

Stratis Consulting

Business Continuity Planning & Workplace Issues for Covid-19

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1.0 Overview

The current status of the Coronavirus (Covid-19) outbreak indicates that Ireland is likely to see a significant increase in the number of cases over the next few weeks and months. While indications of how big the impact will be are still estimates, employers need to plan for this potential and to ensure business continuity in the event of significant escalation in the number of cases. We have already seen some instances of school and company closures as precautionary measures along with the postponement of several major public events.

Stratis advises employers to prepare well and to assess the risks that could impact the normal functioning of their operations and of their supply chain. Business continuity plans should immediately be put in place to deal with the risks to productivity, service provision and cash flow, addressing both internal processes and the external supply chain. These should address how absence and illness will be managed and how general operations will be maintained with a reduced workforce.

Based on current evidence, there can be no firm conclusion on how severe the virus will be and on the actual percentage of cases. Business should plan for above normal rates of absence. For most employers this will have significant operation and financial implications.

2.0 Introduction to Business Continuity Planning

The fully impact of any escalation in the general population of Covid-19 remains unknown, but in view of the likely increase in absence rates either as a result of people contracting the virus, having to self-isolate or to absent themselves from work for other reasons, due to e.g. care

responsibilities will increase. Even where the direct impact on your business is low, it is also likely to have an effect on other employers in your supply chain and product or service demand. Other businesses in your supply chain may well experience serious operational difficulties which may result in interruptions to supplies.

Spending the time now to assess what areas, processes or suppliers could be most vulnerable to any effects; and at what point absenteeism in general or within specific operations becomes critical, is crucial in order to develop plans to keep businesses in operation.

This guidance should be read in conjunction with *“Business Continuity Planning: Checklist of preparatory actions in responding to COVID-19”*, prepared by the Department of Department of Business, Enterprise and Innovation available on its website.

2.2 Initial Review and Conducting Stress Tests

2.2.1 Direct Operations

Before introducing a plan, employers will need to consider the potential consequences of the virus and how this could affect their existing policies, procedures and operations.

While absenteeism is one aspect, it isn't just those employees diagnosed with Covid-19 who may be absent. Consideration should also be given to employees:

- Who must absent themselves because they have been in contact with a person who has Covid-19 and need to self-isolate, having been given medical advice to do so.
- Who need to care for a sick child or relative.
- Absent due to schools, crèches or childcare facilities closing.
- Are affected by any public transport issues, etc.

There is a need to identify the policies within the company that set out arrangements for absenteeism and where possible to clarify how they apply. These will need to be consistently applied and there will be a need to review what standards are set out for both the employee providing justification for the absenteeism and the length of time they are approved for absenteeism?

Authorised absenteeism will have an impact on operations, but for those organisations where contractual sick pay schemes exist, there will also be an additional financial impact where employees need to have recourse to the sick pay benefit. You should run stress tests on any sick pay scheme, to identify its critical limit and costs. Start with reasonable estimates of absenteeism and continue to see at what point paid absenteeism would cause an impractical financial impact. Depending on the size and nature of the company, higher levels of absenteeism may be more tolerable in some areas than in others. The tolerances by operational area and business unit will need to be determined along with their impact on overall operations.

In summary, you should evaluate:

- What the critical operations are where any absenteeism is likely to have an immediate operational impact?

- What level of absenteeism is likely to cause this operational impact?
- Determine, for all operations what absenteeism rates would result in the “shutdown” of those operations.
- Short of any ‘shut down’ threshold being reached, what levels of absenteeism would trigger significant operational impacts?

In the case of outsourced operations, employers will also need to assess the readiness and continuity plans of their contractors or third party providers to ensure that they can still provide a product or service. If there are high levels of absenteeism in general, it is likely that many employers could need to supplement their workforce with indirect labour or contingent workers and so availability could be limited. Employers should ensure that, where required, they have an adequate number of indirect employees for critical operations.

2.2.3 Suppliers

If supplier operations are adversely affected by Covid-19, then this could have significant consequences for all participants in the supply chain. Therefore, it is essential that any suppliers providing essential goods and services also have suitable continuity plans in place. It is likely that goods supplied generally fall into three categories:

- Goods/raw materials where if there was any interruption to their supply it could have an immediate impact on operations.
- Goods where an impact on supply will have a delayed impact, or only affect less critical operations; and
- Goods with no direct or medium-term impact on direct operations.

It is worth categorising your suppliers by each type and to establish if they have continuity plans. Also, where a lack of goods or products could have foreseeable operational impacts it may be worth considering asking the supplier to ring-fence certain stock levels to ensure that business supply is not affected.

It may be necessary to identify potential alternative suppliers of essential goods. While most suppliers would be amenable to ring-fencing stock, they may only consider this on a limited capacity in order to ensure supplies to other employers; therefore it may be necessary to ensure that additional adequate stock can be sourced from an alternative source in the event the existing supplier is affected by Covid-19.

