



# COMPENSATION & BENEFIT STRATEGY POST PANDEMIC & HYBRID ERA

Prepared by Dr Yunus Triyonggo, CAHRI.

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**Dr. Ir. Yunus Triyonggo, MM., CAHRI.**



(+62) 8111 967 009



[yunus.triyonggo@yahoo.co.id](mailto:yunus.triyonggo@yahoo.co.id)



[yunustriyonggo.wordpress.com](http://yunustriyonggo.wordpress.com)



**Chairman of Steering Committee**  
Gerakan Nasional Indonesia Kompeten  
(GNIK) [National Movement on Indonesia  
Competent]

## Portfolios :



**HR & GA Director**  
PT Bridgestone Tire Indonesia



**Chief of Human Capital Officer**  
PT Sierad Produce, Tbk.



**Vice President Human Resources**  
PT Nestle Indonesia



**HR Business Partner**  
PT Unilever Indonesia, Tbk.



PT HM SAMPOERNA Tbk.

**Personnel & GA Manager**  
PT HM Sampoerna, Tbk.



**Branch Personnel Manager**  
PT Indofood Sukses Makmur, Tbk.

## Organization:



**Chairman of Indonesia HR Institute  
(IndHRI)**



Gerakan Nasional  
Indonesia Kompeten

**Founder of Gerakan Nasional Indonesia  
Kompeten (GNIK)**

# Outlines:

1. What happened at post pandemic
2. Why we need to adjust & how
3. Relevant Compensation Strategy

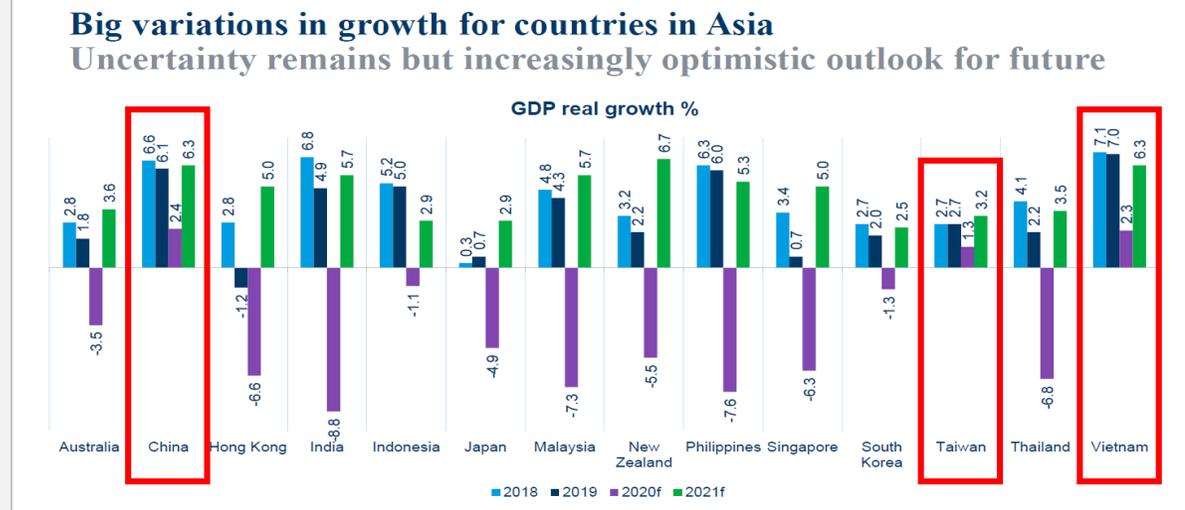
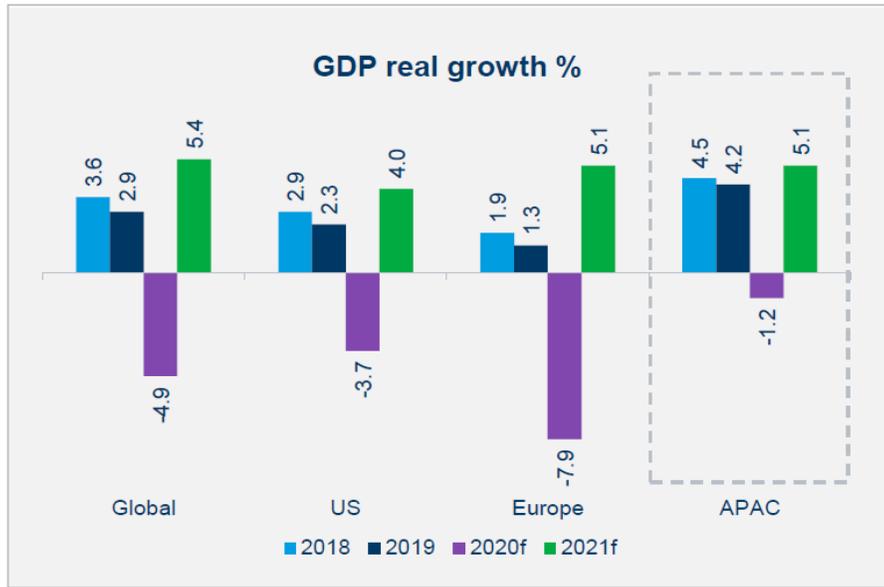


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# Global Pandemic Impact and APAC's Situation



**Covid-19 outbreak is lasting longer than expected**



**Economic activity has contracted significantly on a global scale**

**“Spread of infectious diseases”** has rocketed up the rankings to become **one of the top concern for business**, according to the World Economic Forum’s 2020 Executive Opinion Survey

