



HR in Crisis Management – Post COVID-19 20 April 2020

About me :



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1- Human Resource Crisis Management



Economic Realities

1 Uncertainty of MCO period. Cov- 19 is not a short term problem no end in sight for the now.

2 Business is NOT going to be as Usual

3 Significant number of SME's are facing shut downs.

4 Potential spike in unemployment rates.

5 Government assistance may not be sustainable if situation prolongs.

Crisis Management

Pandemics like the COV-19 are reasons why organizations should have or focus on developing a crisis management plan.

The main purpose of a crisis management are:



Business Continuity

Focus on employee well being and retain key talents

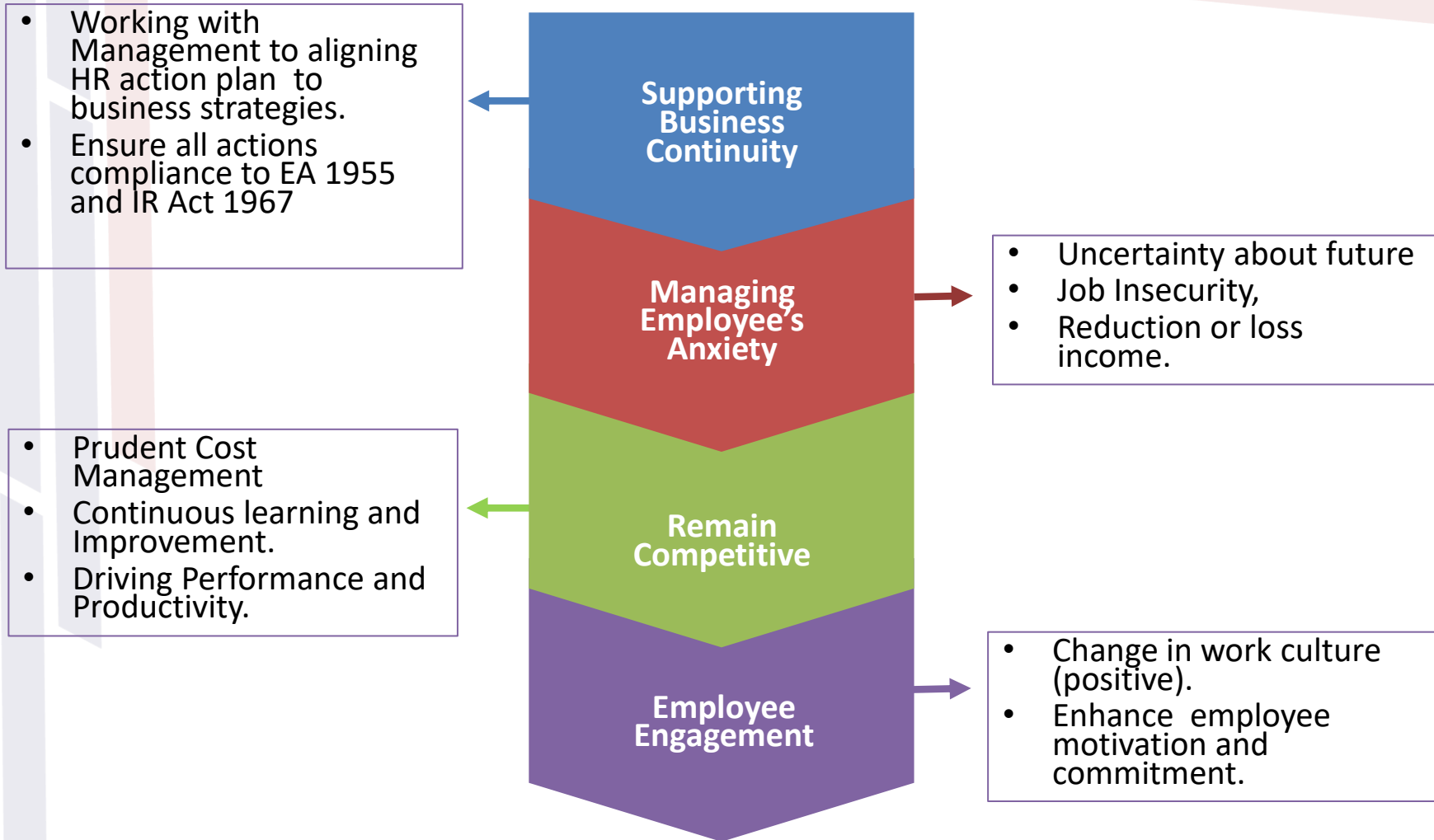
Company's Reputation and Customer Perception

