

A man wearing a white surgical mask is looking out a window with horizontal blinds. The scene is partially obscured by a large, semi-transparent blue triangle that points towards the top right corner. The background outside the window shows a blurred view of trees and a building.

Redefining HR Practices in Navigating Through the Pandemic

Aon Pulse Survey (Malaysia) – June 2021

Aon Malaysia

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AON
Empower Results®

74% **Business Impact**
responded that the MCO 3.0 has resulted in a negative impact to its business



45% **Remote Work Policy**
have a formal remote work policy in place



91% **Remote Work Assistance**
provide assistances to employees in supporting work from home arrangement



67% **Employees' Productivity Levels**
reported a drop in employees' productivity levels of up to 30%



86% **COVID-19 Test**
cover the cost of COVID-19 test



36% **COVID-19 Hospitalization Coverage**
keen to purchase additional medical coverage for COVID-19 hospitalization if available




72% **Vaccination Leave**
provide additional paid time-off to its employees for COVID-19 vaccinations



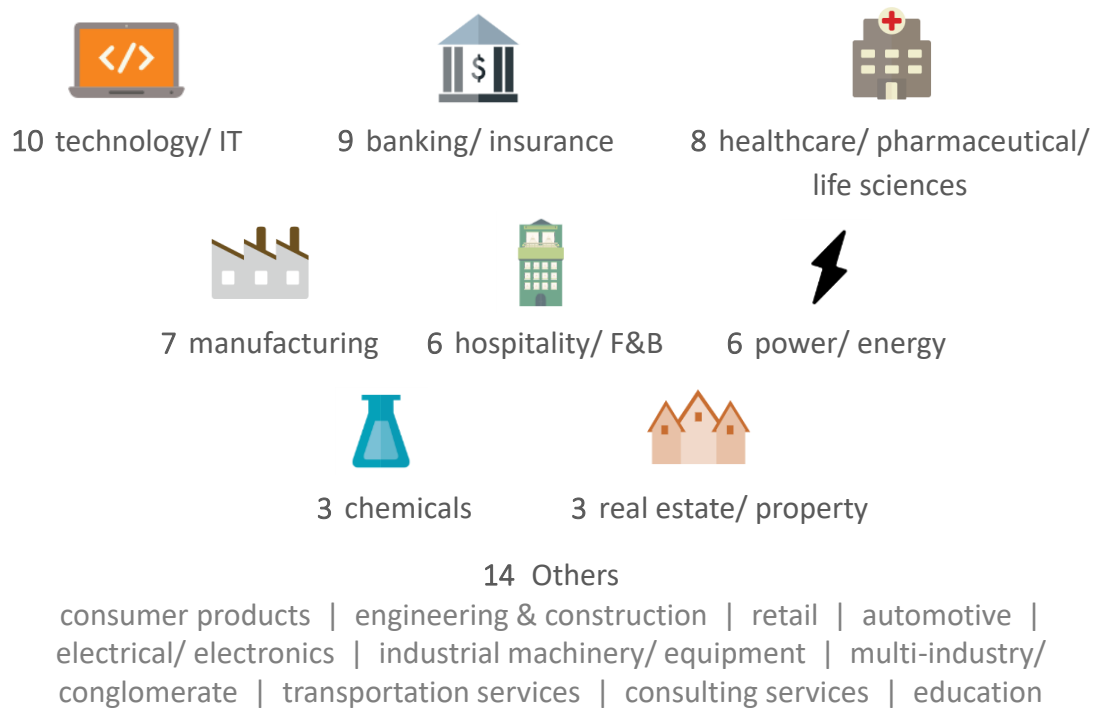
85% **Wellbeing Initiatives**
offer or plan to offer wellbeing initiatives to employees during the pandemic



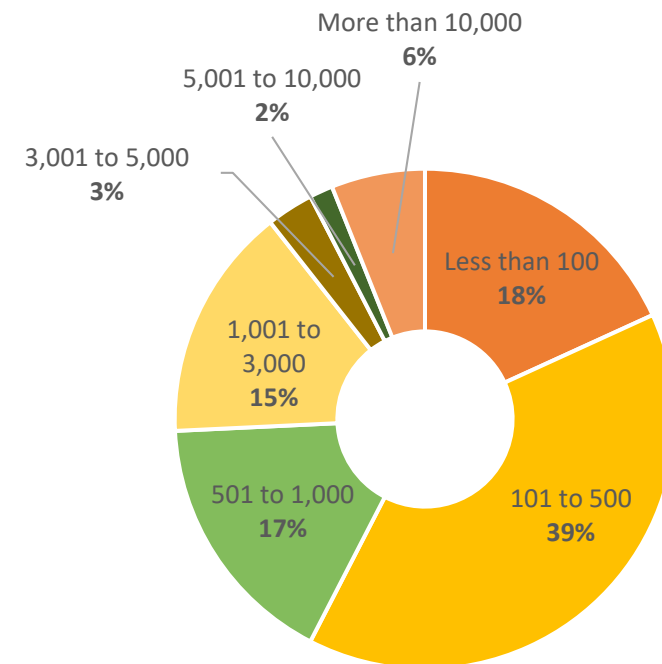
66 organizations participated in the 24-questions pulse survey 