It may also be necessary to consider potential sources of indirect labour for these services as a reserve option where potential problems with the supply may exist. Where this occurs and where indirect labour or other forms of contingent work is used, employers will need to ensure that systems are in place to adequately induct and inform this labour pool of any operational standards and compliance requirements the host business requires prior to such work beginning.

2.2.4 Logistics

Whether direct or outsourced, a pandemic could present logistical problems with supply deliveries and getting goods to customers. While this is more likely to be as a result of in-house

absenteeism transportation issues may also arise, which may delay or even limit the transport of goods.

In the event of disruption to or a curtailment of rail, sea or air services, employers will need to evaluate alternative means of transporting goods in order to maintain continuity of service to their customers and clients.

2.2.5 Energy and telecommunications Services

It may arise, that where energy and telecommunication suppliers are impacted, it may be that response times to failures or a fault may be affected. Therefore, it is important to identify the impact of a short-term lack of supply to certain operations where access to energy and telecommunication services are key.

In many cases employers will have generators or uninterruptable power supplies to provide temporary power. However, employers should ensure that this equipment is serviced, tested and maintained so that in the event of a loss of power, they will be fully operational.

2.2.6 Customers and market

A common assumption is that customer demand may drop as a result of an escalation of Covid-19 cases. Naturally it is worth evaluating the effects of any drop in demand. However, depending on the type of operations, demand may increase for some products and services. Employers who provide services to the health care industry and other essential services, may find a significant increase in demand for their services. As part of their plans, it will be necessary to ensure that consideration is given to how those demands could be met, especially if the business may be faced with high absenteeism.

3.0 Developing a Plan

Once critical operations and limits are assessed for their impact on operations, employers should have a coordination group which will review those findings and to develop plans to ensure continuity.

3.1 Planning

Based on the initial review, employers will now have a clearer indication of what their most vulnerable operations or supplies are and at what point any effect becomes business critical. From the information gathered it will need to be analysed to see what can be done to counter those effects and to ensure business continuity.

The key stages when planning is to:

- Establish a coordination group to prepare and co-ordinate continuity plan
- Nominating deputies for staff members should they be absent, including of key personnel.
- Plans for cross-training and alternative labour sources for key operations.
- Plan for opening and maintaining communication with all employees.
- Manage any increase in uptake of leave arrangements.

- Ensure the supply of essential goods and services
- Plan for quarantining, screening and limiting further risk of exposure to the virus.

3.2 Continuity plan coordination

Employers should have an overall coordinator for their continuity plan; however, some decisions may be outside their areas of expertise, resources or authority. The coordination Group should be representative of all key operations and groupings and those on the group should have the delegated authority to make operational/business decisions which in some cases may follow consultation with employees.

The Group will effectively approve plans and policies on behalf of the organisation. They should lead any testing of the plans and coordinate their implementation and communicate the plans to the whole organisation. The Group will be the focal point for implementing and monitoring the plan if it must be activated.

3.3 Nominating deputies

From the initial review, employers will know the critical roles and tasks that would have the most significant and immediate impact on operations. Within those operations and roles, consideration must be given to who would deputise in the event of Covid-19 affecting key personnel. In some cases, this may be senior management or those at executive level and any deputy would need to have enough knowledge and authority to make operational decisions. Once nominated, those deputies will need access to relevant information, training, resources and support in the event they must take on that role.

Employers will need to ensure that deputies exist for all vulnerable business critical operations and roles as far as is possible.

3.4 Cross-Training and alternative labour sources

Not all operations will be affected evenly, so while certain departments or tasks may be heavily impacted, others may not. Therefore, where possible the business will need to consider which critical tasks can be covered by cross-training. This should be done as soon as possible so that there is a smooth transition in redeploying labour if the plan must be activated.

Redeploying labour may involve requiring staff to operate at different sites and locations and so this will involve levels of consultation and communication with employees at an early stage. However, the emphasis here is on business continuity and this should inform all such consultations.

Where cross-training is not practicable due e.g. to specific technical requirements then it will be important to identify alternative labour sources and to begin discussions with staffing providers or other sources (e.g. retirees, agency staffing) of this labour to ensure, as far as possible, an adequate supply.

3.5 Communication

A communication strategy is needed to keep employees, suppliers and customers fully informed about service continuity and business operations. At the core of this should be a central 'co-ordinator' to manage the organisations response and ensure that resources are

redeployed, company procedures and policies clarified, and provide up-to-date reliable information to help protect staff and reduce the impact on productivity and service levels.

Part of the remit of the coordination Group is to act as a contact point for information over prescribed operations and services, however how this information is to be disseminated will need careful planning.