## Coronavirus pandemic has created disruptions in the world of work Unemployment rate across the region remains high



Source: IMA Asia, APAC Executive Brief, Sep 2020

# Workforce challenges weigh heavy on executives' minds this year

**96%** feel they are in an employee-centric labor market

**63%** worry about hiring the right talent at the right price at the right pace

**56%** worry about lower engagement among certain populations

**66%** are facing a labor shortage crises

## Executives see their organization impacted by:



Digital exhaustion

**88%**



Absenteeism

**87%**

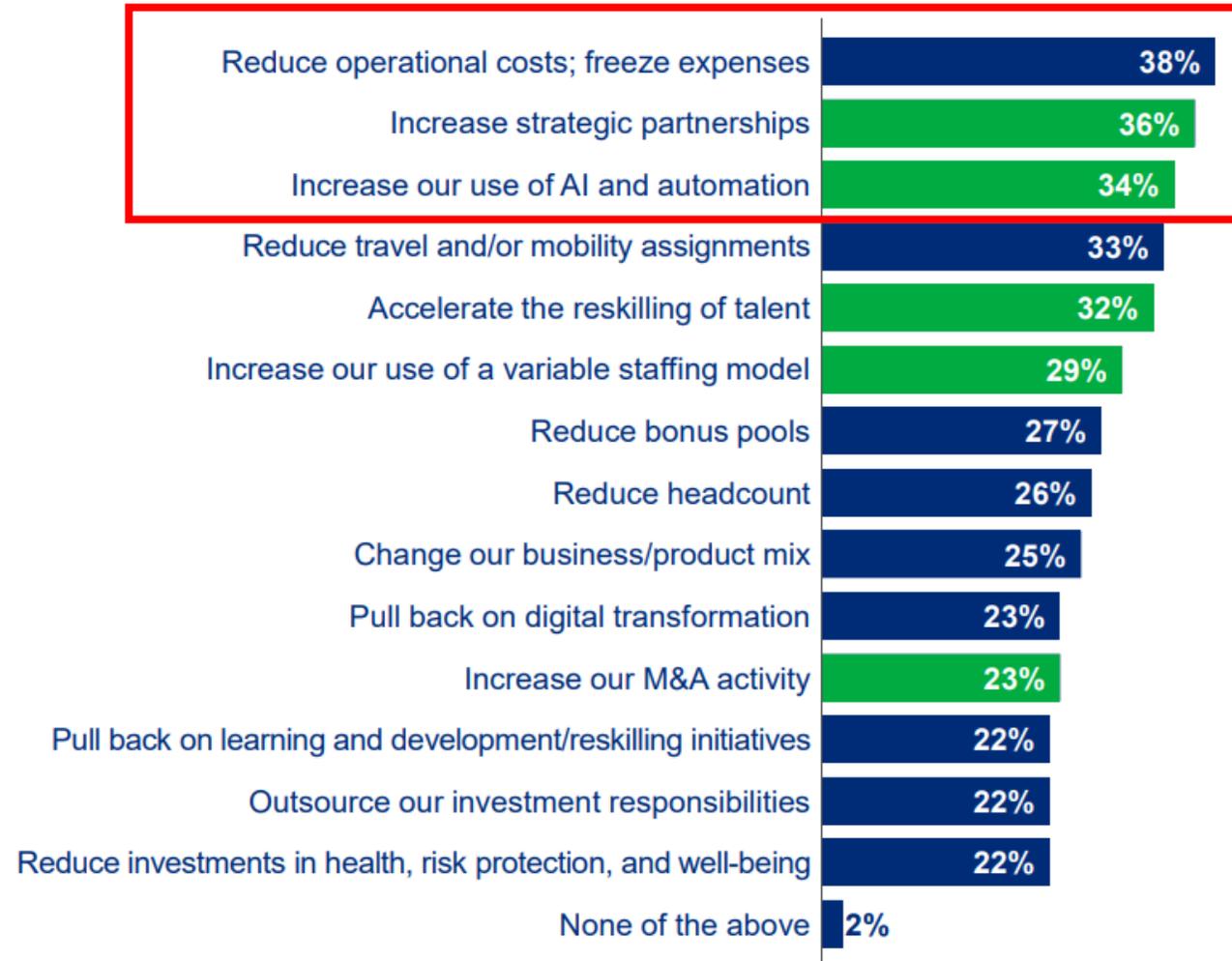


Loss of talent

**89%**

## How have the events of 2020/2021 shaped Executives views on where they will invest/retreat if faced with another economic downturn?

■ Increase investment



# The Pandemic Is Changing Employee Benefits

by Tim Allen

April 07, 2021



I'm encouraged to see that companies are responding. They've recognized that employee benefits can be life-changing for their workforce, especially those centered around **care, flexibility, and mental health**. Business leaders, in order to better support their employees and the business, they plan to **revise their benefit strategies**.

## Key Benefits are Expanding and Shifting

Child and senior **care benefits**, **flexibility around** when and where work gets done, and expanded **mental health** support

## Without Care, People Can't Work

assigning higher priority to **care benefits** to better support their employees in both **work and life**.

## The Future of Work (and Care) Is Flexible

To attract and retain these employees, companies are planning to provide more options to make **hybrid work/life work** for them.

## The Mental Health of Employees and Their Families Is Essential

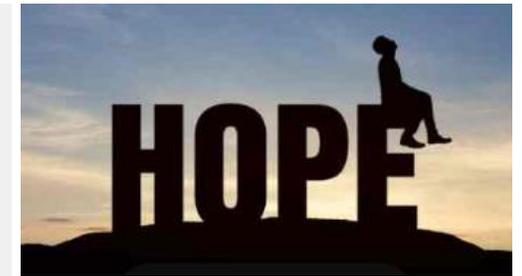
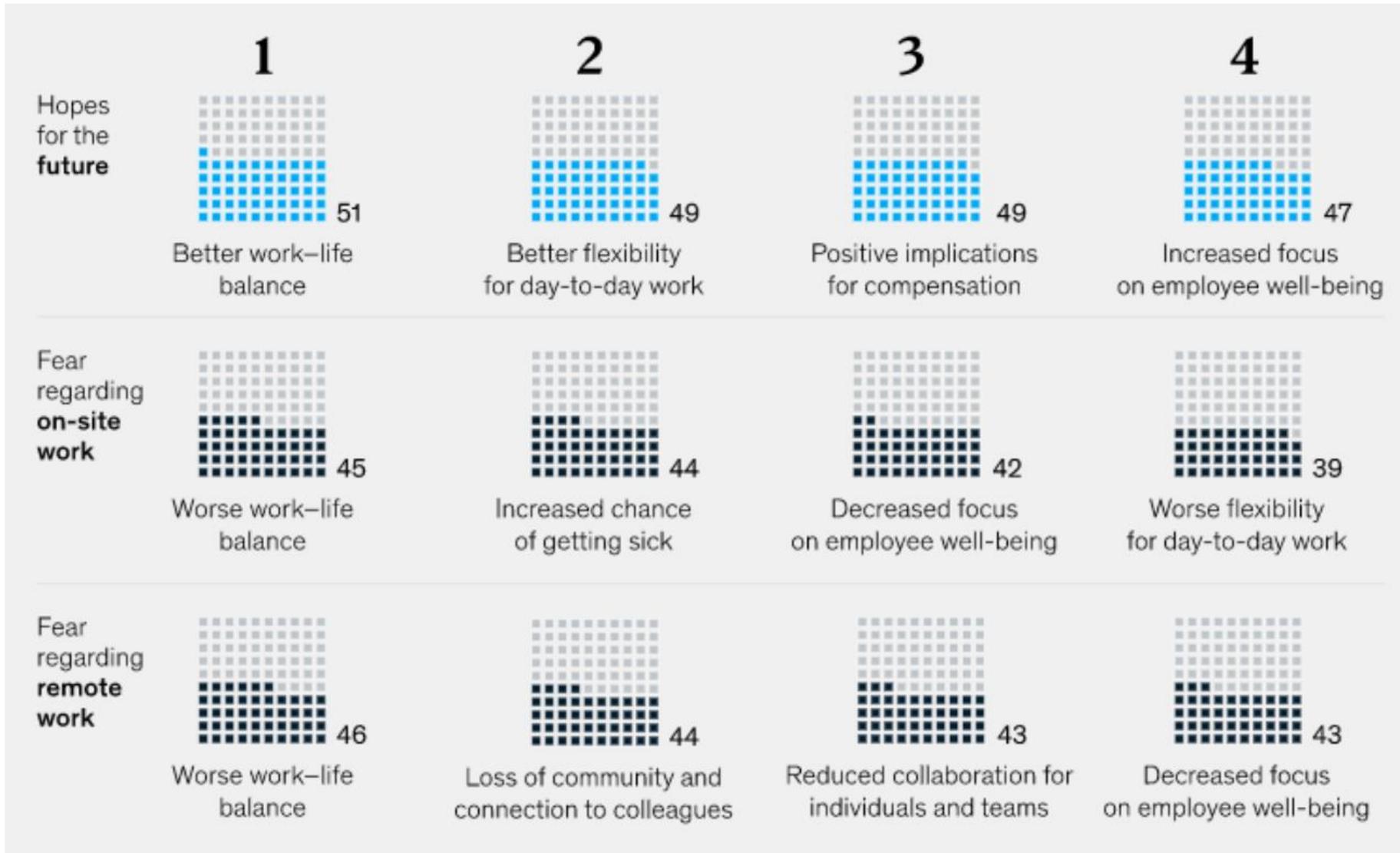
Expanding benefits may provide a bridge to the **work-culture changes** that employees badly need.