Survey Period : June 8th to 11th, 2021

Industry Distribution

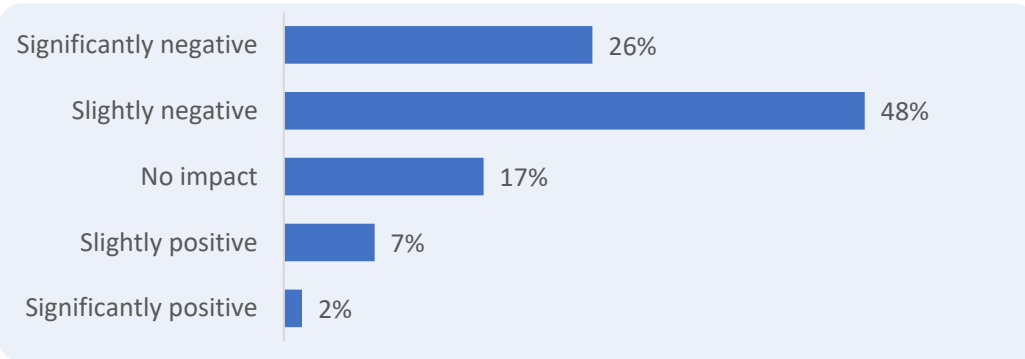


Headcount in Malaysia Office(s)



Business Impact

Impact of total lockdown MCO 3.0



74% of organizations responded that the Movement Control Order 3.0 (MCO 3.0) has resulted in a negative impact to its business. This is similar to the findings of the pulse survey conducted in March 2020 during MCO 1.0 whereby 73% of organizations reported a negative impact. However, organizations experiencing significantly negative impact has increased from 16% last year to 26% this year.

17% of organizations have responded no impact, mainly from the financial and technology/ IT industries.

9% of organizations have responded a positive impact.

Agree or Disagree?

From a long-term business perspective, although majority of organizations have been impacted negatively due to the enforcement of total lockdown under MCO 3.0:

44% of organizations agreed with the enforcement of total lockdown; mainly from the financial, consumer products, healthcare and pharmaceutical industries.

23% of organizations disagreed with the enforcement of total lockdown. These organizations are mainly from the hospitality and manufacturing industries.

The remaining 33% of organizations are unsure or had no comments.

Business Impact

Cost Cutting Measures

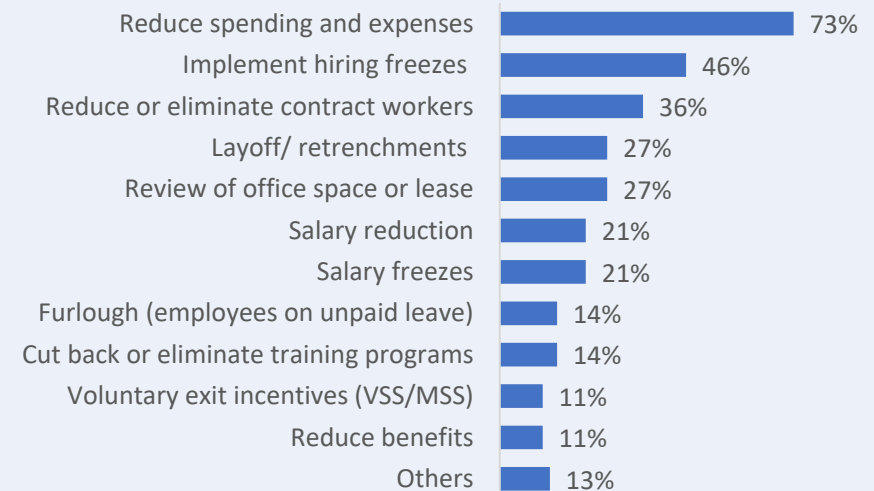
Since the COVID-19 pandemic began affecting business operations nationwide, organizations began bracing for an uncertain future.

Only 15% of organizations responded that there were no cost cutting measures taken in the last one year.

85% of organizations have taken various cost cutting measures in the last one year.

The most common cost cutting measure taken by organizations is reducing its spending and expenses (73%), mainly by cutting down discretionary spending. This is followed by hiring freezes (46%). These measures are usually the initial actions taken as it has the least direct impact on employees. Less than a quarter of organization have opted for salary reductions or salary freezes; these measures would have direct impact on employees.