It may be beneficial to assign a central number to be the general contact point for employees regarding any impact issues due to Covid-19, for reporting illness or contacts with others who have the virus, absenteeism, etc. If there is an escalation in the scale of the spread of the virus, then it is likely that there will be an increase in the number of employees accessing welfare, leave and absenteeism policies. It may be more manageable if this was coordinated through a central contact number and through a dedicated team who would keep Group members updated on the levels of absenteeism and which operations may be reaching a critical point.

3.6 Ensuring essential services

The Group should ensure that key services and goods are coordinated, ring-fenced, etc. However, there will be a need to ask suppliers for a designated contact (or nominated deputy) with whom contact can be made directly to seek the release of supplies or to arrange for services at short notice.

3.7 Potential screening and quarantine measures

The HSE guidance on Covid-19 planning contains details and information on measures employers could consider for limiting the impact and spread of Covid-19 on personnel and operations.

It will be for individual employers to evaluate their needs and the respective control measures from the information in this guidance.

3.8 Doing

From the initial review stage, employers will know at what point, the business continuity plan must be activated. All those with a key role in the plan will need enough information and training so that if the plan needs to be implemented, they are able to operate to the plan.

In addition, the business should ensure that employees are informed of their role in the plans, general and regular information on the status of the virus epidemic and measures they can take, any changes necessary to operations and activities, etc.

3.9 Checking

The Coordination Group should engage with managers and key personnel to continuously evaluate the effectiveness of their plans. Planning for the full effects of the virus is extremely difficult as it involves a considerable number of unknown circumstances, parameters and general estimations of likely impacts.

There will have to be a regular review and modification of plans to suit the evolving situation. Ensuring there is open dialogue with those employees who have been designated as in key roles and retaining flexibility to adjust and tailor plans to suit even local needs and circumstances will be important.

However, where a detailed initial review has been completed, this information will prove critical to the coordination of the phases and stages of any plan. Being able to identify where some operations are under stress or reaching a critical point will allow for alternative measures to be activated and to avert any significant operational impact.

4.0 Responding to Workplace Issues

Employers need to ensure that their absence, attendance and sick-leave policies are clear and robust. The key message for employees is if they are symptom-free they should attend work, unless advised otherwise.

Employers need to re-communicate the relevant policies to all employees and reinforce key aspects such as what constitutes acceptable reasons for absence, the notification and certification requirements and the social welfare procedures.

It will be necessary to prepare policies on attendance by employees who are infected, or are suspected to be infected, with the virus. It is also necessary to identify work organisation measures that can be taken to reduce potential for employees who are in the workplace to infect each other.

Apart from where sick pay arrangements are contractually in place, there is no automatic entitlement to payment where a person must absent themselves from work owing to the impact of the Covid 19 virus.

Otherwise, it needs to be recognised that employers will have different capacities to fund sick pay, even where this is considered on a discretionary basis for employee's impacted by the unique circumstances of the Covid 19 Virus. Even where an employer decides to pay normal pay for a minimum period employers may have to keep this under review and even to cease payment, given the potential costs involved, should the extent and impact of the virus have a deeper impact on the business. As an alternative, employers may have to consider interim solutions such as voluntary leave, paid or unpaid leave, or even the need to have recourse to temporary lay-offs or short-time working.

Discussions have taken place between the Government and the social partners concerning the need for additional measures concerning welfare payment support and remuneration issues in relation to those isolating by reason of Covid-19, so employers should watch out for further guidance in this regard. On the 09.03.20, the following new income support measures at a cost of 2.4bn were announced by the Government:

- Waiving the requirement for six waiting days in respect of Illness Benefit for medically certified cases of self-isolation due to Covid-19 in accordance with public health guidelines.
- The removal of the means test requirement for Supplementary Welfare Allowance in respect of medically certified cases of self-isolation.
- To contain the transmission of Covid-19, the personal rate of Illness Benefit will be increased from €203 per week to €305 per week for a maximum period of two weeks

- of medically certified self-isolation, or for the duration of a person's medically certified absence from work due to Covid-19 diagnoses.
- Self-employed people will be entitled to receive either illness benefit, or non-means tested supplementary welfare allowance.

Also, if the person is not diagnosed with Covid-19 but is advised or directed to self-isolate by a doctor he/she can currently apply for income support from the Department of Employment Affairs and Social Protection.

If an employer asks an employee to stay at home as a precaution or puts an employee on a period of temporary lay-off and does not continue to pay wages, the person can apply for income support in the form of a jobseekers' payment or Supplementary Welfare Allowance.

A challenge is to ensure the full community support for those measures needed to tackle the virus and to not dissuading workers from self-isolating where necessary while also having an approach that does not unduly impact on employers.