## Systemic Change Can Happen Through Benefits and Activism

Fixing the crises will require **diligence, tenacity, and innovation**.

# Employee hopes and fears for the future

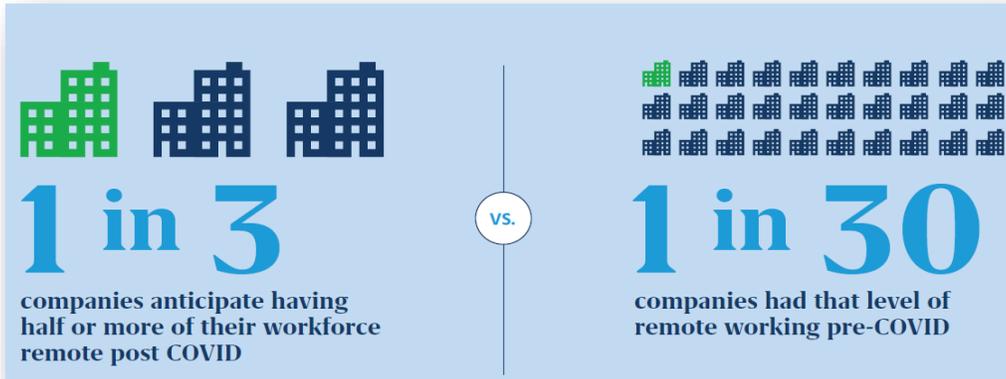
Reflects focus on **flexibility, well-being, and compensation** (in % respondent)



Source: McKinsey, 2021

# What **experts** say?

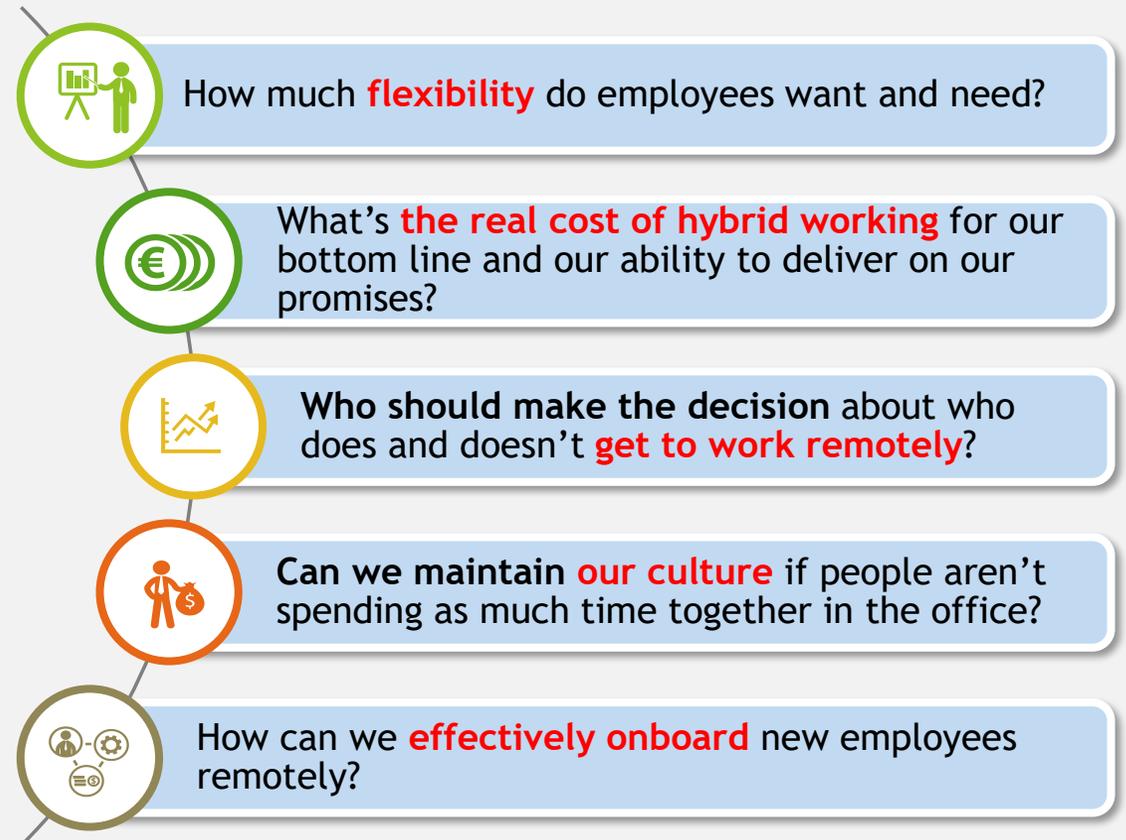
- 1 "The year 2020 was challenging, **unpredictable**, and has **affected every industry** in disproportionate magnitude. **HR too**, as a function had to go through **metamorphic change**."
- 2 "Many executives **wrestling** with what the return to the office should look like for their organizations."



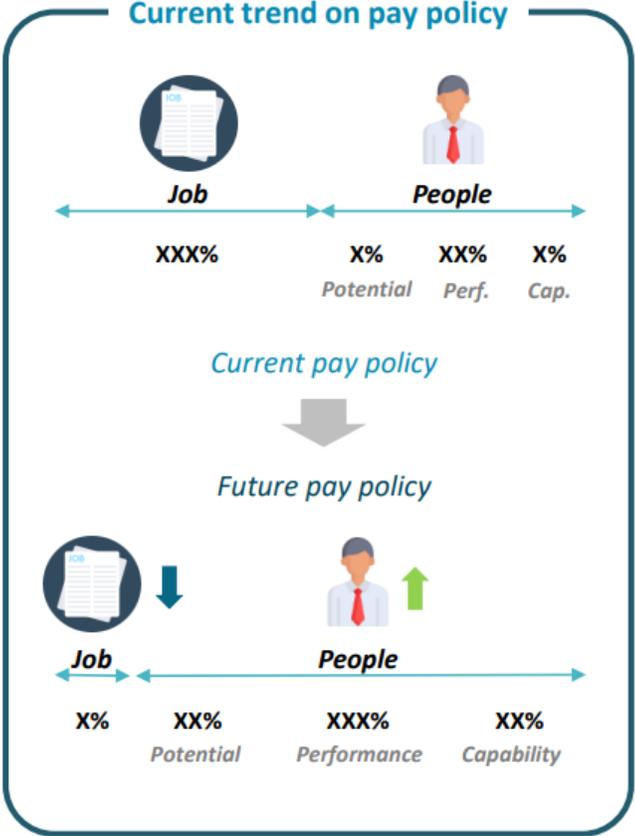
1) Source: Global Covid-19 surveys 2020, Mercer

2) Source: Figure Out the Right Hybrid Work Strategy for Your Company, Mark Mortensen, Associate Professor of INSEAD (Singapore)

# What are the **Challenges?**



Future reward practices will gear towards people-based rather than job-based to reflect specific requirements and characteristics of each group of people



Source: Korn Ferry Report: Impact of COVID-19 on Rewards & Benefits: Pulse Survey, May 2020.

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## Outlines:

1. What happened at post pandemic
2. Why we need to adjust & how
3. Relevant Compensation Strategy
4. Being exist in the new Hybrid Era



# Which **approach** is the best?

## The productivity-focused leader

At the end of the day, all that matters is what company produces, typically arguing that success comes from optimizing workflows and processes.



