

Maintaining a Healthy & Productive Workforce During the Crisis

May 2020

Host: Leah Wardle, SPTF

Speakers:

- Seth Spiro, Senior Director for Global Marketing Communications at FINCA Impact Finance
- Emily Sims, Senior Specialist for the International Labor Organization and
- Matteo Marinelli, CEO of Maha Agriculture, a financial institution in Myanmar

In a few minutes, each of our speakers will introduce themselves. But first, let me quickly set the stage for today's discussion.

Introduction

For SPTF, this topic of maintaining a healthy and productive workforce during COVID is really important because social responsibility to employees is one of the 6 dimensions of the Universal Standards. Very quickly, in case you are not yet familiar with the Universal Standards, these are standards for social performance management for financial institutions, which means that they are standards for how to manage a financial institution so that it achieves both social and financial objectives. And we call them “universal” standards because they were co-created by literally hundreds of people in the financial inclusion space, to make sure they are truly applicable to ANY financial institution that has social objectives.

Dimension 5 of the universal standards is called Social Responsibility to Employees and you can see on this slide there are 3 standards for this dimension. These standards describe how a financial institution should treat employees fairly and respectfully when it comes to working conditions, compensation and incentives, job training, and more. So, I encourage you to check out the Universal Standards if you haven't already—I'm pasting the link into the chat box <https://sptf.info/universal-standards-for-spm/universal-standards>—and navigate to Dimension 5 if human resources is your main area of interest. I'll also say that we believe COVID-19 is going to fundamentally change the microfinance industry even after the health crisis has passed, so SPTF at some point in the future will also update these employment related standards to reflect the new practices that emerge from this huge international event.

Question 1: What are employees' primary concerns right now? And what are *employers'* primary concerns right now, related to their workforce?

Emily: Now that most countries are in lockdown, the fears of getting infection are quite real... but there is tremendous anxiety for everyone around job loss or loss of income due to reduced hours of work. The adaptation of working from home and struggling dealing with competing interests and working from home is rather strange and for workers it can be disorienting. On the employer side the main thing employers have on their mind is staying solvent. It is difficult to secure new clients and getting tougher for MFIs to stay afloat unless they have cash injections from the government. You don't want to stay solvent at the expense of losing your staff. Trying to stay solvent while maintaining your skilled workers is very difficult. Management is not typically called upon to be there for their employees in terms of mental support. A bit of a new and expanded role for HR in this period we are going through. Not making lemonades out of lemons but at the same time you do sense your MFIs making the most out of a bad

situation and how a lot of this maintaining of skills and use of technology and workarounds around productivity and other innovations that are giving us positive injection that will help MFIs moving forward to be able to address the changing world that we are going to be facing not in the next 6-12 months but 5-10 years.

Matteo: Statistics from Myanmar – do not have a huge number of cases in comparison to other cases, only have 161 confirmed cases and 6 deaths. Maha has been working from home since March 19 and have about 50 people in head office. Over 200 people in branches have been split into two groups that are rotating every 28 days. First group has served customers during April and second has been assigned ad hoc tasks. COVID task force has been created. Primary concern is not to get staff sick. The second concern is the job security and thinking “will I get paid” and third is the collection aspect that is a concern if they are going to be able to do their job and collect money. From employers’ side the beginning of the crisis did not catch them unprepared but this is new so there is not a set book of instructions that someone can consult. Primary right now is collections, staying afloat, and making sure there is a Maha after the crisis and second is business continuity, keeping branches open and still serving customers in good and bad times whether they want their savings or unveil new products. Planning to continue this arrangement until the end of May. Even in times of crisis the ability for Maha to continue adding value should stay there.

Seth: 10,500 employees across the world and the majority are loan officers, customer facing roles. The primary concern is job security and the ambiguity everyone is facing right now. Have invested in e-learning platform to deliver trainings to staff across the world, so immediately after this hit we distributed a COVID-19 learning resource for folks on the front line who are dealing with the public for them to have facts rather than spread rumors. They want to know when this will stop and when can we get back to business doing what we need to do. They are getting their own clients coming to them asking about the future and inquiring about being able to get loans. As a business model, FINCA has invested in digitization and COVID-19 represents a change in the industry because the initiatives they have been trying to get momentum around, just by necessity they have seen greater interest around these initiatives. Health and safety is our number 1 concern. Other concerns are making sure the organization is ready to serve when the crisis abates, focused on liquidity. Different realities in term of liquidity. Making sure they are very engaged with regulators to instigate some changes that will help in the face of the virus, such as getting mobile signatures or mobile fees mitigated. Focus on communication – leaving lines of communication open around the process.

