

# Fortune (500) telling - how America's top CEOs see the future after Covid-19

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With most companies in South Africa now permitted to operate under the Alert Level 3 of the lockdown, many of us are feeling less anxious, with a sense that life is returning to a new type of normal. Most parts of the world are in a similar position, with a lot of us returning to work and, in some cases, once again being able to socialise (although at a distance) with family and friends.



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Even though we are starting to see light at the end of the pandemic tunnel, we still have a long way to go before life can return to a pre-Covid-19 type of normality, with many questioning if it will ever fully return. From a business point of view, we can draw insight from the CEOs of 2020's Fortune 500 list of companies, due to a recent survey conducted by Fortune 500. The survey looked specifically at how these companies have dealt with the pandemic and how their CEOs are planning for the future.

The majority of CEOs predict that business travel and a continued physical presence in the office will never return to the levels seen in 2019. The accelerated technological transformation of their organisations, experienced by three quarters of the CEOs surveyed, may be the reason for this. Further, the majority of the Fortune 500 companies only expect to return to the same level of capital spending in 2021, with 2022 being a close runner-up. Economic activity is also only expected to return to the pre-pandemic levels in the first quarter of 2022.

In this survey, most of the CEOs had not yet resorted to laying off employees during the pandemic. In addition, the number one concern of 60% of the CEOs was keeping employees safe and productive during this time. However, more than half of the companies still expected to employ slightly less employees by January 2021 than they did in January 2020. This may hint at an increasing trend towards restructurings and redundancies in the last six months of 2020.

During these unprecedented times, companies (and their people) must be resilient in the way they manage the crisis. Many companies will also need to implement strategies and plans to recover from the impact of this pandemic.

## Retrenchment

From an employment law perspective, companies considering restructuring or retrenchments should explore creative solutions to avoid or mitigate potential terminations. If there had been any doubt about the dire need for this approach

previously, the impact of COVID-19 on businesses has confirmed that all creative alternatives to further job loss must be encouraged. Where reductions are unavoidable, humane ways of parting ways should be explored.

The South African government has not imposed a moratorium on retrenchments during the lockdown. However, it has encouraged employers not to retrench employees, but rather to have recourse to the Temporary Employer/Employee Relief Scheme (TERS). In terms of this scheme, where an employer is unable to pay salaries due to financial stress as a direct result of the pandemic, the company may qualify for the TERS.

An employer may not disregard other employee rights under the guise of exploring alternatives to retrenchment. However, where the employer can avoid the negativity and insecurity induced by mass consultations about proposed redundancies, it should be permitted to explore reasonable lawful alternatives.

## Workplace strategies and guidelines

In terms of workplace strategies, working from home is likely to have a fair impact on workforce planning going forward.

*Johan Botes previously discussed the National Bureau of Economic Research's paper - Does Working From Home Work? Evidence from a Chinese Experiment - [here](#):*



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For those employees who do return to the workplace, businesses commencing operations after the lockdown must take note of the government-mandated obligations placed on them to keep those who are returning to the workplace safe.

On 4 June 2020, the Minister of Labour and Employment issued a Consolidated Direction on Occupational Health and Safety Measures in Certain Workplaces (Directions), replacing the previous directive issued on 29 April 2020. The Direction defines a set of minimum standards that employers must implement to mitigate or eliminate the risk of transmission of Covid-19 in the workplace, including undertaking a risk assessment, implementing social distancing and symptom screening measures, and giving employees the right to refuse to perform work.

In terms of the Directions, if an employee can reasonably justify that there is an imminent and serious risk of exposure to Covid-19, they can refuse to perform work. Where an employee refuses to perform their duty due to an imminent and serious risk of exposure, an employer may not make any deduction from the employee's remuneration. Further, an employer may not discourage an employee from exercising this right or disadvantage, discipline or dismiss an employee if they do. Employers should allow employees to work from home, where possible, or implement mitigating measures, to avoid exposing employees to an unreasonable risk of Covid-19.

Businesses that adhere to the legislation and guidelines, as well as those that have their finger on the employee pulse in terms of initiatives that resonate with their teams, will have a strategic advantage in ensuring their operations are able to adapt to the new normality that Covid-19 has created.

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