## The culture-focused leader

The organization succeeds because of how it work; while it's hard to put the finger on, it's the secret sauce that sets organization apart from the competition.

## The people-focused leader

The advantage is who has working for the organization, believing that with the right people, the organization can tackle any problem that arises.

# How to be Aligned with Current Situation?

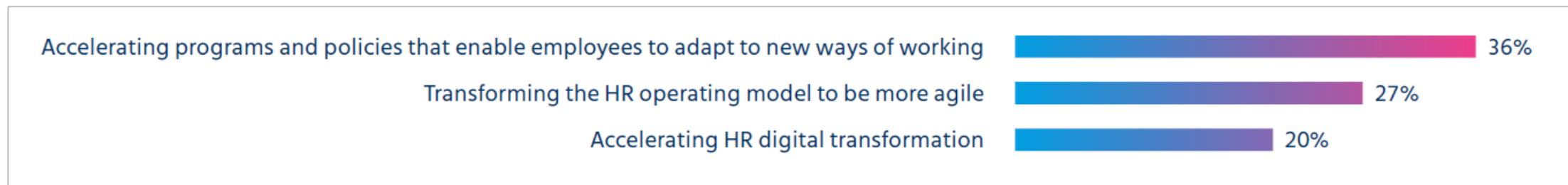
The length of time between reevaluations depends on the volatility of the environment affecting the three perspectives: **market, labor pool, and culture**. If these are changing rapidly, make sure to check more frequently that the policy remains aligned.

In the end, it won't dictate what the company's approach to hybrid working should be — **that needs to be as unique as the organization itself**.

However, taking a **process-based approach does maximize the likelihood that will find the best balance between the needs of customers, employees, and organization**.

**And HR should be the one to lead and adapt with current new ways of working.**

## Adapting to new ways of working is top mind – HR need to be digital



1) Source: Designing for Remote Employee Experience: A Refreshed Approach to HR Transformation, 2020, Mercer

2) Source: Figure Out the Right Hybrid Work Strategy for Your Company, Mark Mortensen, Associate Professor of INSEAD (Singapore)

# Current C&B Trends



- ▶ Compensation is one of **the key differentiating factors** for an organization to remain at the top.
- ▶ Many studies and analysis of exit interviews reveal that one of the **main reasons for attrition, especially at entry-level to middle management**, is compensation.
- ▶ Hence, to remain competitive, devising a compensation plan **that is motivating for the employees and affordable** for the organization is crucial.

**Adapting quickly is vital. Business will need to tread a delicate balance between economics and employee well-being**

1. Top C&B Trends to Look-out for in 2021, Sushma Bhaikar, SightsIn Plus
2. Rethinking Total Rewards During Uncertain Time, Mercer, Nov 2020

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# Bridging C&B to New Ways of Working in the Hybrid Era

## Compensation and Benefits

### Fixed Income

- Basic Salary
- Allowances
- Bonus

### Benefits

- Medical Insurance
- Health Benefits
- Mandatory Leave
- Social Security

### Employee Well-being

- Packages for Gig Workforces
- Other New Allowances and Benefits

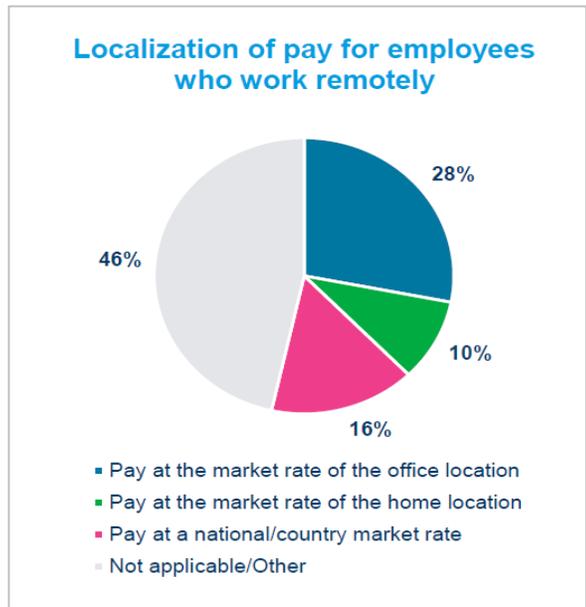
# Bridging C&B to New Ways of Working in the Hybrid Era

❖ Relook at some Components to stay relevant in the Renewed World

▪ Review the relevant compensation schemes

❖ Current Mainstream of Compensation Strategy

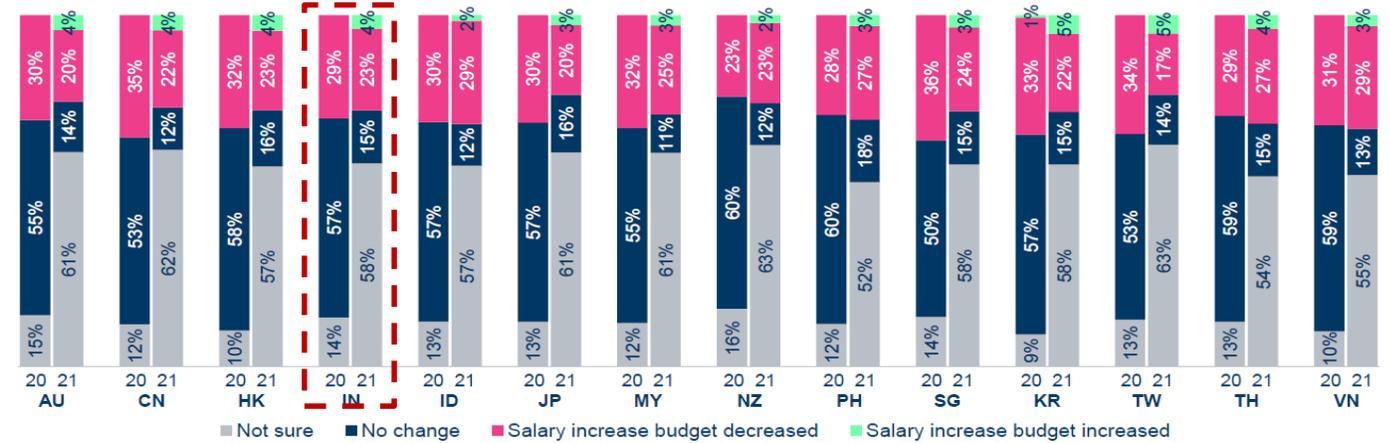
▪ Revert of salary freeze or restructuring done during Covid-19