To preserve the organization's capability and competitiveness

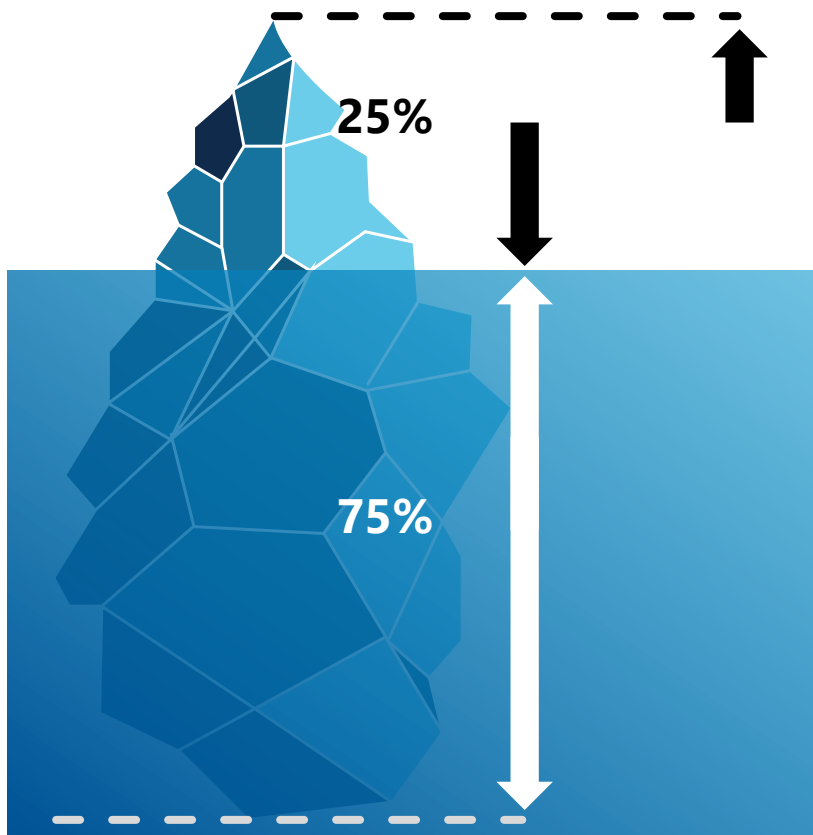
The Human Side of Crisis



Key Area of Focus



Employees Reality



Change in Employment Status

- Reduction in Income
- Loss of employment
- Job insecurity

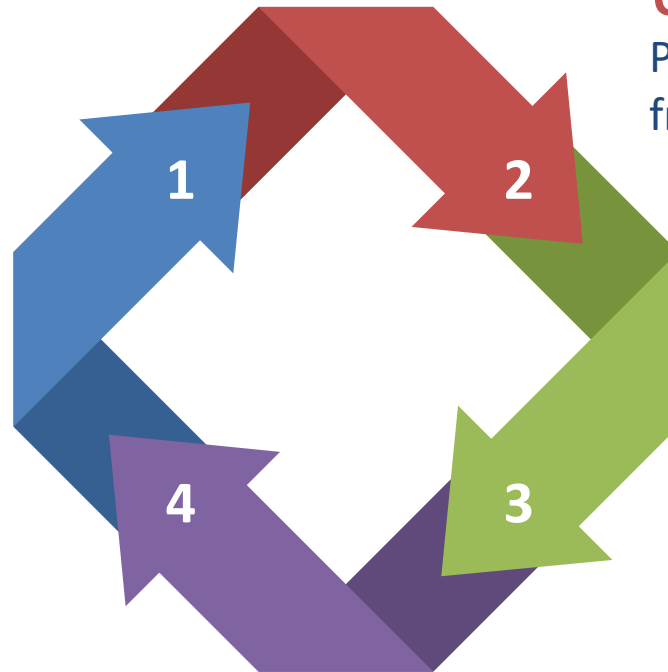
Impact on Employees

- Change in life style - Scaling down
 - Household Groceries
 - Utilities
 - Children Education
 - Medical
- Unable to service loans— Car or property
- Unable to Pay Insurance Premiums

Activity During MCO – Employee Focused

Work From Home

Work from Home arrangement(depending on types of job)



Communication

Provide a clear communication framework for employees.