Question 2: Matteo and Emily, I’d love to hear your thoughts on how employers can keep their employees safe right now, especially those institutions who still have branch offices or agent locations open and functioning, meaning some employees are still interacting with clients in-person. Emily, let’s start with you—please describe what ILO is working on in this area, particularly with regards to the various employee protection guidelines and the checklist that the ILO has issued.

Emily: As employers you are responsible for your employees even when they are off site and at home and that means there are key points to keep in mind. Have a policy that deals with working from home or working remotely where employees are not directly supervised. Have a policy that is reviewed with the workers and agreed upon. Make sure to provide support to workers – walking through a checklist of health and safety factors. Don’t take it for granted that they already do these things and know these things. Provide appropriate equipment if possible.

** Stress in integral, there are many links – “Staff needs reassurance that you are on top of the most reliable information, which may mean double checking sources, but they need to know that you are their anchor at the moment because there are a lot of conspiracy theories and myths that are creating anxiety.” Staff needs reliable sources of information to calm anxiety and uncertainty around rumors and inaccurate information that is circulating. “Be a trusted source of information.”

Compensate for lack of face to face communication, realizing that a lot of communication is not verbal. Managers need to be flexible around other constraints their employees are facing, allowing for time sovereignty. Respect the privacy of individual staff members and not be intrusive but at the same time giving them knowledge and resources to empower themselves. Keep up virtual work for as long as possible. Make sure you are there for your clients, giving them flexibility when reopening. Be prepared to support around any resources that the government provides of general support around workers compensation benefits, social security, etc.

Matteo: Organize senior management team to function at respective homes and realized two obstacles
1. Availability of connectivity, not good internet, so purchased 50 small Wi-Fi modems with unlimited data
2. Electricity breakdowns are common, some of colleagues had power cuts often and Maha looked into buying small generators and in the end it was not necessary, but if the need arises, they can. 3. Myanmar is huge country – allowed anyone from head office to leave and return back to their families

Purchased masks, gloves, pamphlets and new standards and distributed to all branches before crisis started and organized conference calls with teams to explain how to use masks...etc. Put into place new protocol for customers going in and out. At any given time an operating branch was receiving between 50-60 customers and with newly implemented measures the branches are not only allowing 5-10 customers at a given time. We installed wash stations with soap and hand sanitizer for people to be able to wash their hands before they come inside one of the branches. “Giving clear instructions when the way you are conducting business is very important” It is important to have daily calls or even just to have a chat to check in to see how staff are doing – even a simple call to share what people are cooking helps lighten the mood.

Question 3: My next question is addressed primarily to Emily and Seth. I've heard over and over that regular, meaningful communication with employees is so critical right now and I'd love to hear your thoughts on best practices for internal communication. Seth, why don't we start with you. I think you have a great perspective on this question, given that you are directing communications for a large and diverse group of financial institutions.

Seth: “While not everyone is in the same boat, we are all facing the same storm” Seth has organized the way FINCA does internal communication into three buckets. 1. The speed that they have to respond – organized a crisis team to establish a cadence of communication and to streamline communication as early on. Did not have technological capability to have all-staff webinars, so switched to live events. Made sure that all communication did not fall onto CEO or the comms team, but rather that everyone was a communicator, everyone had to speak to the same points in order for everyone to carry the message. “everyone needed to be singing from the same book” 2. Multi-channel and many channels, communicate, communicate, communicate, Emails do not cut it, they get lost so we started exploring different ways – stuck with audio update podcasts and different levels of calls 3. Consistency – did a lot with regulator engagement and did a lot with loan restructuring at scale. Issued guidance documents around proactive customer engagement and so everybody knew the strategy and knew how to proceed. Provided key

principles so everybody was moving in the same direction. Created an internet hub to contain all documents and relevant information. Challenge moving forward – seeing a lot of change around how customers talk to us and how they want to transact with us. How do you capture that? How do you build on the changes that are already happening when everything is moving so quickly? Trying to capture changes – investing in digital marketing, using website so clients can understand products. Seeing massive increase in social channels, inbound Whatsapp, Facebook in particular. Putting aside time to document what is happening and that ** “as we come out of this our long term business transformation is something we can progress and striking a balance between dealing with the moment but also thinking through how will we come out of this, that we are a changed organization better meeting the needs of our customers.”

Question 4: My next question is on a sensitive topic, but it’s a very practical one that’s on everyone’s mind. What are alternatives to retrenchment, or letting your employees go, in the event of a cash crisis? How are financial institutions supposed to balance the need to keep their workforce employed with the need to conserve cash especially since the full financial effects of the crisis are still unknown?

