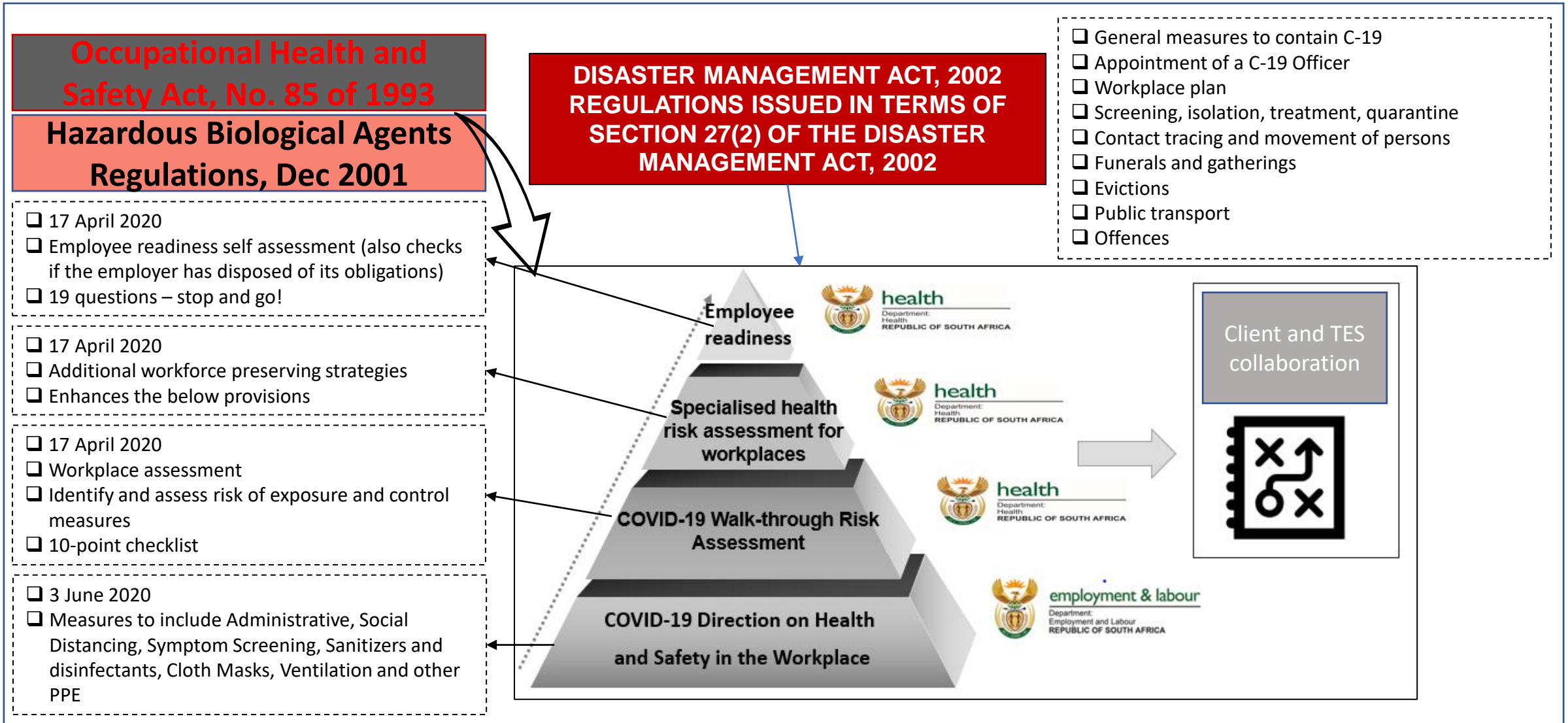
Review entire employment lifecycle and relationship with TES / Independent Contractors

Key focus areas

- Remote work terms and conditions
- OHS review (dealing with C-19)
- Inherent job requirements in recruitment
- Skills sets requirements
- Letter of appointment
- Disciplinary codes
- Incapacity procedures
- Performance charters
- Emotional contract
- BBBEE and employment equity review
- SLA's with commercial partners and contractors
- Remuneration and benefits baselining
- Labour relations protocols
- Flexible work arrangement
- Role of unions