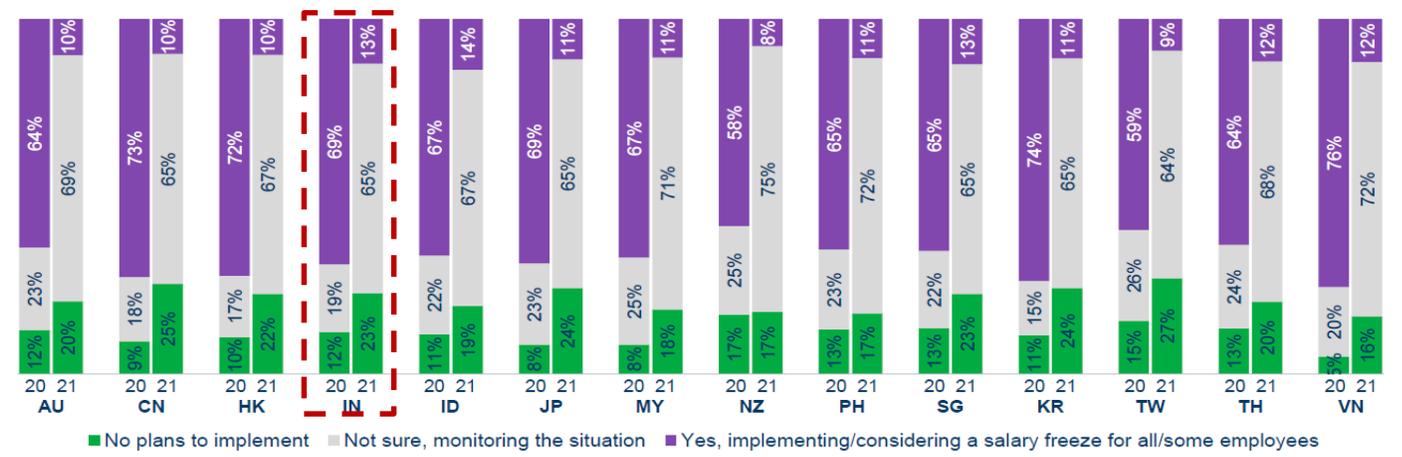
**14%** of the organizations in APAC had difficulties in *hiring* employees in a certain job family during the pandemic; while

**10%** of the organizations in APAC had difficulties in *retaining* employees in a certain job family during the pandemic

% organizations where salary increase budget was affected for 2020 and 2021

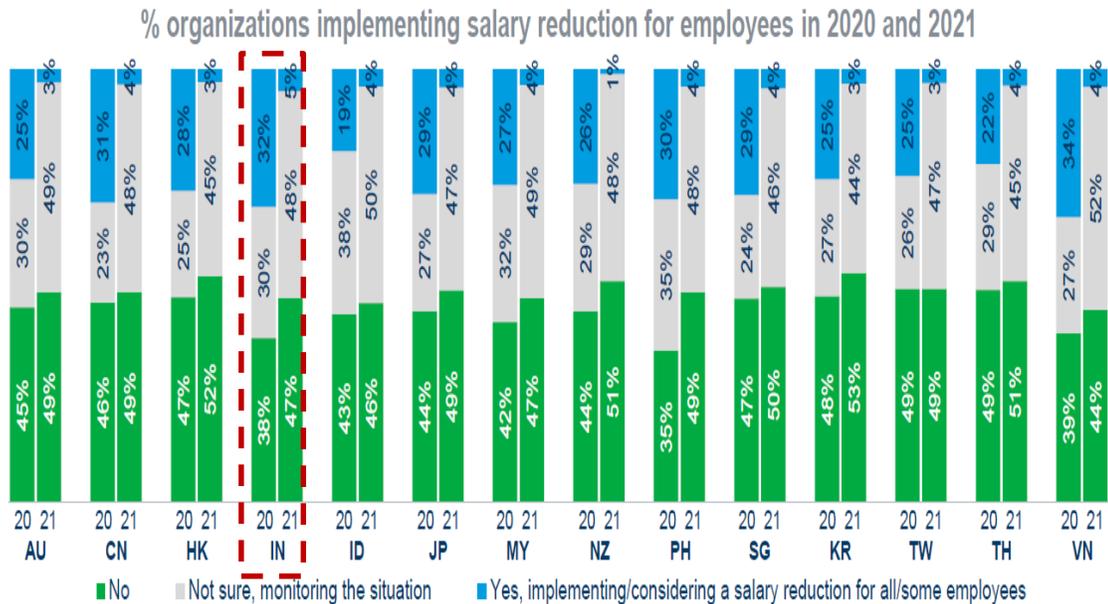


% organizations implementing salary freezes for employees in 2020 and 2021



# Bridging C&B to New Ways of Working in the Hybrid Era

## ❖ Revision in the Fixed and Variable components



### Basic Salary

- Changes to the Basic Pay, **directly impacts** the net take home.
- However, basic salary **reduction is not applicable** by law in some countries, like Indonesia.

### Variable Bonus

- Most companies made **no changes to payout** being made
- But companies are **reviewing their variable bonus policy** in the future

# Bridging C&B to New Ways of Working in the Hybrid Era

## ❖ Revision in the Allowance components

### Allowances

- ▶ The amount **allocated towards some of the allowances** need to be looked at from the point of view of the changed scenario. With more companies opting **for work from home or hybrid working model**, allowances towards **transport, uniform, food/canteen** etc., will **not** be the same **for all employees**, but to be opted as per applicability.

**Redesign Wellness Benefits for the Remote Workforce**

**Provide More Mental Health Support**

**Rethink Financial Wellness**



# Bridging C&B to New Ways of Working in the Hybrid Era

## ❖ Relook at Some Components to Stay Relevant in the Renewed World

- ▶ **Medical Insurance** –Just a few years back, a nominal premium on the health insurance cover was considered unnecessary and a financial burden. Having realized how important it is, companies could allow for **flexible medical insurance plans** with two or three levels of enhanced top-up coverage.
- ▶ **Health benefits** –With more organizations opting for work from home as a perennial possibility, employee health (physical, mental, and emotional) is predominant. Work from home, though welcomed initially with open arms, later found many challenges. All-round **Employee Wellness is a priority** and blanket allowances towards taking care of physical fitness, mental and emotional wellbeing, social connect, etc., could be a part of this.

### Top 3 Concerns of both Employers and Employees:



Annual Physical Exams



Vaccinations



Health Screenings

#### EMPLOYEES



More than 50% feel that the coverage of employee health benefits is adequate, but there is potential to broaden the types of offerings



75% stated that COVID-19 has increased awareness of risk of infectious diseases



53% mentioned that they would use the COVID-19 vaccination as an opportunity to get other vaccinations

#### EMPLOYERS



Only 40% currently cover supplementary health benefits, such as health screenings and vaccines



However, 55% of employers are interested in expanding their program to include additional vaccinations



58% of employers have stated that they are looking to maintain their healthcare budget with an increased focus on cost management and have plans to leverage on technology