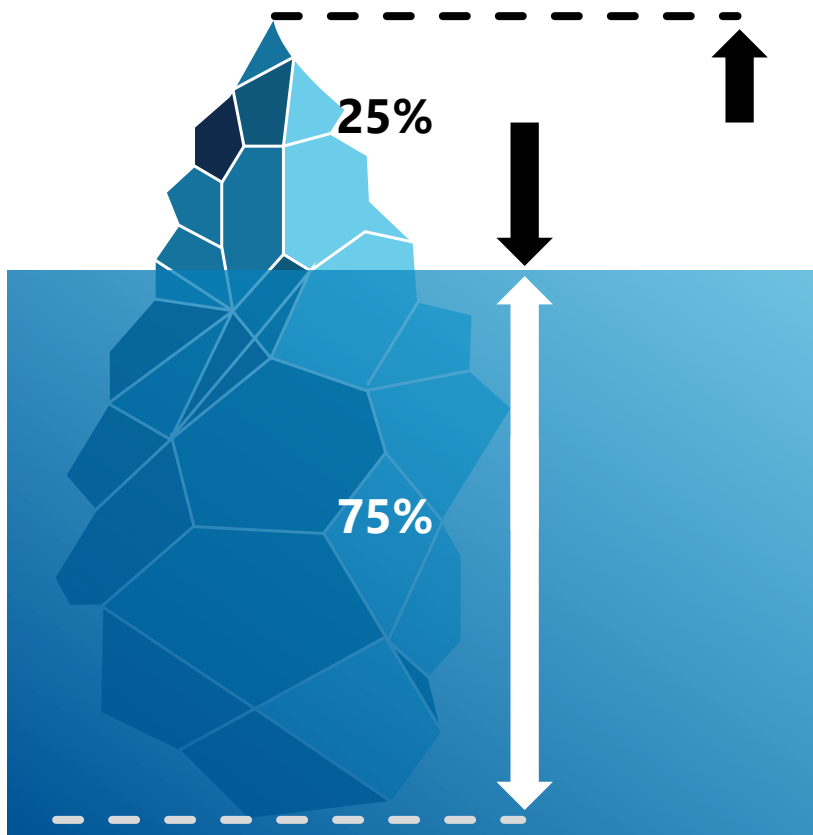
Continuous Learning

Conduct or coordinate online learning for employees.(also depending on job types)

Engagement

Enhance engagement with employees through constants feedback and updates.