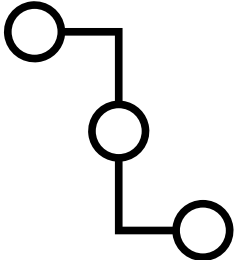
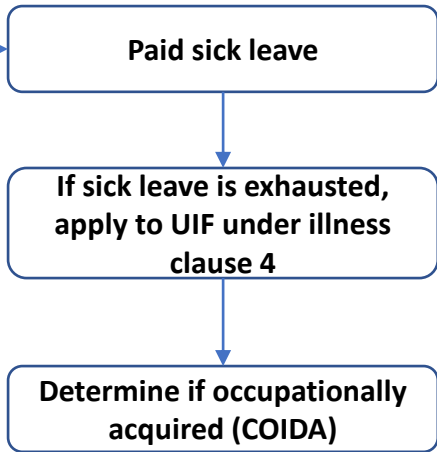
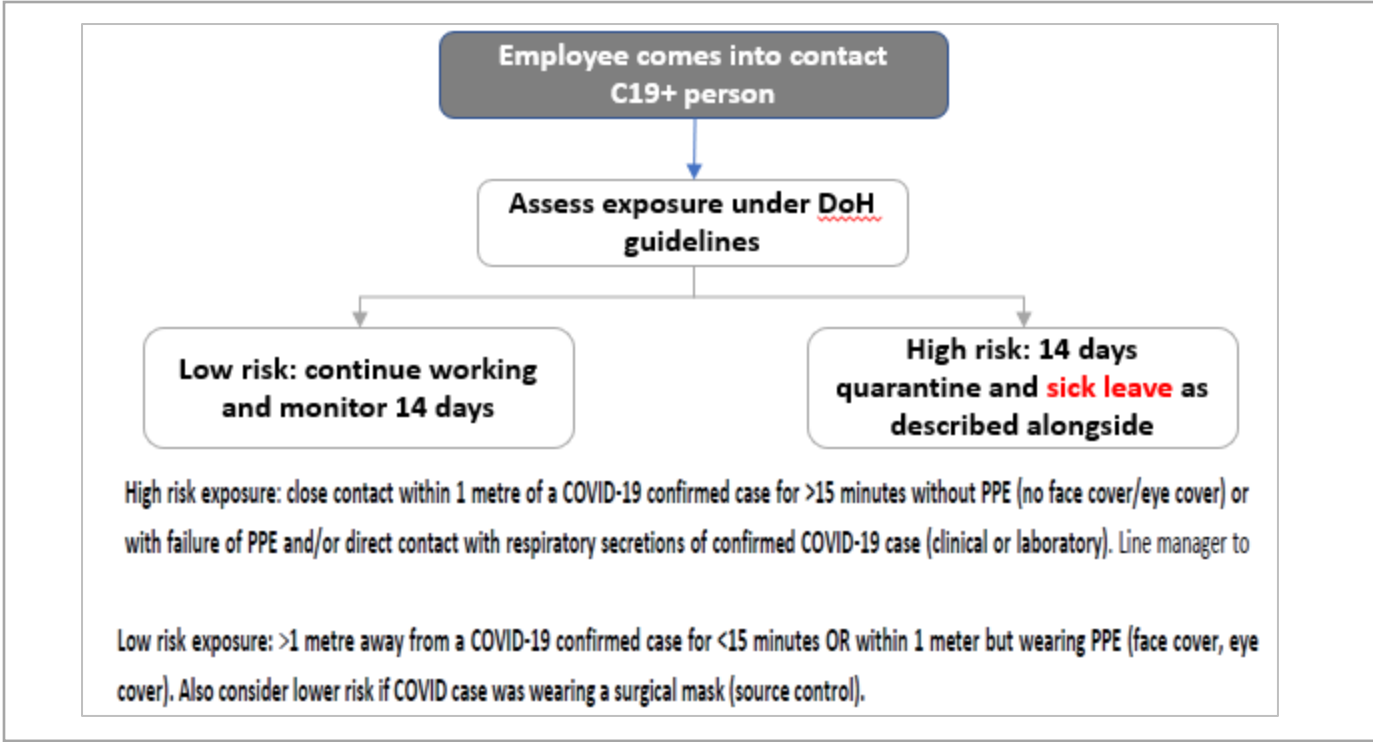
