Navigating Healthcare Employee Rewards during the COVID-19 Pandemic

As COVID-19 continues to disrupt and at times overwhelm the healthcare industry, providers are struggling to meet the needs of both their patients and employees. They must act fast and deliberately to support, manage, and protect their most important asset – their people.

Pay & Staffing

We see a variety of approaches, with no “one-size-fits-all” solutions, as healthcare organizations work to maintain and reward their employees.

Workforce Agility

Most non-essential employees are working remotely from home. Other employees are being redeployed into newly created roles such as temperature monitors, hotline operators, PPE coaches, etc. The challenge here is the highly specialized nature of healthcare and the lack and cost of cross-training. Focus on key roles needed for various risk scenarios, determine minimal job requirements and transferable skills, and fast-track the necessary training.

Staff Furloughs

Assuming most staffing cuts will be temporary, a number of organizations have begun furloughing employees. In most cases, benefits are continued, compensation is stopped, or in some cases reduced.

Wage Freezes

While few healthcare organizations have reported freezing wages, we anticipate most will consider halting merit increases and deferring bonuses until the crisis abates.

High-Risk/High-Intensity Pay

Usually utilized in areas such as ER, OR, and ICU, high-risk/High-Intensity or “hazard pay” as it sometimes is labeled, has become a hot topic. Although few organizations have yet to formalize such initiatives, we are seeing increased requests for program options in regions facing high contagion rates, continued shortages of protective gear and burdened staff. Based on our experience, we generally recommend cash incentives be used in such situations given their immediate and powerful impact. We also recommend avoiding the term “hazard pay”, for its negative connotation and the difficulty in defining and defending these programs in courts of law.

Recognition Pay

Although this timeworn approach has fallen out of favor, monetary or non-cash awards could go a long way. While financial rewards are most common, acts of recognition during this crisis will long be remembered and will help shape your organization’s culture going forward.

Hiring and Onboarding – Most healthcare organizations have adopted a virtual approach to job fairs, interviews and onboarding. While the digital learning curve can be steep, organizations are generally receiving positive feedback for their efforts in this area.
Partial Pay Continuation

At least one organization we know of is implementing a partial pay program for its furloughed employees. This plan will give those who cannot be redeployed a percentage of base pay for a set number of weeks. We see its use will probably be situational, where organizations want those furloughed employees to return.

Workforce Planning

While such emergency and succession plans are common at the executive level, strategies for the emergency replacement of key staff are often lacking. Given the dynamics of the current pandemic, we believe it is critical that organizations plan for the potential loss of key staff and frontline managers during the crisis and for potential changes in staffing as it abates. The pandemic is revealing the severity of pre-existing shortages of specialized clinical and patient care specialists. It highlights the future need to enhance workforce planning.

Benefits – Modifying Selected Programs

As with pay, many organizations are considering modifying selected benefits programs to better meet the needs of employees during the crisis.

Paid Time Off

Many organizations are relaxing PTO/sick time policies, in some cases allowing employees to use more than their accrued time or borrow from future accruals. In addition, paid emergency leave is being expanded to cover a wide variety of issues, and funds are being established to assist employees facing financial hardships due to the pandemic.

Dependent Daycare / Adult Care

Providing daycare for children of frontline employees has become a top priority, with a number of organizations partnering with local providers. We’re also seeing the expansion of back-up care for adults and assistance in finding private, in-home care. Given that child and adult care providers are also facing staffing shortages healthcare organizations may want to consider the possibility of redeploying qualified staff to help in these centers.

Six principles to help guide decision-making on rewards and benefits during COVID-19

1. Place employee well-being at the top of your priorities.
2. Leaders should lead by example.
3. Treat people like adults (share what you can as soon as you can, be honest, emphasize two-way communication).
4. Take a balanced approach (especially when considering labor cost reductions).
5. Remember this situation is temporary; avoid drastic near-term actions that could weaken prospects for bouncing back.
6. Tailor actions to fit individual company/industry/regional circumstances; “best practices” are what is best for you.
Convenience Services

Some organizations, especially in urban areas, are assisting employees with their daily needs, paying for the delivery of food and meals, transportation and fresh scrubs and laundry service.

Safe Housing

Although already in play in major urban areas, more healthcare providers should consider providing housing for quarantined employees, so they do not bring the virus into their homes. Such housing also reduces commuting time, stress and offers a sanctuary of sorts, given the demands and long hours these frontline warriors are experiencing.

EAP Support

Given the overwhelming fear, isolation, and financial distress that we’re living with, EAP services have become more critical than ever. Organizations are considering enhancing these offerings: partnering with health insurers, providing information on unemployment benefits and loan accessibility, and exploring emerging digital approaches to maintain training social connections and emotional balance.

Retirement

Some organizations have begun suspending or reducing matching contributions to employee 401(k)s. Organizations need to be aware of not only the requirements they must meet in doing so but the impact not only on personal finances but also on employee morale and their perceptions about the organization.

Communication

There’s no such thing as overcommunicating right now. Things are changing fast and leaders must connect with employees in real time - as real people. Be honest, clear and consistent. Create engagement by fostering an empathic environment. Empathy from leaders reduces stress, while candor builds understanding.

About Korn Ferry

Korn Ferry is a global organizational consulting firm. We work with organizations to design their organizational structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward, develop, and motivate their workforce. And, we help professionals navigate and advance their careers.

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