

# Covid – 19 Business Challenges

An Ibec Research Update

April 4<sup>th</sup>, 2020



# Ibec Business Survey Overview

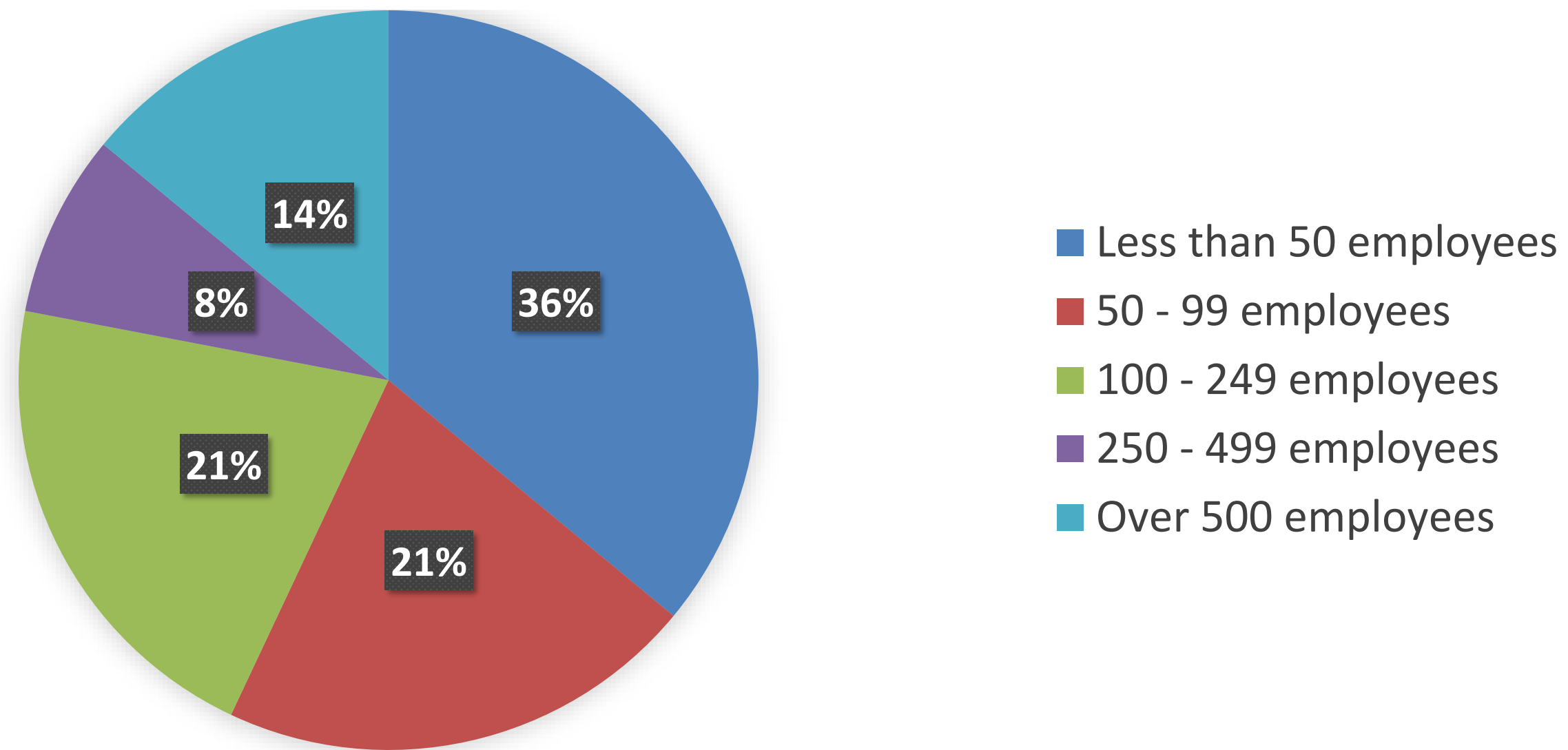
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- Survey of Ibec members provides early snapshot of major issues facing business in the initial stages of the COVID-19 crisis
- Responses provided by Human Resource directors from 347 companies on April 2 and 3
- Findings provide insights into challenges and supports across a wide variety of Irish Organisations
- Cost containment has replaced business continuity as the top challenge for 76% of HR directors
- Business continuity remains a key concern for 73% of respondent organisations
- Supply chain disruption(70%), reduced/lost sales and orders (69%) and difficulties facilitating remote working (66%) are also key challenges for organisations at this stage
- Around a quarter of respondents are participating in the wage subsidy scheme
- Flexibility for those with childcare responsibilities (56%); Communications with staff around physical (50%) and mental (43%) health and wellbeing are among the **key initiatives** in which organisations are engaged