The chart below shows the breakdown of measures taken by organizations:



Remote Working

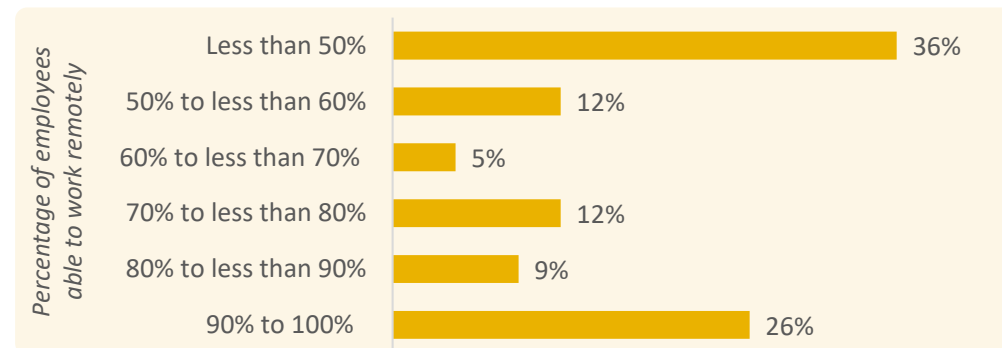
The COVID-19 pandemic has accelerated the trend towards remote working for many organizations, thus forcing organizations to reconsider the future of work.

45% of the organizations have a formal remote work policy whereas 25% of organizations are still in the midst of creating one or in consideration of implementing a remote work policy. The remaining 30% of organizations do not have a formal remote work policy.

Ability to Work From Home

The ability of employees to work from home depends on the nature of their job.

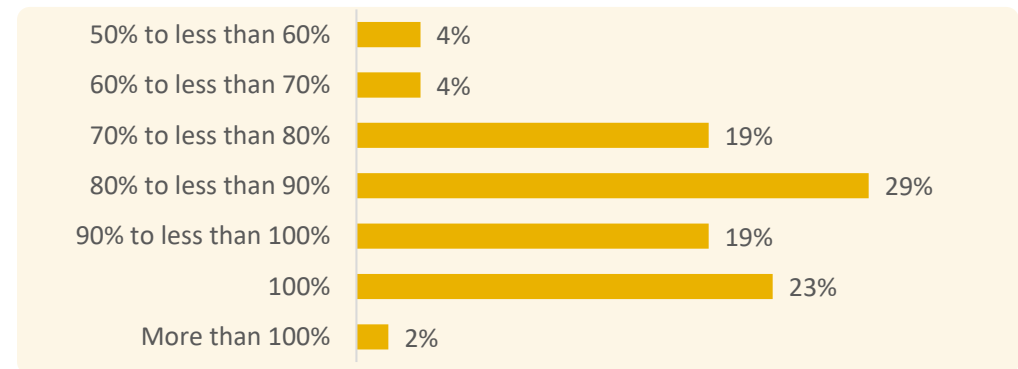
36% of organizations indicated that less than 50% of its workforce are able to perform their roles remotely; mainly from the manufacturing, healthcare, retail and hospitality industries.



Meanwhile 35% of organizations indicated that at least 80% of its workforce are able to perform their roles remotely. This is mainly from the financial and technology/ IT industries.

Productivity Levels

Among organizations which indicated remote work is feasible, the productivity levels of its employees working remotely as compared to working in the office are as follows:

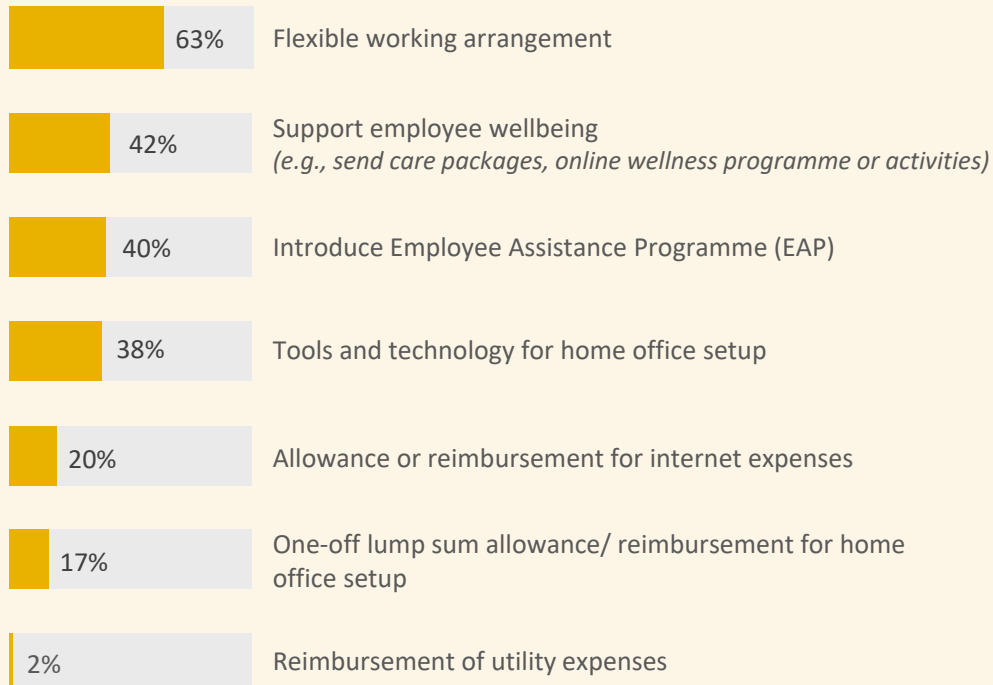


Only a quarter of organizations (25%) indicated that employees working remotely have higher or equal productivity levels as compared to working in the office. As for organizations that indicated lower productivity levels, majority (67%) reported a drop up to 30%.