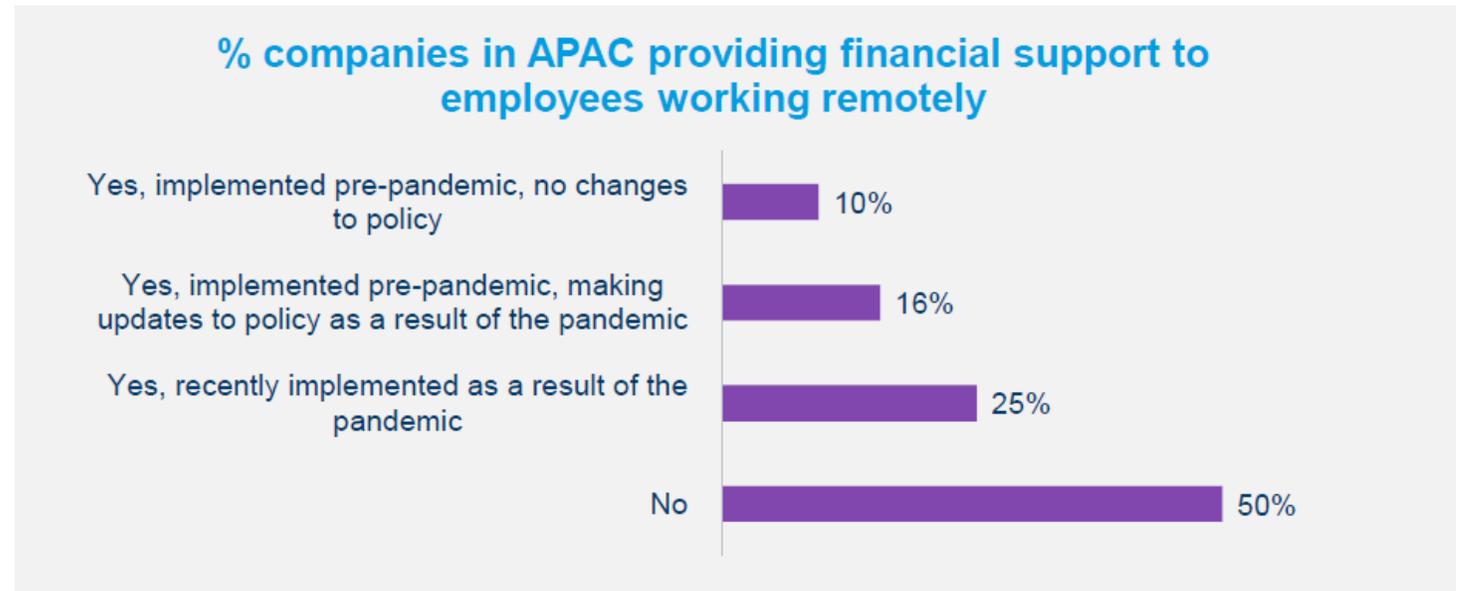


# Bridging C&B to New Ways of Working in the Hybrid Era

## ❖ Relook at Some Components to Stay Relevant in the Renewed World

- ▶ **Introduce Mandatory Leave** – Conventionally, the general habitual practice is to accumulate leaves up to the maximum limit. The cause of it varies from, too much work to managers not willing to approve to individual choice of not taking leaves for whatever reason. It is high time organizations cater a portion of annual leave towards 'mandatory leave', **to promote work-life-balance** (yes, even WFH employees need it). **This will provide the much-needed** respite for employees as well as cut down costs considerably for companies towards **Leave Encashments**.
- ▶ **Designing packages for Gig Workforce** - The expectations of the younger generation, technological advancement, nature of work, the niche skill sets required, shift in ways of working etc., have paved a way for gig work and the trend is going to continue big way. If leveraged well, this could turn out to be **cost-effective for organizations**. Therefore, traditional compensation structure will have to be replaced with something that works for the gig workforce; something that is **flexible yet motivating enough**; benefits and plans that are **performance-driven as well as mutually beneficial**.

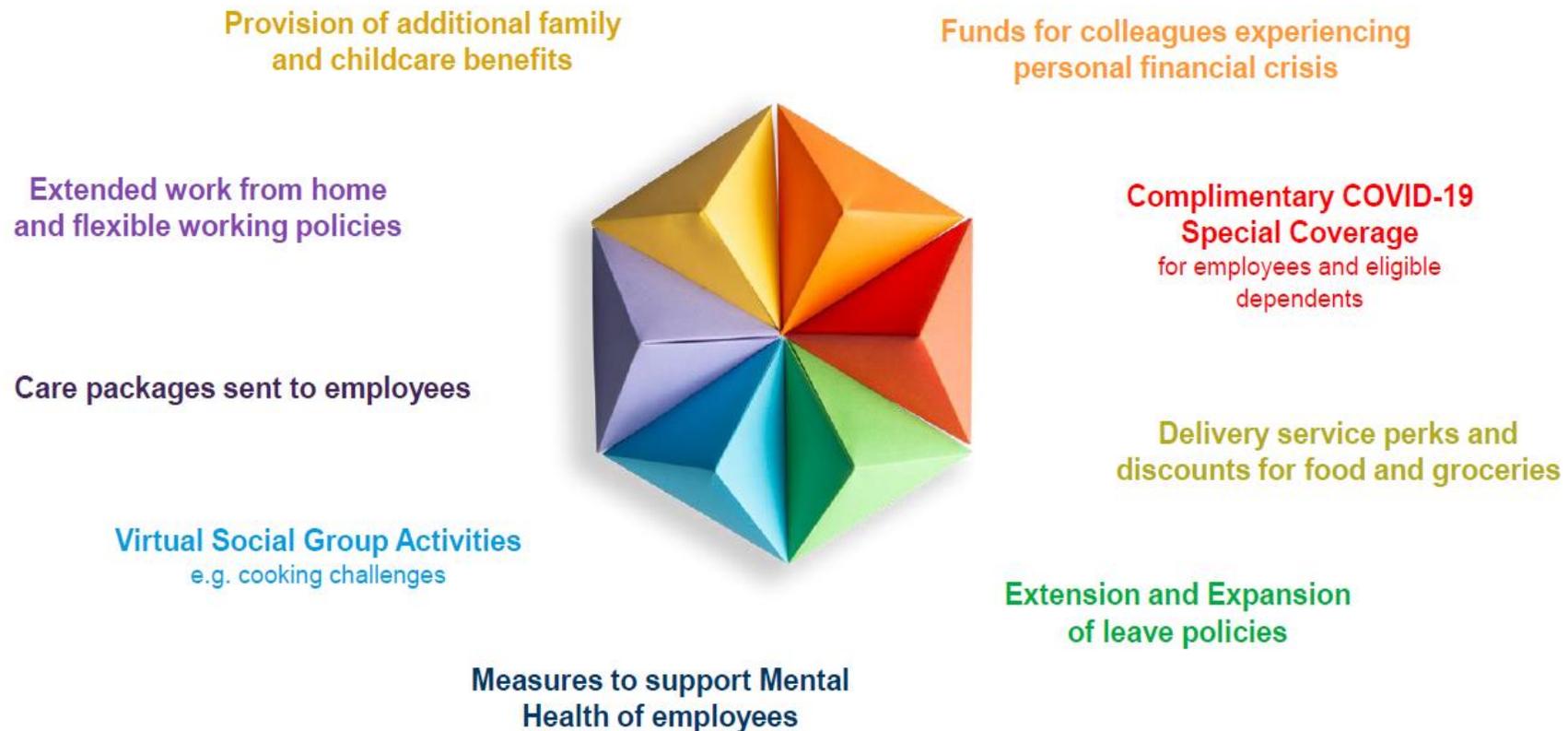
Carry Forward Leave Policies in APAC		
China	88%	5 days
Hong Kong	93%	5 days to be utilized by EOY
Indonesia	83%	6 days to be utilized by end of Q2
India	91%	18 days to be utilized by EOY
Korea	49%	5 days to be utilized by EOY
Malaysia	92%	7 days to be utilized by EOY
Philippines	70%	10 days
Singapore	93%	7 days to be utilized by EOY
Thailand	84%	5 days to be utilized by EOY
Taiwan	61%	9 days to be utilized by EOY
Vietnam	89%	5 days to be utilized by end of Q1



# Bridging C&B to New Ways of Working in the Hybrid Era

## ❖ Relook at Some Components to Stay Relevant in the Renewed World

- ▶ **Introduce new allowances and benefits** – WFH is there to stay for a longer time than expected. Incidentally, not every household is conducive or designed to enable WFH. Hence, companies will have to adopt a different approach to introduce all those benefits and allowances, for employees to support WFH and **also empower them to take care of the family.**



# Hyper-productivity gone wrong..



“The phenomenon that we’ve seen in the last 12 months ... I call this **hyper-productivity gone wrong,**” Tsedal Neeley, a professor of business administration at Harvard Business School, told CNBC’s Tyler Mathisen at a recent CNBC Workforce Executive Council Member Forum.

