HR Essentials in Turbulent Times

Alignment with Business Strategy

- Make sure you have access to the organization's business strategy¹:
 - Aligning HR strategy with business strategy is key to ensuring agility and strategic HR impact.
 - The HR orientations and initiatives put forward will thus have the expected impact to support the organization in its mission and in the realization of its value proposition.

Workforce Planning and Workforce Management

- Assess the impacts of the planned changes on the design of the organizational structure, its governance model, and the roles and responsibilities of key roles:
 - Identify critical roles and contingency scenarios.
 - Aim for the co-development of a contingency plan across business units, and by department or function.
 - · Consider accelerated succession plans.
 - · Conduct a major HR risk mapping exercise.
 - Run of simulation of HR decisions on the supply chain and financial results.
- ☐ Take advantage of your talent's skills inventory to highlight their ability to cope with anticipated changes.
 - Read our article on this subject: <u>RASCI</u>, the <u>Responsibility</u>
 Matrix Tool: a means for overcoming labour shortages by optimizing the efficiency of work teams.
- Validate your alternatives if the workforce needs to be reduced, for example:
 - Work-Sharing Programs
 - · Short-term sabbaticals
 - Reduced and flexible work schedule (e.g., 3 or 4 days/week) on a voluntary basis
 - Additional vacation without pay

Consult our <u>Survey on Total Rewards in Quebec</u> to learn about companies' practices regarding flexible hours. To give you an overview, **83**% of organizations allow flexible work hours, **55**% allow unpaid leave, and **27**% offer to condense the regular work week².

- · Professional reskilling and training
- Voluntary departure plans
- Forced leave
- Hiring freeze
- Other reductions in hours of work
- · Etc.
- Think about supporting your employees if layoffs are unavoidable, for example:
 - · Severance benefits
 - Maintaining benefits coverage (including continued access to services such as EAP and telemedicine)
 - Career transition support programs
 - Implementation of a change management program
 - If a group dismissal must be made (10 employees or more), make sure you comply with the deadlines and regulations:
 - > Consider all possible options, it may not be your only option.
 - > Before proceeding with temporary layoffs, remember to review and modify, if necessary, the conditions for maintaining group insurance benefits during this type of absence. For more information, see our article on this topic: <u>Temporary Layoffs: The Importance of</u> <u>Safequarding Group Benefits</u>.
 - > Adjustment of compensation and benefits policies
 - Support from independent personal financial professionals
 - Ensure that you understand and respect the requirements related to collective agreements and compliance with labour laws.

^{1.} To learn more about business strategy, we suggest a useful read: What is Strategy? An Illustrated Guide to Michael Porter, Joan Magretta and Heinrich Zimmermann, interlocutor.

^{2.} Solertia Total Rewards Survey in Quebec, 2024.



Ensure that all	staff are	required in	this new	policy:

• See if there is an opportunity to densify talent in the organization.

Talent Management Strategy

- Make sure you are making the most of the impact of key resources in the business. The role of high performers must be considered and optimized in this context.
 - Read our article on this topic: <u>Long-Term Incentive Plan:</u> <u>Integrated Vision, Benefits and Key Success Factors.</u>
- Check that key positions are still the same and secure, and consider implementing a long-term incentive plan if necessary. These functions will be essential to achieving the business strategy.
 - Read our article on this topic: <u>Long-Term Incentive</u>
 Plans: How to Use Them to Support the Evolving Role of <u>Managing Shareholders</u>.
- Develop change management skills for managers who will need to foster an engaging work environment during this time of uncertainty.
- ☐ Ensure that your performance management program is aligned with the business strategy:
 - Encouraging the contribution of key people to the success of the business strategy and defining aligned performance indicators.
 - By focusing on training related to productivity and operational efficiency to compensate for possible cost increases.
- Implement a compensation strategy adapted to your sector and your business context:
 - Review, if necessary, the level of indexation of the salary structure and the salary increase budget as well as the number of review cycles to take into account the uncertainty in your sector of activity and better control financial risks.
 - If necessary, review your total rewards budget in order to optimize it in this new context:

- > For example, make the right choices for your employee benefit plans, including retirement savings and group benefits, by investing where you will benefit the most.
- Read our article on this topic: <u>2025 Salary Forecast:</u> <u>Balancing Cost and Value</u>.

Legal Obligations

- Make sure you are well informed about your obligations if you have operations in the United States or elsewhere in the world, including laws, regulations, insurance, coverages and benefits. In addition, if necessary, adapt your mobility programs.
- Make sure to take advantage of available government programs if you need to train your talents on new knowledge and methods; stay informed.

Employee Support and Communication

- Ensure you deliver a communication plan to employees at the right frequency, using the right channels, with impactful, effective, and reassuring key messages.
- Ensure a proactive and ongoing communication.
- Offer a financial education program to your employees to reassure your employees in the current context of uncertainty to reduce their financial anxiety that directly impacts their mental well-being and productivity at work.
- Offer an Employee Assistance Program (EAP) to support your teams and find out about their additional services in the current context.
- Train your managers on how to effectively support their teams.

Employer Brand

- Revisit your employee attraction and retention strategy through human capital protection and future competitiveness.
- ☐ Communicate your key internal actions externally.