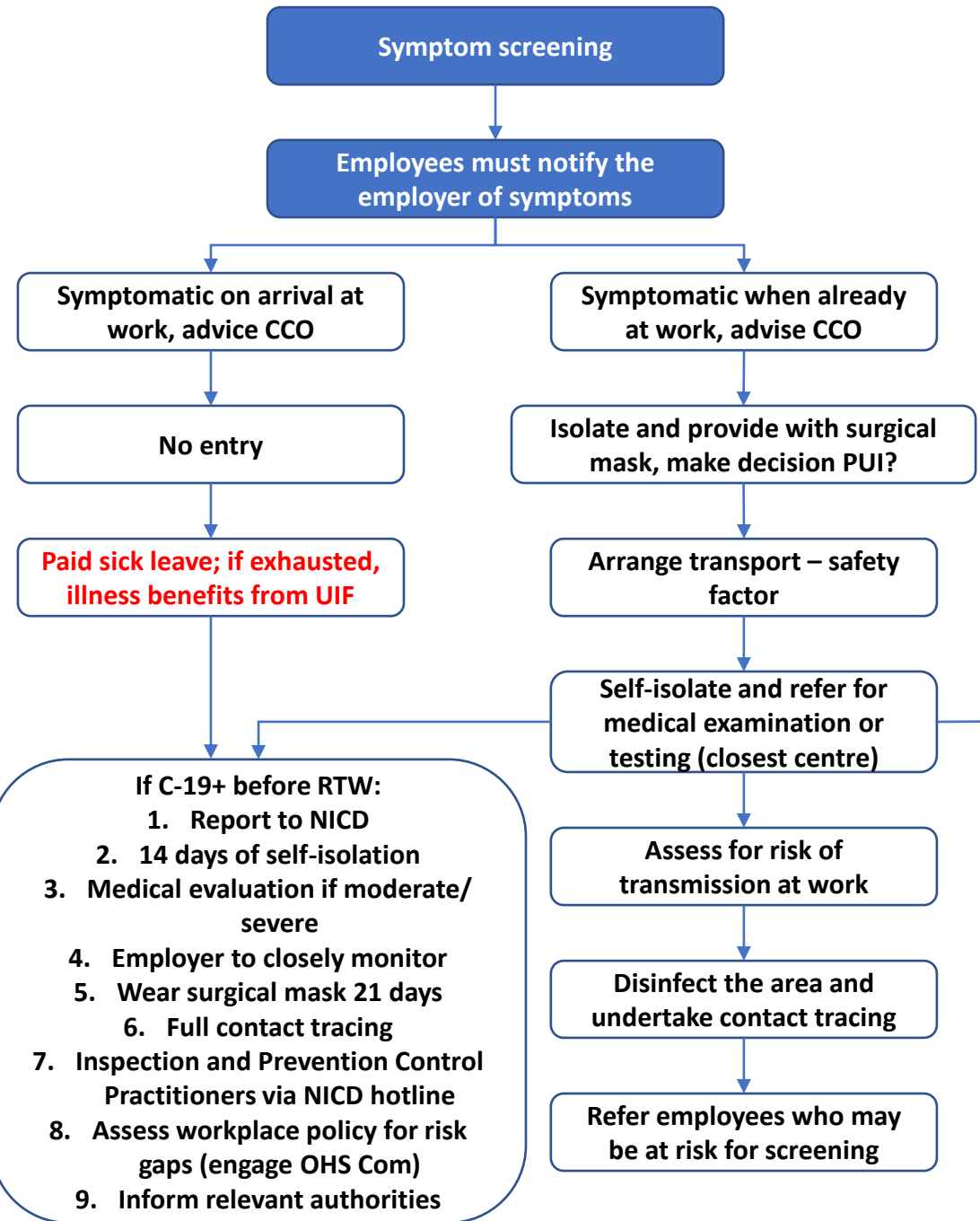
Remote work, compliance at work and OHS