Company's Reality



Change in Company's Status

- Loss of Business
- Loss of Revenue
- Facing Loses

Impact on Company

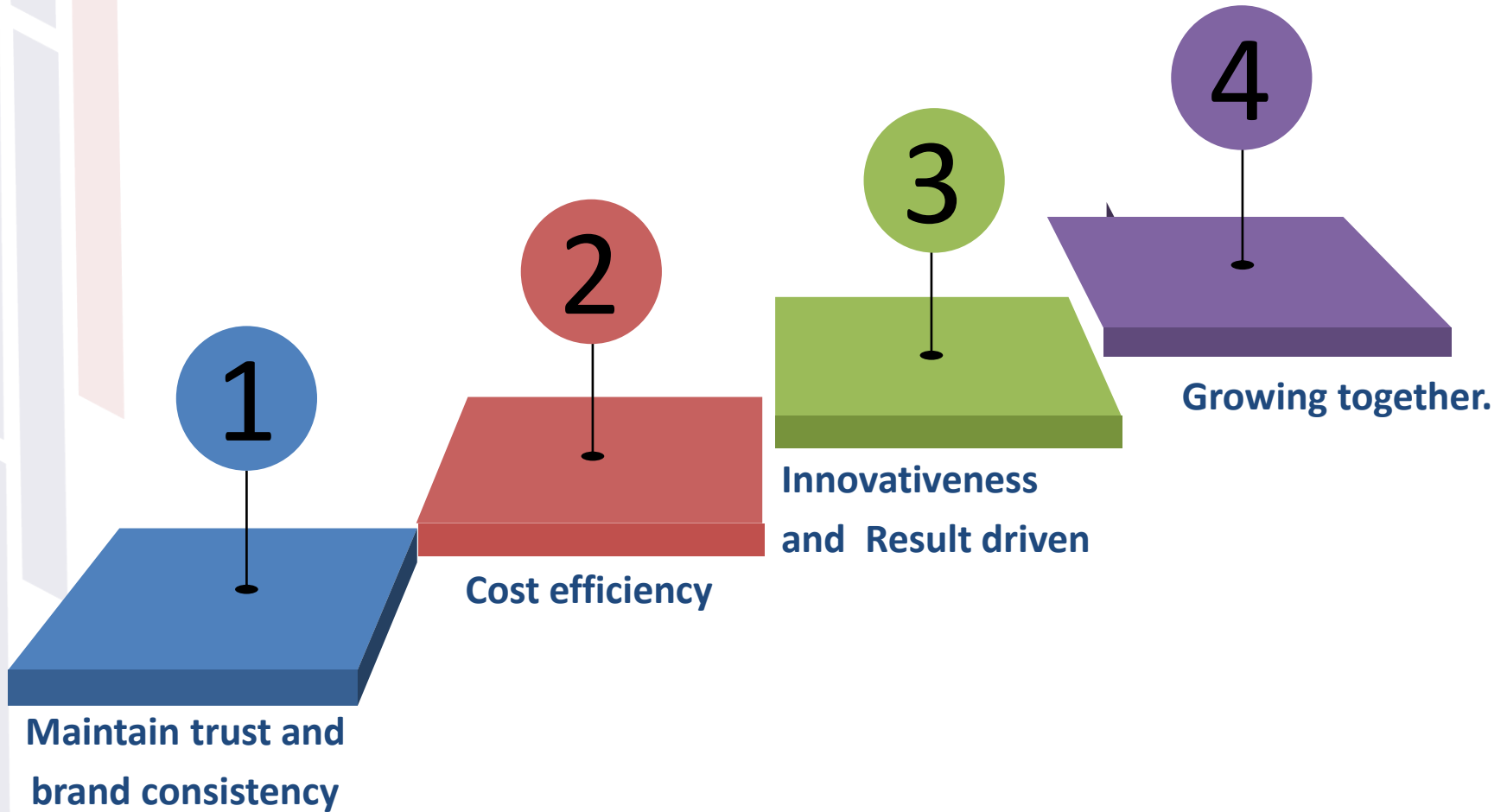
- Manpower cost
 - Retrenchment Benefits
 - Or salaries and Statutory Payments
- Fixed cost
- Unable to pay utilities
- Unable to collect payment
- Unable to pay vendors
- Unable to service loans– facilities /property
- Unable to Pay Insurance Premiums