# Introduction

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- Survey conducted 2/3 April 2020
- Sent to the most senior HR contact in member companies.
- A total of 347 responses received by 3pm on April 3rd
- Just over one third of responses (36%) were from organisations with fewer than 50 employees
- Just over one in five responses were from organisations with over 250 employees



# Key Findings

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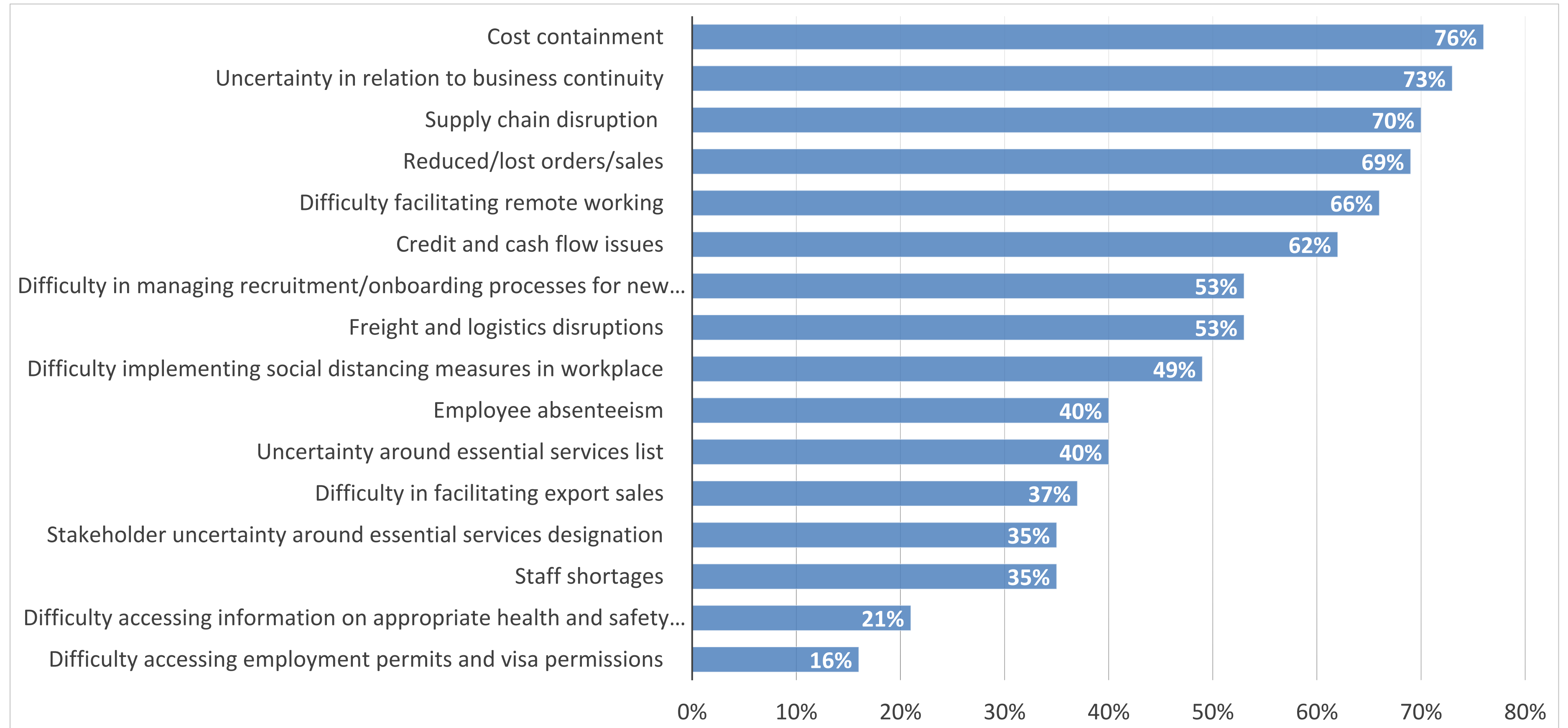
## Key challenges for organisations are:

- Cost containment is now the biggest challenge for organisations (76%)
- Uncertainty around business continuity (73%)
- Supply chain disruption (70%)
- Reduced/lost orders/sales (72%)
- Difficulty in facilitating remote working (66%)
- Credit and Cash Flow issues (62%)
- Freight and logistics disruption (54%)

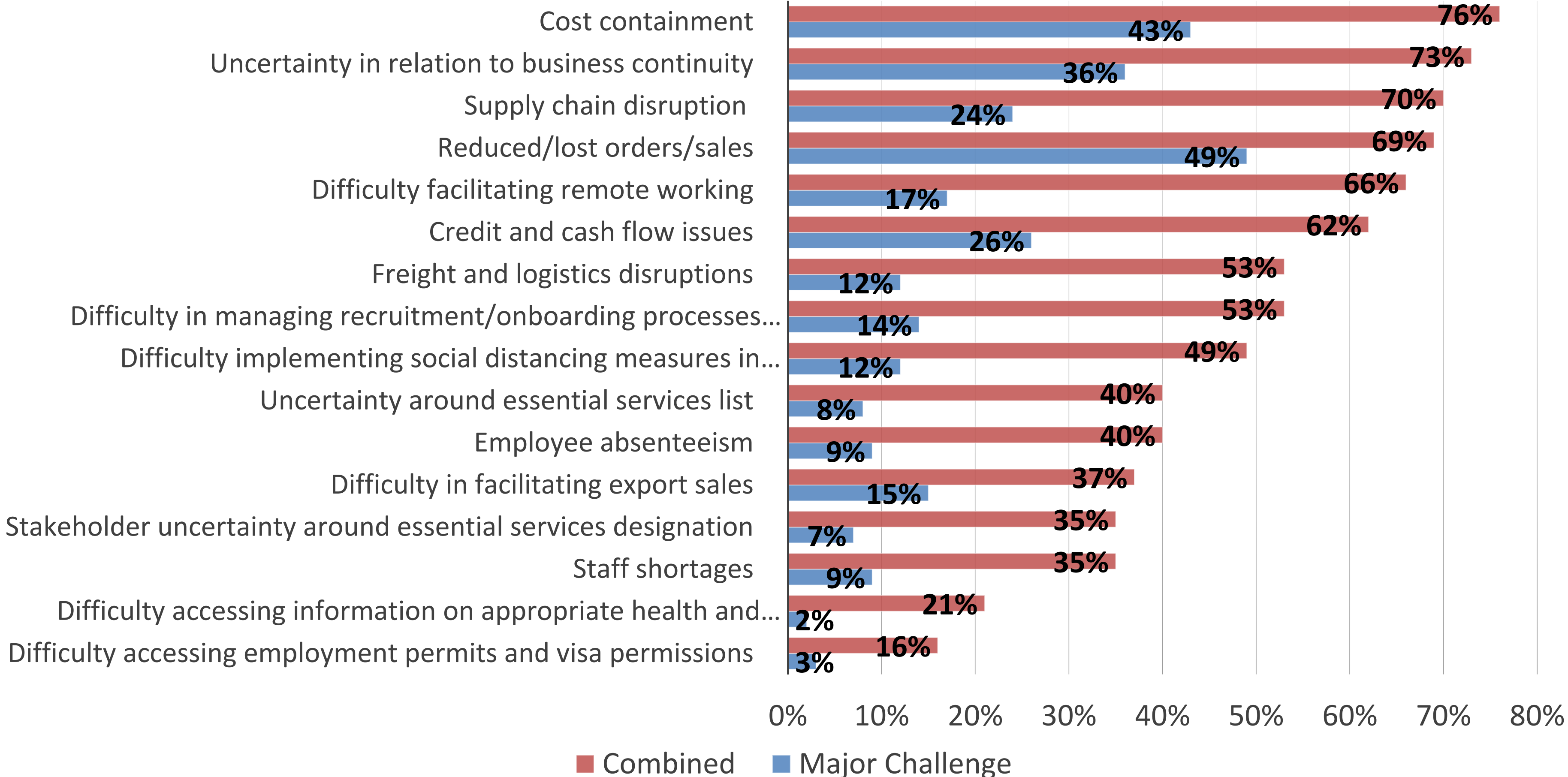
## Other Findings

- Around a third (31%) have experienced difficulties with wifi or broadband access for employees working remotely
- Just over one third of respondent organisations have implemented a recruitment freeze (36%)
- Just over one fifth (22%) have implemented new cost containment measures