Emily: First objective is to preserve jobs – policy makers should think of MFIs as ways to channel relief funding in terms of both loans and grants, use MFIs as conduits of information on government policies and programs impacting clients; many MFIs play an important bridging role to the informal sector – very critical to get a handle on how much COVID has impacted the economy. Other ways include job sharing, reduced hours of work, trying to tap into any government programs where they may be subsidizing salaries that you can apply to, hybrid training programs trying to inject cash into the economy. In the worst case, if you have to let go of workers and their job status is linking them to healthcare, try and explore as many options such as furlough where they lose their salary but not their benefits. The importance of dialogue and as much transparency as possible will help keep spirits up.

Leah: Repurposing staff to gather information for their government so that it can influence the way their clients are treated.

Matteo: Maha decided to make certain assumptions at the very beginning – only pay interest and principal obligations, salaries, and core banking related expenses. Any training, hiring or non-essential expenses have been halted until July. Extremely transparent with team including good news and bad news in a timely and clear manner. “Everybody is a communicator” “Involve the board – involve management committees” Make sure that from top down there is communication and “be considered by the government as part of the solution not part of the problem” Maha has decided not to lay off staff but to whether the crisis together. Paid 2 months advance salary.

On this topic of figuring out how to protect jobs, I want to mention a new guide just released by the CDC Group called “COVID-19 Guidance for investors and financial institutions on job protection.” I’m going to put the link in the chat box: https://assets.cdcgroup.com/wp-content/uploads/2020/04/20171325/CDC_COVID-19JobProtection_A4_20-April-2020.pdf

This is a really useful document that guides financial institutions and investors through all the workforce related discussions and decisions that need to be made during COVID-19 planning. So, as an FI, when you are going through business continuity planning or emergency management planning, they give you a list of the questions you can ask yourself, and steps you can take to make decisions about jobs protection. The guide also has the same thing for private equity and debt investors. So, check that out, I think you’ll find it useful.

(15-20 min) Q&A with the audience

Question 1: In places where containment is declared, how do staff manage to keep in touch with clients and recover delays?

Response: In Ethiopia, they can't meet or travel, so they are contacting group leaders by phone and the group leaders take turns collecting and meet staff at designated place – so, using group leaders that are already in those communities.

Question 2: How can you come up with a uniform communication strategy when everyone is working remotely?

Response: Seth: Released document around proactive client communication when face-to-face is not possible. Reallocated to proactive customer education and communication in terms of call centers, web chat, digital forms on website, Facebook in terms of messaging – for example Feb vs March – in Jordan there was a 58% increase in calls.

Response: Al Majmoua – communication is key, remaining close to staff is important because once the crisis is ended, human capital will be even more important.

Response: MFI based in South Africa, SA declared full lock down March 26, so asked staff to be in lock down as well and using mobile phones to communicate with clients, then had challenge understanding what was happening to client's businesses. Social survey officers and quality and compliance staff and put those two groups on phoning clients and interviewing clients to understand what is happening in client's lives. Are they able to continue their business? What's their estimate of when their money is going to run out? Etc. As they were asking these questions, they were beginning to see there were real regulation issues and policy issues coming up. People who were running small grocery stores could operate but with a permit – but there was difficulty accessing the permit. Used that information to feed it through network to reach the government to create change. What began as a project for their own information, turned into a policy initiative for the government.

Question 5: Let's end our interview with a more encouraging topic: What are some practical ways that financial institutions can boost employee morale right now? Let's hear first from Seth and then Matteo.

Matteo: What is helping lighten the mood is having daily chats with line-managers and subordinates. Moving town hall meetings to a virtual online platform. Sending SMS to all customers and organizing campaigns when it comes to repayments. Sharing anecdotes about each other's families, who is cooking better? Who is getting funny haircuts? Anything to lighten up the mood can go a long way.

Seth: CEO of Armenia mentioned it was her birthday and so 50 people went off mute and sang happy birthday in their own language – try to find bits of new normal – normally have a Finca Star and could not do it this year so instead they did an all staff call and surprised her by announcing the recipient. These are the things that keep people going and can bring a smile to someone's face.

Emily: Trying to recreate the human contact – reach out to someone you might not necessary talk to at the office and ask for a virtual coffee. Stress so strongly that MFIs will be on the frontline on the very important work – energizing thinking about “wow we are doing something very important”

Closing: PPT and webinar recording on SPTF's COVID-19 webpage: <https://sptf.info/resources/covid19>