DEPARTMENT OF EMPLOYMENT AND LABOUR

- Symptoms**
28. If a worker presents with COVID-19-related symptoms, or advises their employer of these symptoms, the employer must –
- 28.1 not permit the worker to enter the workplace or report for work; or
 - 28.2 if the worker is already at work immediately-
 - 28.2.1 isolate the worker, provide the worker with a surgical mask and arrange for the worker to be transported in a manner that does not place other workers or members of the public at risk either to be self-isolated or to be referred for a medical examination or testing; and
 - 28.2.2 assess the risk of transmission, disinfect the area and the worker's workstation, undertake contact tracing and refer those workers who may be at risk for screening and take any other appropriate measure to prevent possible transmission;
 - 28.3 place its employee on **paid sick leave** in terms of section 22 of the BCEA or if the employee's sick leave entitlement under the section is exhausted, make application for an illness benefit in terms of clause 4 of the Directive issued on 25 March 2020 on the COVID-19 Temporary Employer Relief Scheme under regulation 10(8) of the Regulations promulgated in terms of section 27(2) of the Disaster Management Act;
 - 28.4 ensure that the employee is not discriminated against on grounds of having tested positive for COVID-19 in terms of section 6 of the Employment Equity Act, 1998 (Act No. 55 of 1998);
 - 28.5 if there is evidence that the worker contracted COVID-19 as a result of occupational exposure, lodge a claim for compensation in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act No. 130 of 1993) in accordance with Notice 193 published on 3 March 2020.¹³

- Diagnosed**
29. If a worker has been diagnosed with COVID-19 and isolated in accordance with the Department of Health Guidelines,¹⁴ an employer may only allow a worker to return to work on the following conditions:
- 29.1 The worker has completed the mandatory 14 days of self-isolation;
 - 29.2 the worker has undergone a medical evaluation confirming fitness to work if the worker had moderate or severe illness;
 - 29.3 the employer ensures that personal hygiene, wearing of masks, social distancing, and cough etiquette is strictly adhered to by the worker;
 - 29.4 the employer closely monitors the worker for symptoms on return to work; and
 - 29.5 the worker wears a surgical mask for 21 days from the date of diagnosis.
30. If a worker has been in contact in the workplace with another worker who has been diagnosed with COVID-19, the employer must assess that worker's exposure in accordance with the Department of Health's Guidelines¹⁵ to ascertain whether the exposure carries a high or low risk of transmission between the workers.
- Contact low exposure**
31. If there is a low risk of exposure, the employer –
- 31.1 may permit the worker to continue working using a surgical mask complying with standard precautions; and
 - 31.2 must monitor the worker's symptoms for 14 days from the first contact.
- Contact high exposure**
32. If there is a high risk of exposure-
- 32.1 the worker must remain in quarantine for 14 days; and
 - 32.2 the employer of that worker must place the worker on **sick leave** in accordance with clause 28.3 for that period.