Remote Working

Supporting Employees Working Remotely

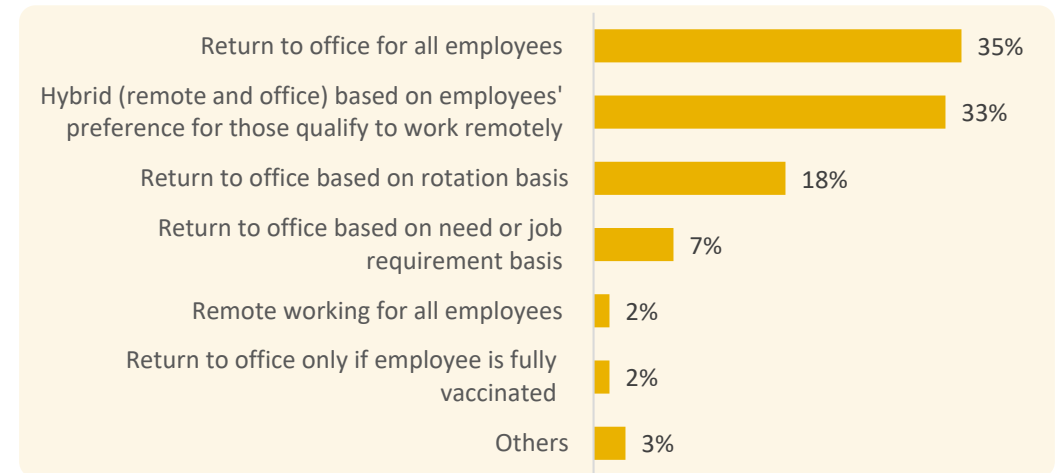
91% of organizations provide assistance to employees working remotely during the pandemic; which includes the following:



What About The Future?

It is difficult to envision when the pandemic will be over, but HR practitioners are already looking ahead and strategizing its future workforce to operate at full capacity.

35% of organizations expect all employees to return to office when the pandemic is over or once the government allows businesses to operate at full capacity. This is primarily due to its business operations requirement. 33% of organizations are looking into hybrid working models and only 2% of organizations are keen in continuing remote work policy for all employees.

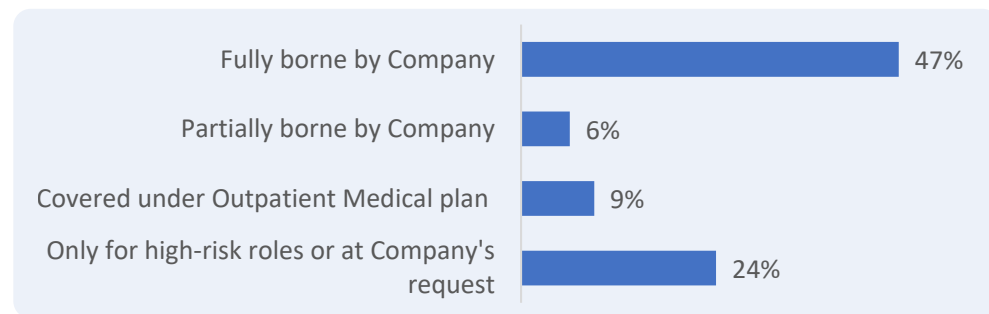


Dealing with COVID-19



Cost of COVID-19 Test

86% of organizations cover the cost of COVID-19 test either fully, partially, as part of Outpatient medical plan or on need basis:

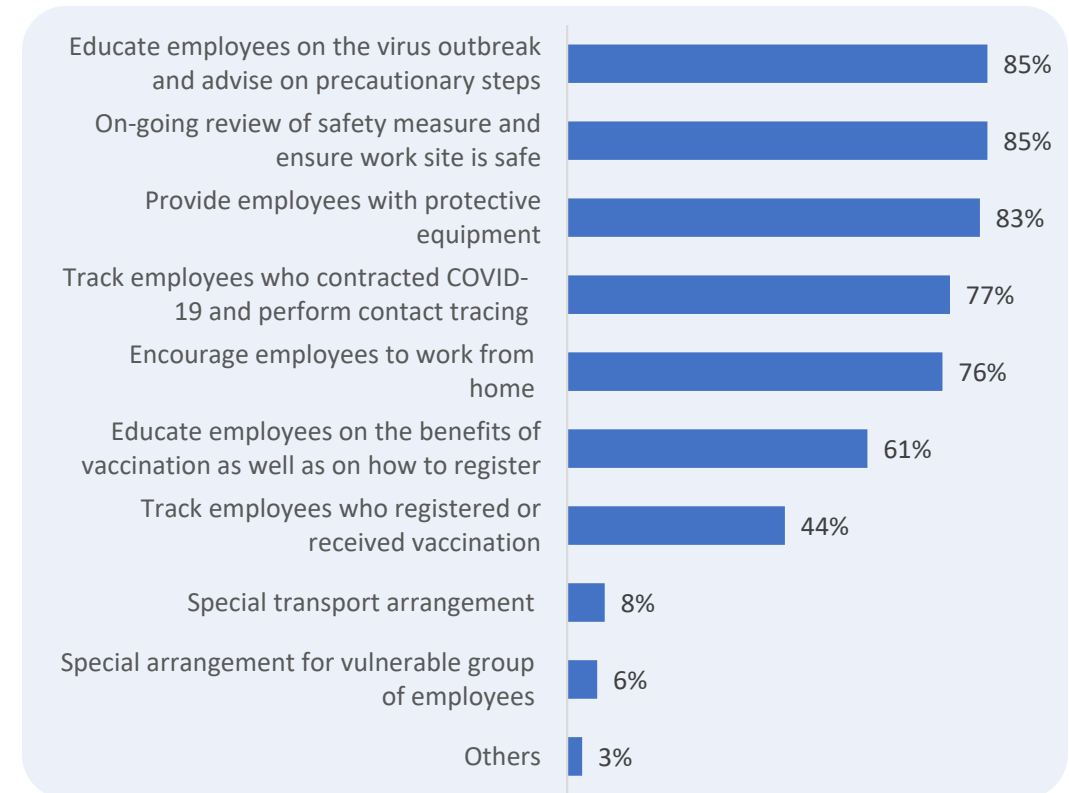


COVID-19 Positive and Fatality Cases in Organizations

83% of organizations experienced employees who have been diagnosed with COVID-19. Thus, many organizations have taken various precautions which include educating its employees on the virus outbreak and vaccination programme as well as on-going review of its safety measures – details in the next chart.

5% of organizations have experienced employee deaths due to COVID-19.

Initiatives Implemented by Organizations In Efforts To Contain The Spread of COVID-19

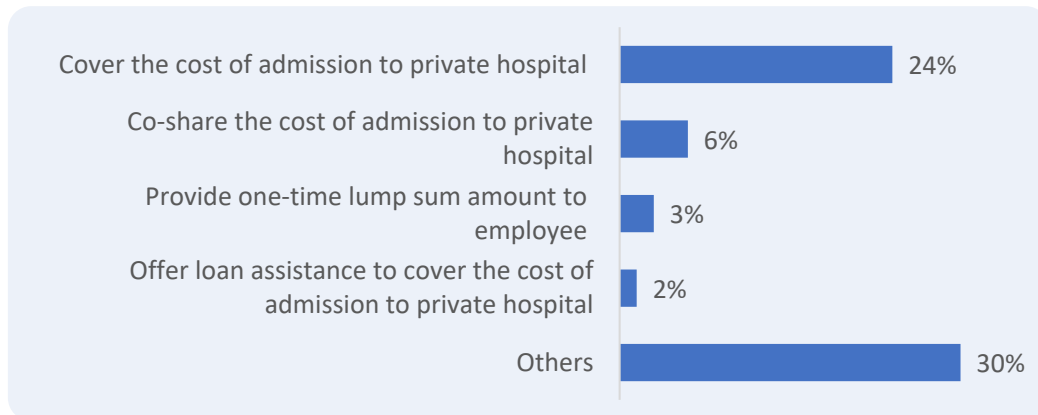


Dealing with COVID-19



COVID-19 Hospitalization Cost

24% of organizations fully cover the admission cost of a COVID-19 positive employee into private hospital in the case where government facilities capacity is maxed out while some of the other organizations offer other form of assistance either as co-share, lump sum amount or loan assistance.



Many organizations indicated that they are undecided or unsure if the cost of admission to private hospital will be covered as organizations have not encountered such situations as yet.

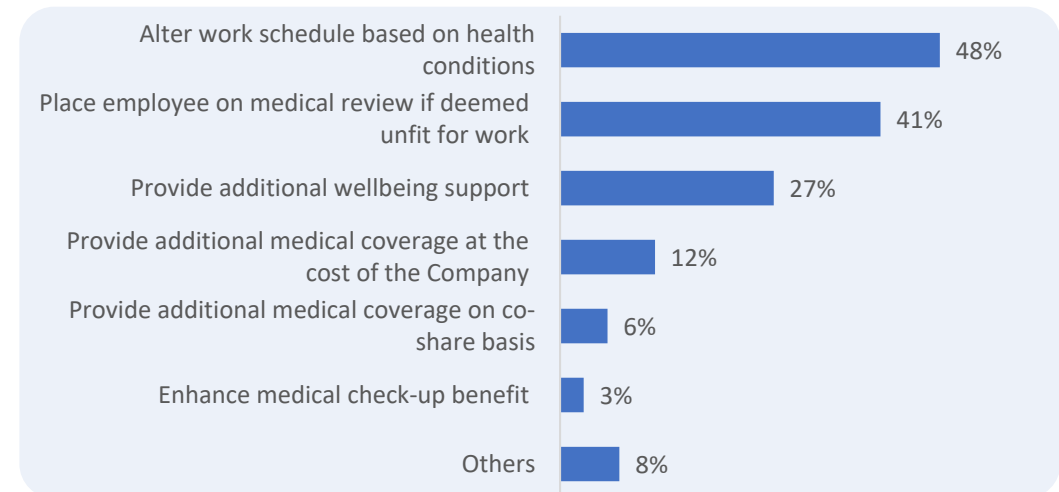
Additional Coverage for COVID-19 Hospitalization