Source: Samantha Subin, April 23 2021

Tsedal Neeley (@tsedal) is the Naylor Fitzhugh Professor of Business Administration, Senior Associate Dean of Faculty Development and Research Strategy, and Faculty Chair of the Christensen Center for Teaching and Learning at the Harvard Business School.

FUTURE OF WORK

# **Four things workers want implemented by their bosses post- pandemic**

May 7, 2021

# 1. Work-life balance is key

Most employees would prefer a more flexible working model after the pandemic is over.

Working models pre-COVID-19 and desired working models post-COVID-19, % survey participants

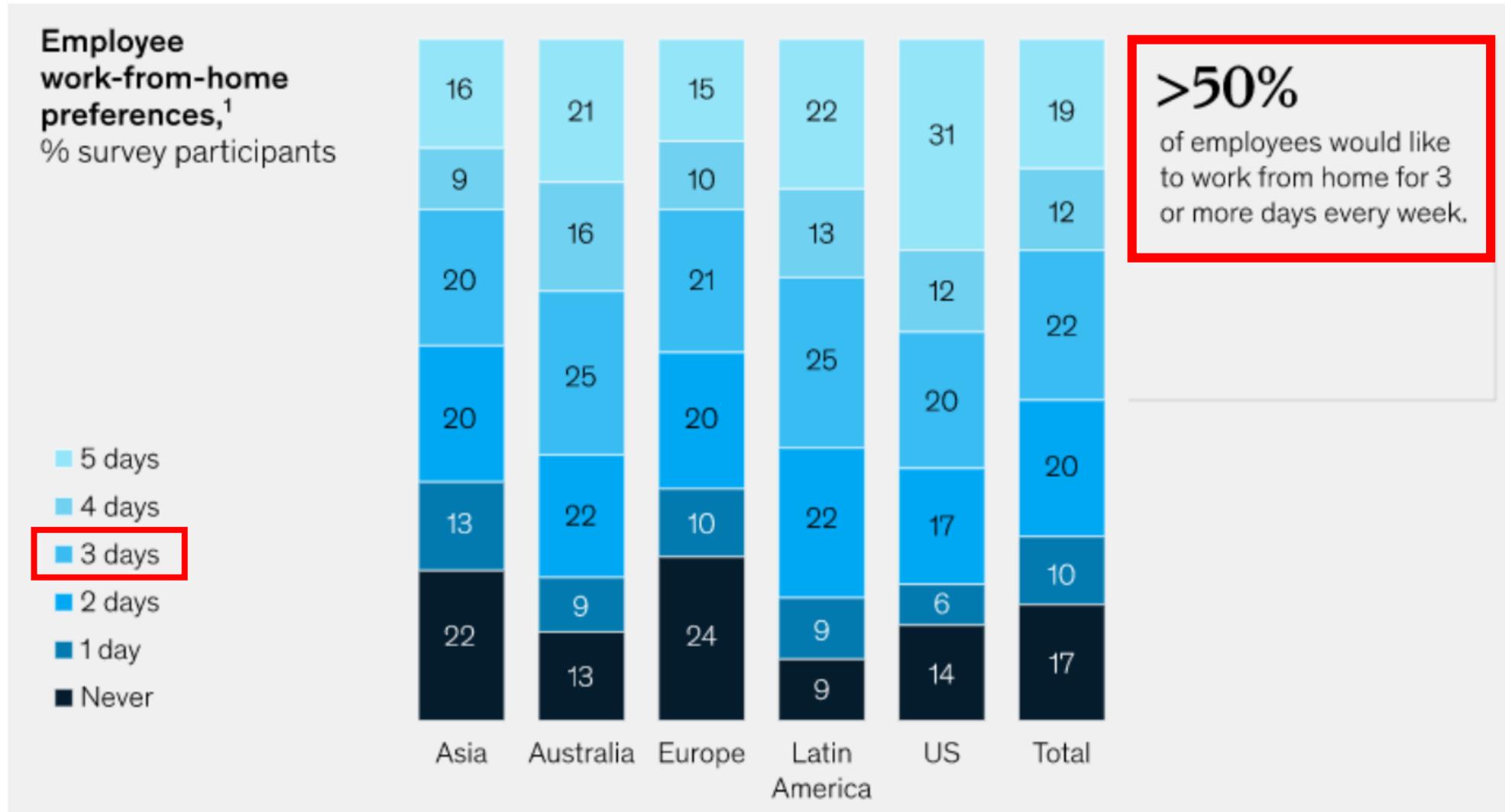


**52%** of workers would prefer a more flexible working model postpandemic.

Source: Reimagine Work: Employee Survey (Dec 2020–Jan 2021, n = 5,043 full-time employees who work in corporate or government settings)

## 2. Flexibility

The majority of employees would like to work from home at least three days per week in the future



# Hybrid Working Arrangement



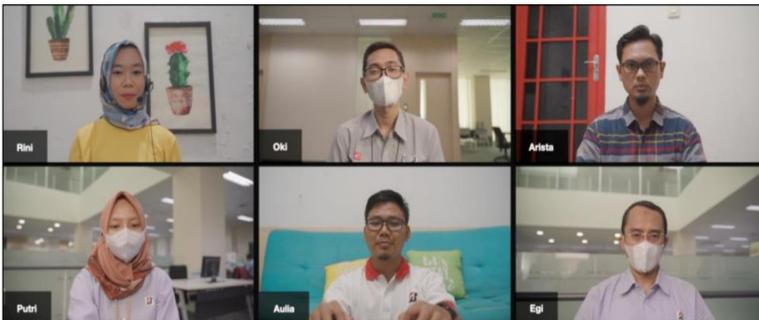
## HYBRID WORKING ARRANGEMENT | Definition of Hybrid Working



### Apa itu Hybrid Working?

What is Hybrid Working?

## HYBRID WORKING ARRANGEMENT | Communication & Productivity



### Bagaimana Menjaga Komunikasi yang Efektif?

How to Maintain Effective Communication?

## BSIN Mengapa kita perlu Hybrid Working

Why We need Hybrid Working?

Model Kerja Bauran yang menawarkan banyak pilihan lokasi kerja, juga menawarkan manfaat keuntungan besar bagi kami.

Hybrid Work Model which offering multiple choice of working location, also provides some advantages.



#### Tren masa depan

Future Trends



#### Meningkatkan Kepuasan Kerja & Produktivitas Karyawan

Increase Employee Satisfaction & Productivity



#### Meningkatkan keharmonisan dalam kehidupan kerja

Improve Work Life Harmony



#### Menghemat waktu perjalanan & Mengurangi jejak karbon

Saved Commuting time & Reduce Carbon Footprint



#### Mengurangi gangguan di tempat kerja

Reduce Workplace Distraction



#### Komunikasi yang lebih efektif

More effective Communication

### Tips Menjadwalkan Rapat

Tips for Scheduling Meeting



Optimalkan rapat selama jam kerja  
Optimize meeting



Hindari waktu makan siang, hari libur, orang yang sedang cuti, dll.  
Avoid lunch time, holiday, people on leave



Selalu konfirmasi kehadiran rapat  
Always confirm your attendance



Selalu periksa jadwal sebelum mengundang!  
Always check schedule before inviting!