Storyline

Statistics



**Business
strategy**

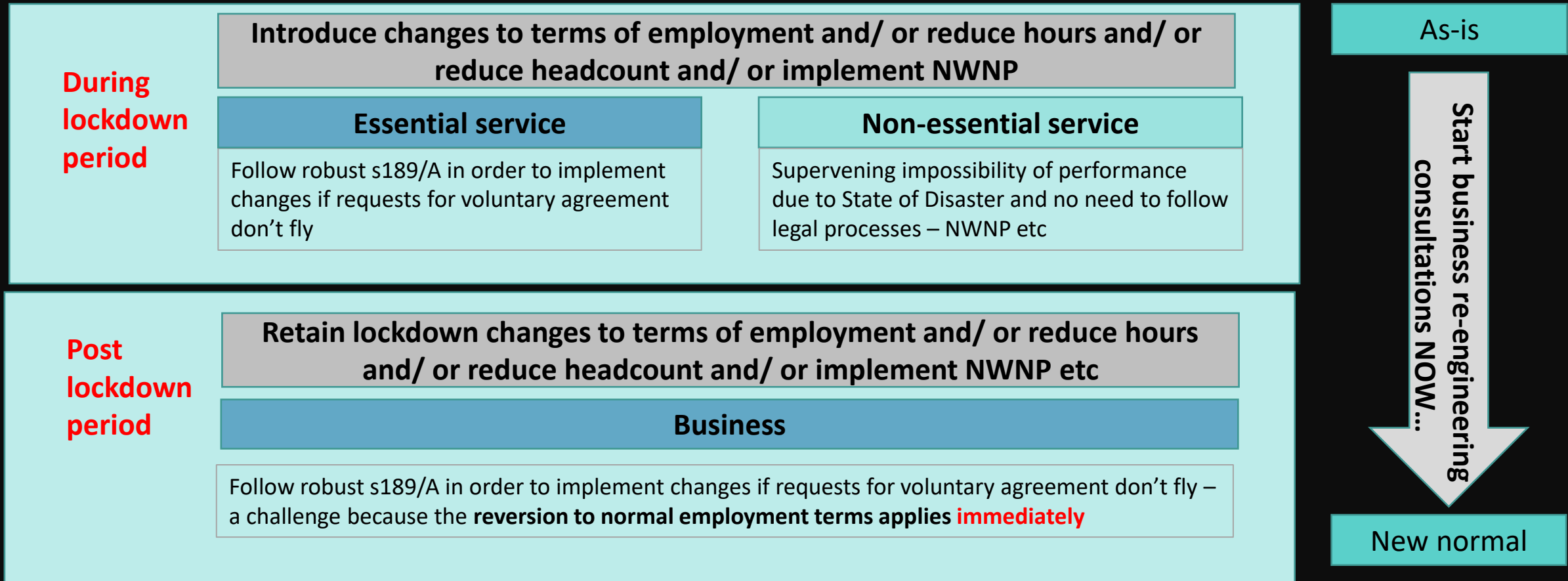


**Workforce
alignment**



**Legal
context**

THE STATE DURING AND POST LOCKDOWN – The implication of 1 June



RIGHTSIZING WORKFORCE & COST

REMUNERATION

- Salary Cuts
- Reduction in Benefits
- Changing Work Hours
- Adjustment of Duties

UNILATERAL IMPLEMENTATION

When?
How?
Risks?

RETRENCHMENTS

When?
How?
Process?



EMPLOYEE REMEDIES IRO UNILATERAL VARIATION





MID YEAR LABOUR LAW UPDATE ONLINE 2020

➔ 16 & 22 JULY 2020 R 2700 ex vat

This year's Mid-Year Labour Law Update, hosted by labour law expert and Global Business Solutions joint-CEO, Jonathan Goldberg, will provide guidance that will ensure compliance and best practice during and beyond Covid-19. As usual, we will discuss arbitration awards, Labour Court and Constitutional Court rulings, and address amendments to labour and related statutes. Unpacking important case law and legislative developments provides practical guidelines for how you can deal with similar situations in your business, correctly and effectively.

To *#staysafe* and comply with social distancing requirements, our Mid-Year Labour Law Update 2020 will take place online via **live streaming Zoom seminars** – **you have a choice between two dates, either 16 or 22 July 2020** – this will maintain all the best parts of our annual event. For more info:

midyearupdate@globalbusiness.co.za

- ✓ **Johnny's engaging presentation style and ability** to share practical advice, gained from years of working with companies (large and small), on how to take case law from words to workplace
- ✓ **Latest labour law updates**, conveniently sectioned for ease of reference
- ✓ Real-time audience engagement including **regular Q&A opportunities**
- ✓ **Time and cost savings** as you can connect in from just about anywhere and we are offering a great virtual ticket price including bulk pricing discounts (Buy 3 seats and get 1 free!)
- ✓ **Case Law Reference Guide** sent out a week before the seminar to enable pre-reading and focussed engagement
- ✓ Slides sent out prior to the seminar to enable you to follow along and take notes
- ✓ **Online Resource Library** (access for six months) to enable easy reference and daily use of indexed content, tools and templates.



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Thank you for your



Jonathan Goldberg

083 281 9571

jgoldbergsnr@globalbusiness.co.za

johnny@iafrica.com