Only 13% of organizations have purchased additional medical insurance or extend its existing medical insurance policy to cover COVID-19 hospitalization.

Among those organizations which have not purchased, about half (54%) of the organizations are still undecided to purchase the additional coverage, 36% indicated they are keen to purchase and the remaining 10% indicated that they are not keen to purchase.

Support for Employees Recovering From Post COVID Syndrome

Post COVID Syndrome is a rising concern and organizations are looking at supporting its employees via the following:



Quarantine Leave Practices



	Employee is COVID-19 positive and home quarantined	Employee is COVID-19 positive and quarantine at hospital or quarantine center	Employee is COVID-19 positive and admitted into ICU	Employee identified as close contact to COVID-19 patient and quarantine at home
Treated as normal working day	20%	2%	2%	67%
Treated as paid leave	20%	21%	12%	8%
Treated as unpaid leave	2%	2%	2%	2%
Deduct from annual leave entitlement	2%	0%	2%	3%
Deduct from medical leave entitlement	46%	66%	74%	10%
Others	10%	9%	8%	10%

As per Ministry of Human Resources (MOHR) guidelines, employers shall provide paid medical leave (sick leave or hospitalization leave) to employees who have received quarantine orders either by the Government or private registered medical practitioner, including self-quarantine ordered by the employer. An employer shall not force its employees to take unpaid leave nor utilize their annual leave entitlement.

Based on the survey findings above, a small percentage of organizations require its employees to take unpaid leave for quarantine purposes which does not comply to the MOHR guidelines.

COVID-19 Vaccination

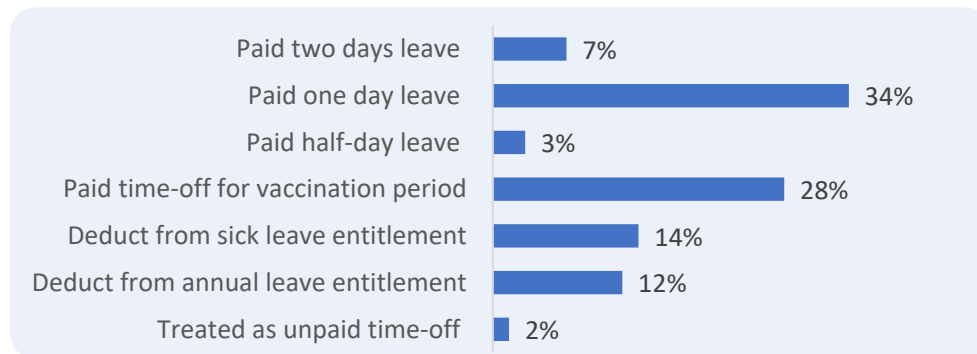


The National COVID-19 Immunization Programme was rollout on February 24, 2021 and aims to achieve herd immunity against COVID-19 by having 80% of the 32 million population vaccinated by February 2022.

Employers and employees play a key role in supporting the vaccination programme. The Ministry of Human Resources encouraged employers to provide paid time-off to employees for COVID-19 vaccination as the government is not able to declare a special holiday considering the vaccinations are carried out on different days.

Vaccination Leave

Although providing such leave is not mandated, 72% of organizations provide additional paid time-off to its employees for COVID-19 vaccinations with one day paid leave as the most common practice.



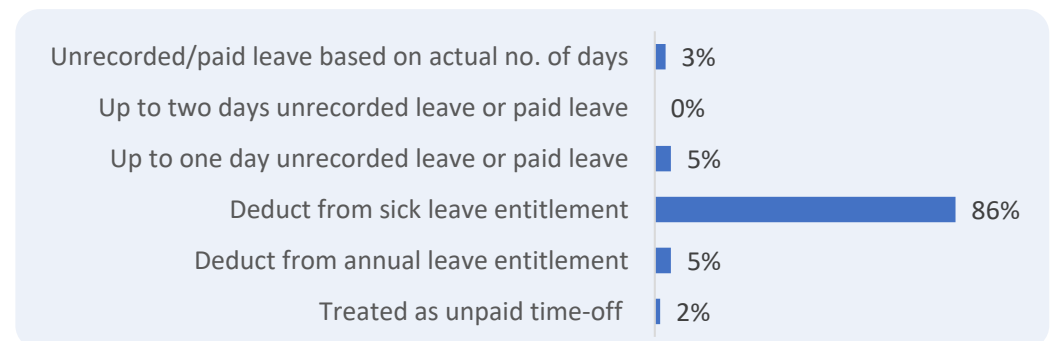
Incentives to Encourage Employees to Get Vaccinated

In supporting the National COVID-19 Immunization Programme, some organizations also provide incentives on top of paid time-off to employees in encouraging them to get vaccinated. However, this is not prevalent.