2

## HYBRID WORKING ARRANGEMENT | Meeting Management



## 8 Panduan Meeting

Tentukan jenis meeting yang sesuai

Hanya undang orang yang diperlukan

Hindari meeting di atas jam 16.00 setiap Jumat\*

Hindari meeting saat jam istirahat makan siang atau di atas jam 17.00\*

## HYBRID WORKING ARRANGEMENT | After Working Hours Communication



## PEDOMAN KOMUNIKASI SETELAH JAM KERJA

Perusahaan mendorong karyawan untuk mengoptimalkan komunikasi selama jam kerja dan menghindari komunikasi setelah jam kerja dengan prinsip dasar menjaga work life harmony

Memulai komunikasi setelah jam kerja, hanya jika ada hal-hal mendesak atau darurat

Sampaikan pesan mengenai urgensi dalam memulai komunikasi

Bridgestone establishes the Hybrid Work Arrangement as a holistic framework to support employee well-being program.

### 3. Clear vision

Individuals who are not being communicated to are feeling anxious about the future.

The lack of clear vision or plan for postpandemic work is causing me concern or anxiety,  
% survey participants



**47%** feel a lack of clear vision about the post-pandemic world is a cause for concern

Source: Reimagine Work: Employee Survey (Dec 2020–Jan 2021, n = 5,043 full-time employees who work in corporate or government settings)

## 4. Mental health focus

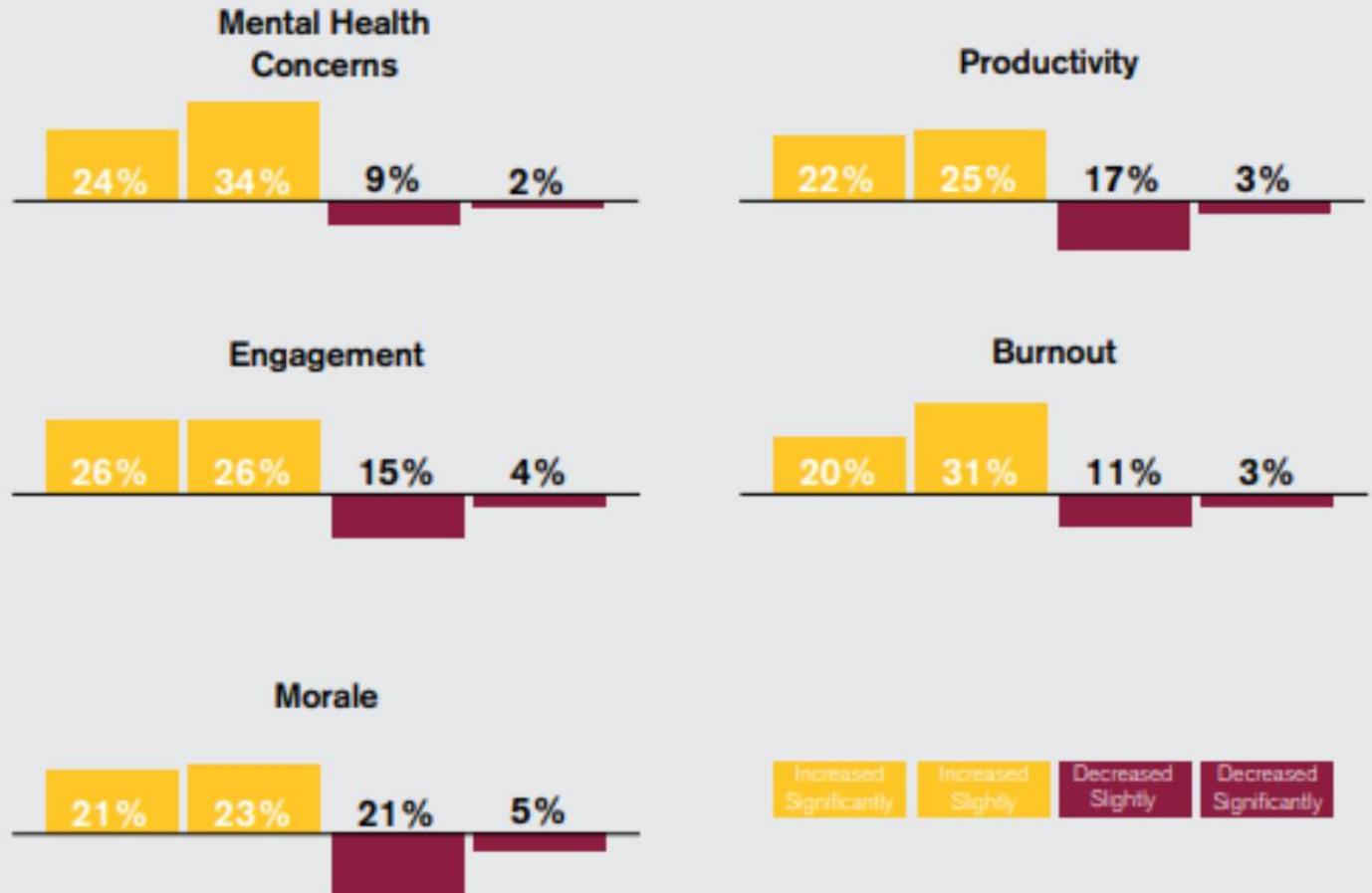
mental  
health



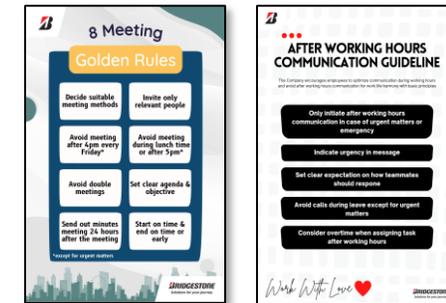
# 50%

Of employers reported an increase in the use of available company resources related to mental health since the pandemic began

How Employee Wellbeing Changed During the Pandemic Compared to Pre-Pandemic



# Employee Well-Being Program



## Financial

1. Webinar financial planning
2. Training/ Workshop Pre-retirement for employee
3. Long service awards

## Physical

1. Annual MCU & follow up consultation
2. Mask & vitamin distribution
3. Mass vaccination
4. Sport activity & hobby
5. Special healthy menu
6. Webinar health talk
7. Medical insurance & online consultation via Fit Aja

## Mental

1. Hybrid working arrangement
2. Webinar Managing Stress
3. Employee Assistance Program

## Social

1. Picnic (team building)
2. Corporate event (Fit & Run)
3. Sport Club
4. Fishing Club
5. Biking/ Cycling Club

Employee Well-Being program focuses on 4 pillars: Financial, Physical, Mental and Social Health

# The Future of Workplace Compensation Post-COVID

## Compensation based on ESG metrics

In March 2020 survey found that only **51%** of S&P 500 companies use ESG metrics in their incentive plans. But in a follow-up survey from December 2020, **78%** of companies said they plan to change how they use ESG metrics within their executive incentive plans over the **next three years**.



## Compensation based on zip code

Some companies are adjusting wages and bonuses for employees who decide to work remotely in areas with a **lower cost of living**



## Minimum wage increases

Low-wage workers, who are disproportionately represented by women and people of color, were hit the hardest by the pandemic. Most of these workers were **unable to work remotely**, and upon returning to work, they may have found themselves with **fewer hours or making less money** in tips.



## Compensation using cryptocurrency

For financially savvy employees, cryptocurrency has emerged as an **attractive alternative** to traditional investments like stocks and bonds



*Thank  
You!*