In preparation, redeployment options should be assessed along with the need for cross-skilling of employees to maximise flexibility. Pragmatic policies on the use of flexible work locations (e.g. teleworking) and flexible working times (e.g. shift working) should be examined along with the provision of ICT infrastructure to support teleworking and remote customer interaction, where possible. For the avoidance of doubt, where it is possible for some employees to work remotely from home and are required to do so by the employer they should be paid as normal.

Employers will also need to be mindful that where some employees are asked to work longer hours the business should be careful to adhere to the obligations governing breaks and rest periods set out in the Organisation of Working Time Act 1997.

Where feasible, employers and employees should consider annual leave or periods of unpaid leave for employees where absence is necessitated to care for others who may become ill with the virus.

There may also be situations where an employee may not wish to attend the workplace because of fears of exposure to the Covid-19 infection. They should be given the appropriate assurances about what measures have been taken by the employer to ensure their health and safety at work and of adhere they can access additional support, if needed. Having considered the risks and where the employer is of the view there is no increased risk for the employee, the person can be requested to attend work as normal. Otherwise the absence may be treated as unauthorised.

As already stated, in some instances it may be possible to allow employees who wish to do so to work from home or to take paid annual leave or unpaid leave. It will be important to recognise that some additional flexibility may be required for those employees who are reporting as being pregnant or who may be at high risk for notified medical reasons. Where necessary, the employer must reserve the right to require the individual's physical attendance at their primary location for work as may be necessary.

To help prevent the spread of the virus, the need for hygiene practices should be enforced, specifically regarding cough/sneeze etiquette, correct hand-washing procedures and reducing the number and length of face to face meetings.

Organisations should also ensure they have adequate supplies of infectious control supplies (e.g. tissues, bins, disinfectant wipes, hand sanitisers). It will also be necessary to plan for frequent and effective cleaning of the workplace.

All non-essential travel to affected countries or regions should be avoided and there should also be a review of options for high risk individuals (particularly employees with genuine health concerns).

There is also a need to plan for measures to reduce face-to-face contact with customers / suppliers and between employees from different sites and locations.

Other issues which should be considered include:

- Need to consider whether employees have recently travelled to or are intending to travel to any affected country or region where cases of the coronavirus have been positively identified. The advice and guidance from the Health Protection Surveillance Centre and by the Department of Foreign Affairs should be followed in the first instance.
- If an employer is aware that an employee has travelled from one of the affected countries or regions or that an employee has been in contact with a person with the virus, the employer can require that employee to remain at home for health and safety reasons.
- Pragmatically, employees who are informed by their employer of the need to self-isolate at home for a 14-day period, who are not displaying virus symptoms, will expect to be paid for that period.
- If employees must travel abroad, they should follow the infection control precautions outlined by the World Health Organisation (WHO).
- Need to review relevant insurance policies.
- Adhere to any guidance on policies and procedures when dealing with employees who may have returned from an affected region.
- A decision to require an employee to attend a medical examination to confirm the employee is fit to work if there are concerns following an employee's return from an affected region.
- Arrangements for liaising with each employee during an absence from work.
- In the application of all measures during a period of heightened anxiety in the community which may be reflected in the workplace, people should be reminded that they are expected to be respectful of others and to adhere to dignity at work and other relevant policies on behaviour at work.

5.0 Conclusion

At this stage, there is still much uncertainty as to the full business and workplace impact of the Covid-19 epidemic. However, there is now a risk that there could be significant business interruption. Careful consideration of where these potential impacts could result in the greatest business interruption will at least ensure employers are able to activate plans and changes before they adversely affect operations. Considering the emerging public health advice and guidance, employers will need to keep their policies under review as these may need to be adjusted as circumstances change.

Given what is a fast-changing situation, employers should keep up to date with any guidance issued by organisations such as the WHO, the HSE, the Department of Health and the Department of Foreign Affairs and review their practices and procedures as required. Further information is available from:

- [World Health Organization](#) (WHO)
- [European Centre for Disease Prevention and Control](#) (ECDC)
- [Health Protection Surveillance Centre](#) (HPSC)
- [Department of Health - Coronavirus COVID-19](#)
- [Department of Foreign Affairs - Updated travel advice on Coronavirus \(COVID-19\)](#)

About Stratis Consulting.

Both Brendan McGinty as Managing Partner and Brendan McCarthy and Liam Doherty as Senior Partners in Stratis provide consulting support to a range of clients operating at Leadership Team, Chief Executive and Board levels to support organisations who want to lead improvements in critical areas of *Employee Relations, People Strategy and Workplace Innovation*.

We provide partner-led, practical advice and are personally available to advise and support senior leaders on any sensitive people strategy issues from their development through to implementation. With our career experience and that of our team of Associate Partners, we use this unique knowledge and insight to the advantage of our clients in leading people strategies.

Our Team comprises seasoned practitioners who have a track record of successful delivery of IR/ER projects - from initial planning to execution and have career experience of conducting complex negotiations at all levels and sectors. Full background details of our team can be provided on request.

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