Activity During MCO – Company Focused

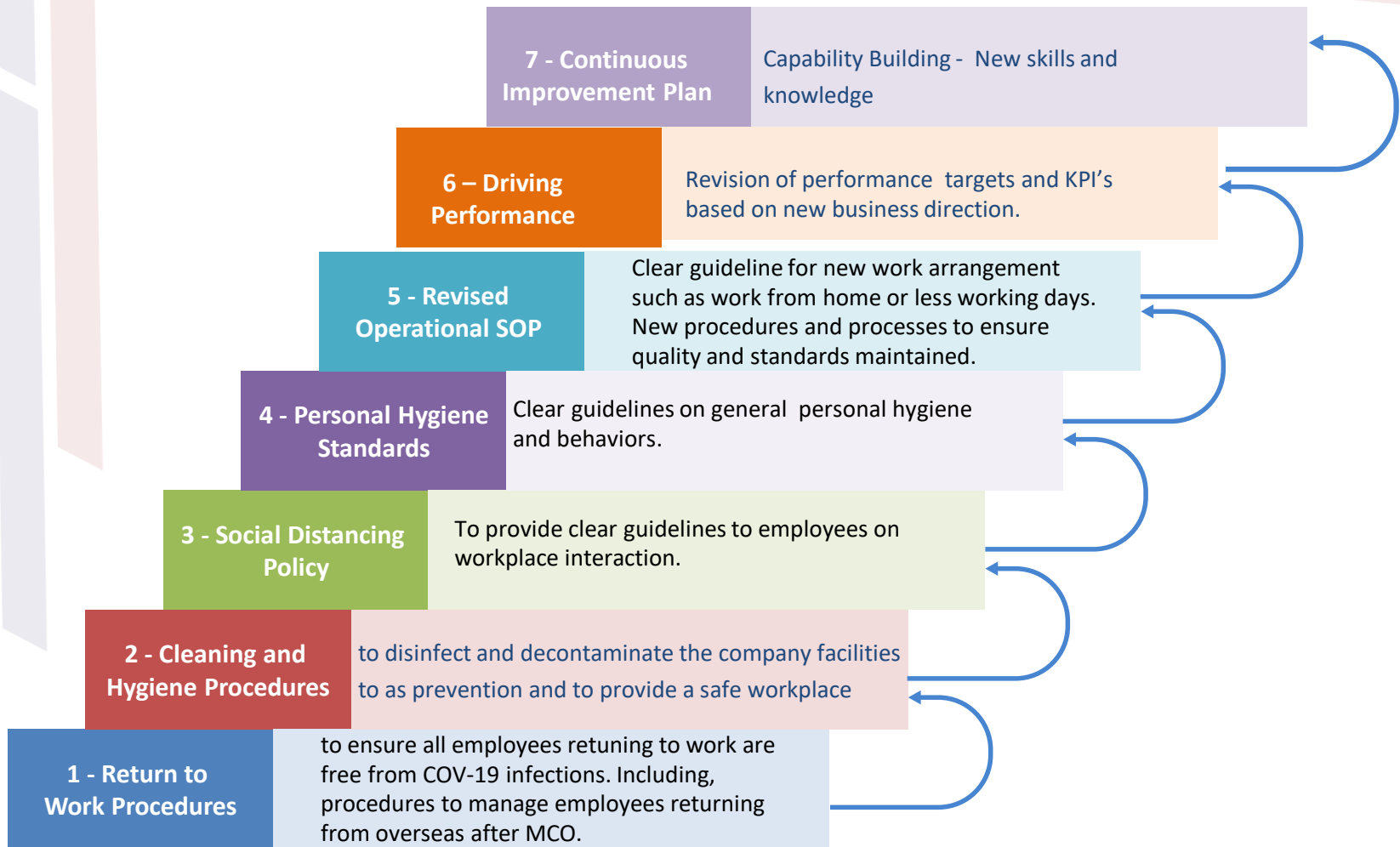
- Manpower Reduction Plan
 - Skills and Expertise that need to be maintained
 - Identify new knowledge and skills required to diversify based on company direction
- 4- **Manpower Structuring plan.**