Only 4% of organizations provide transport reimbursement for travel to and from vaccination center, 2% provide monetary awards such as cash vouchers or retailer discounts and 2% provide care packages. A few organizations have also indicated that they are willing to purchase vaccines for its employees if given the opportunity.

Recovery Leave Post COVID-19 Vaccination

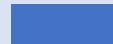
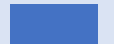
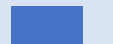
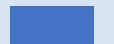
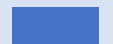
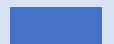
86% of organizations responded that leave taken by employees for post COVID-19 vaccination recovery will be treated as sick leave:



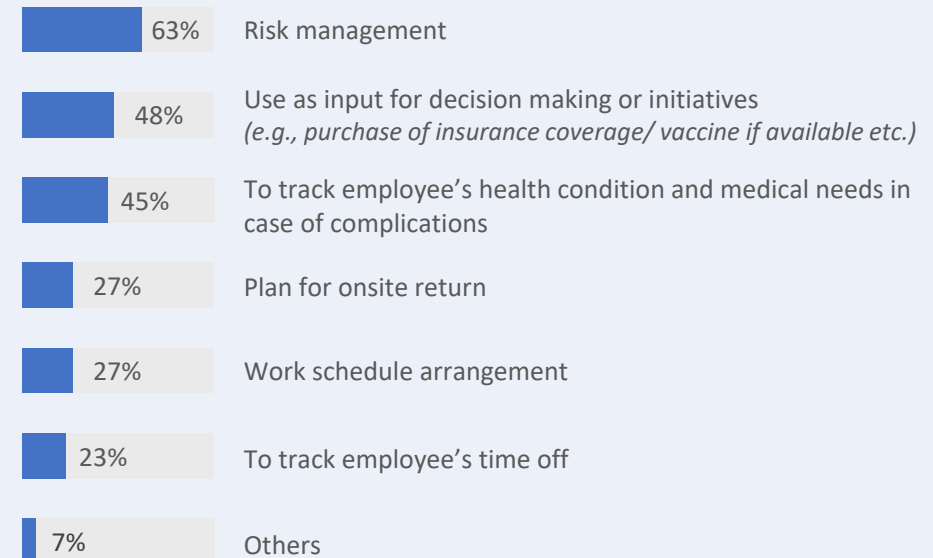
COVID-19 Vaccination

Employees' COVID-19 Vaccination Status

One-third (1/3) of the organizations require its employees to inform their vaccination status – either registered or completed the full course of vaccination.

	Vaccination Registration Status	Vaccination Completion Status
Not required to report	 40%	 33%
Up to employee's discretion	 27%	 32%
Yes, employee must inform the Company	 33%	 35%

Organizations collect these information to facilitate the following plans or actions:



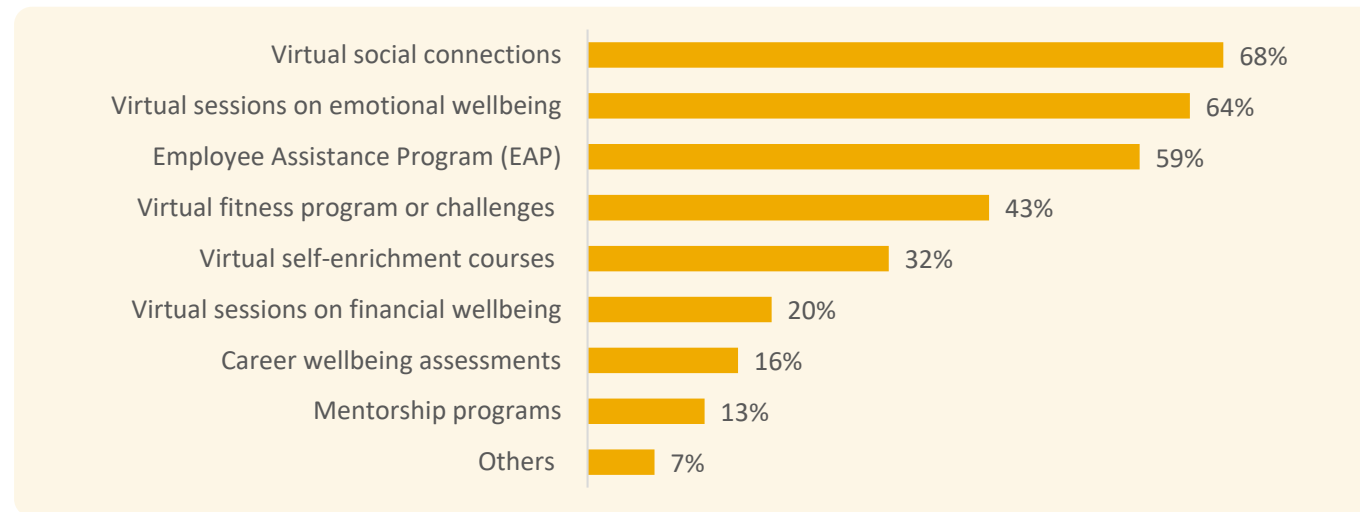
Wellbeing



Employee wellbeing becomes an important part of an organization's overall business strategy as well as in defining and strengthening its employee value proposition. Organizations were already focusing on wellbeing before the pandemic hit – mainly due to the rise of healthcare cost. The global pandemic has further amplified its importance, and at the same time creating new set of challenges forcing organizations to further emphasize its focus on employees' overall wellbeing.

Aon's 2021 Global Wellbeing Survey shows that improved employee wellbeing drives performance and has an impact on customer satisfaction and retention. The study also shows there is a direct correlation between employee wellbeing and business results.

85% of organizations offer or plan to offer wellbeing initiatives to employees during the pandemic. The initiatives are as follows:



- A.W.FABER-CASTELL (M) SDN BHD
- AL-FUTTAIM
- AMERICAN EXPRESS MALAYSIA SDN BHD
- AMWAY GLOBAL BUSINESS SERVICES
- ARVATO SYSTEMS MALAYSIA SDN BHD
- ASIAN PAC HOLDINGS BERHAD & GROUP
- AVILLION ADMIRAL COVE
- AXA PARTNERS MALAYSIA
- BANK ISLAM
- BP BUSINESS SERVICE CENTRE ASIA
- BRIDGESTONE CHEMICAL PRODUCTS (M) SDN BHD
- BT MALAYSIA
- CABOT MATERIALS RESEARCH SDN BHD
- CHEVRON MALAYSIA LIMITED
- CNETG ASIA
- COCA-COLA BOTTLERS MALAYSIA
- DASSAULT SYSTEMES
- DELOITTE BPO S/B
- DIVERSEY (M) SDN BHD
- DKSH MALAYSIA SDN BHD
- DYSON MANUFACTURING SDN BHD
- ECOLAB SDN BHD
- ETIKA HOLDINGS
- EXPERIAN
- GIBRALTAR BSN LIFE BHD
- GREAT EASTERN LIFE ASSURANCE MALAYSIA BERHAD
- HILTI ASIA IT SERVICES SDN BHD
- HITACHI CONSTRUCTION MACHINERY (M) SDN BHD
- HONG LEONG BANK BERHAD
- IKANO HANDEL
- INEOS ACETYLS MALAYSIA SDN. BHD.
- INFINEON TECHNOLOGIES (M) SDN BHD
- INTERNATIONAL ISLAMIC LIQUIDITY MANAGEMENT CORPORATION
- JUNIPER NETWORKS MALAYSIA SDN. BHD.
- KHAZANAH NASIONAL BERHAD
- KPJ PUTERI SPECIALIST HOSPITAL
- MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD
- MALAYSIA VENTURE CAPITAL MANAGEMENT BERHAD
- MAYBANK
- MBM RESOURCES BERHAD
- MCCONNELL DOWELL MALAYSIA
- MCDERMOTT ASIA PACIFIC SDN BHD
- MEZZA9 SOLUTIONS SDN BHD
- MICASA ALL SUITE HOTEL
- MMC CORPORATION BERHAD
- MONSTER TECHNOLOGIES MALAYSIA SDN BHD
- NIPPON PIGMENT (M) SDN. BHD.
- NOVO NORDISK PHARMA MALAYSIA
- PANTAI HOSPITAL KLANG
- PRINCE COURT MEDICAL CENTRE
- PROJEK LINTASAN KOTA HOLDINGS SDN. BHD.
- PTTEP SARAWAK OIL LIMITED
- PULLMAN KUALA LUMPUR CITY CENTRE HOTEL & RESIDENCES
- RESMED (MALAYSIA) SDN. BHD.
- ROBERT BOSCH AUTOMOTIVE STEERING SDN BHD
- SAMADHI RETREATS SDN BHD
- SGS (MALAYSIA) SDN BHD
- SHANGRI-LA RASA RIA
- SONY INTERACTIVE ENTERTAINMENT WORLDWIDE STUDIOS MALAYSIA SDN BHD
- SUNWAY EDUCATION GROUP
- SUNWAY INTEGRATED PROPERTIES SDN BHD
- SUNWAY PROPERTY & FACILITY MANAGEMENT SDN. BHD.
- TENAGA NASIONAL BERHAD
- THERMO FISHER SCIENTIFIC
- TUNG SHIN HOSPITAL
- WATSON'S PERSONAL CARE STORES SDN BHD

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About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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