Business Continuity Key Focus



Post MCO Planning

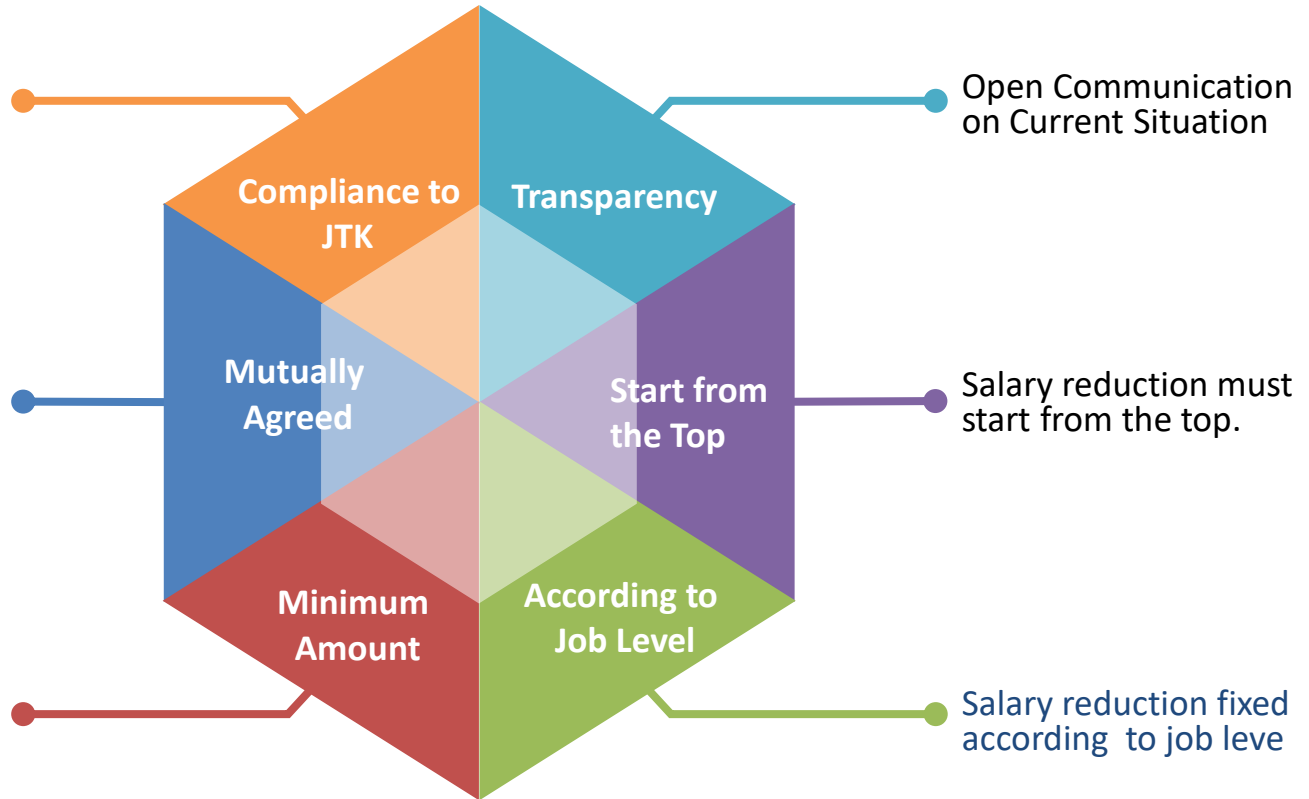


Post MCO – HR Cost Cutting for Survival - Salary Restructuring

Salary reduction must be in accordance to JTK regulation.

Communicate to all employees and gain mutual agreement.

The percentage of salary reduction should be as minimum as possible.



Post MCO – HR Cost Cutting for Survival – Retrenchment

Redundancy

Redundancy, happens when an employer has surplus employee due to:

- Part closure of business /Branch shut down
- Business Closure
- Outsourcing
- Automation

Retrenchment Options

- VSS – Voluntary Separation Scheme
- MSS – Mutual Separation Scheme
- Termination Of Employment

Key points

- All actions must be compliant to Employment and Industrial Relation Act .
- All actions must be deemed fair to employees.
- LIFO approach

Note: LIFO - does not mean the most junior employee in the entire company which has to be retrenched first, but the most junior employee in the relevant category.

▪For example, if the retrenchment is due to the outsourcing of accounting services, employees in the HR department would not be included in the pool.

Termination & Lay-off Benefits Calculation

Length of Service	Less than 2 years	Above 2 years but below 5 years	5 years and above
No. of Days Wage for each year of service	10 days .	15 days .	20 days.

Benefits Calculation Sample :

1. Basic x 12 months ÷ 365 days = Days Wage
2. Days Wage x length of service + basic salary
3. RM 2000 x 12 months ÷ 365 days = RM 65.75 (Days wage)
4. RM 65.75 x 20 days x 5 years = RM 6, 575.00 (Retrenchment Benefits)

Key Take Away

1

Business is not as “usual” .

2

The Human Side of a crisis

3

Act Fairly

Q&A



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