# Key challenges

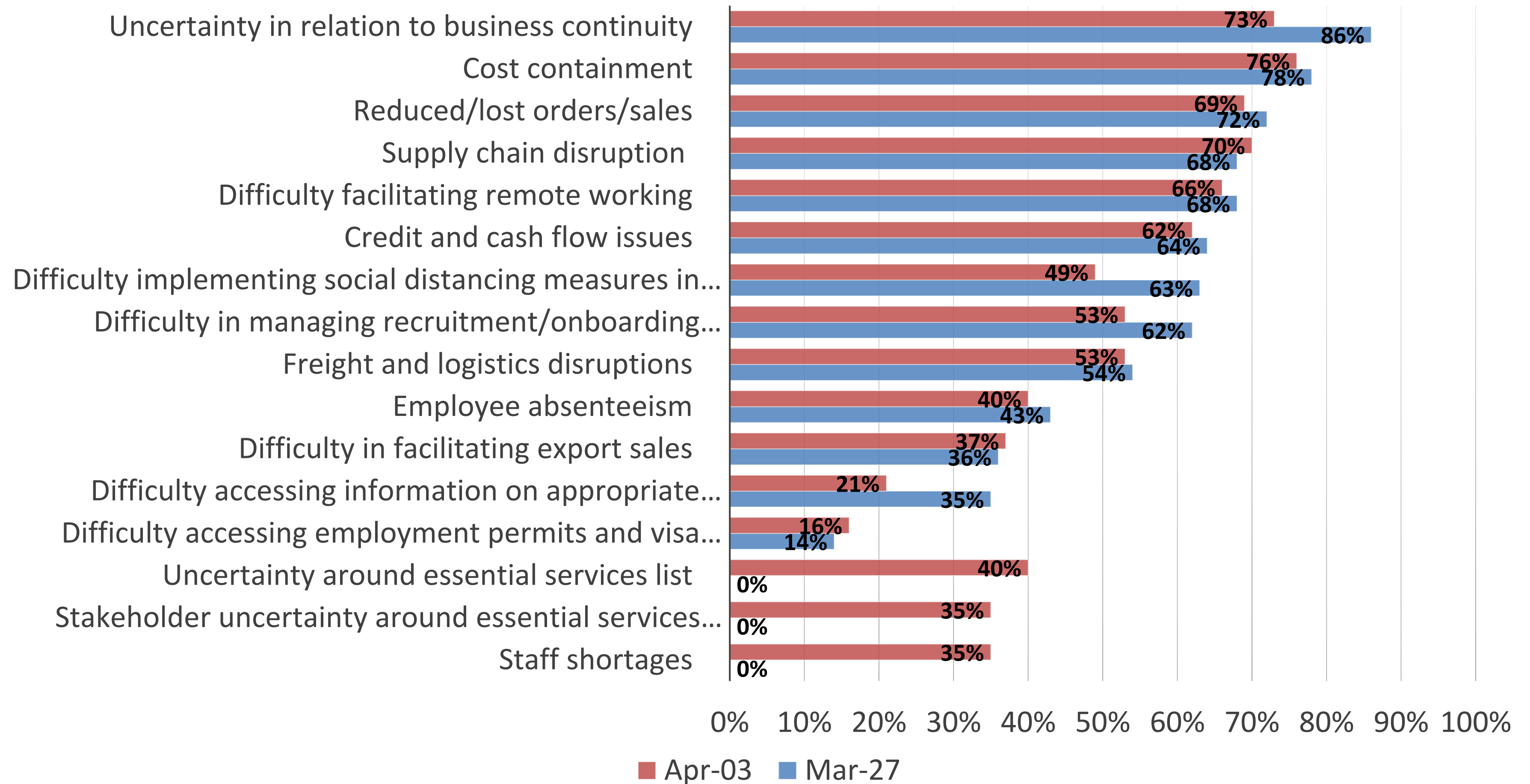


# Key Challenges (Combined v. Major Challenges)





# Have the key challenges changed?



# Pay

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Just over a quarter of respondents are participating in the **wage subsidy scheme** (26%)

Of these,

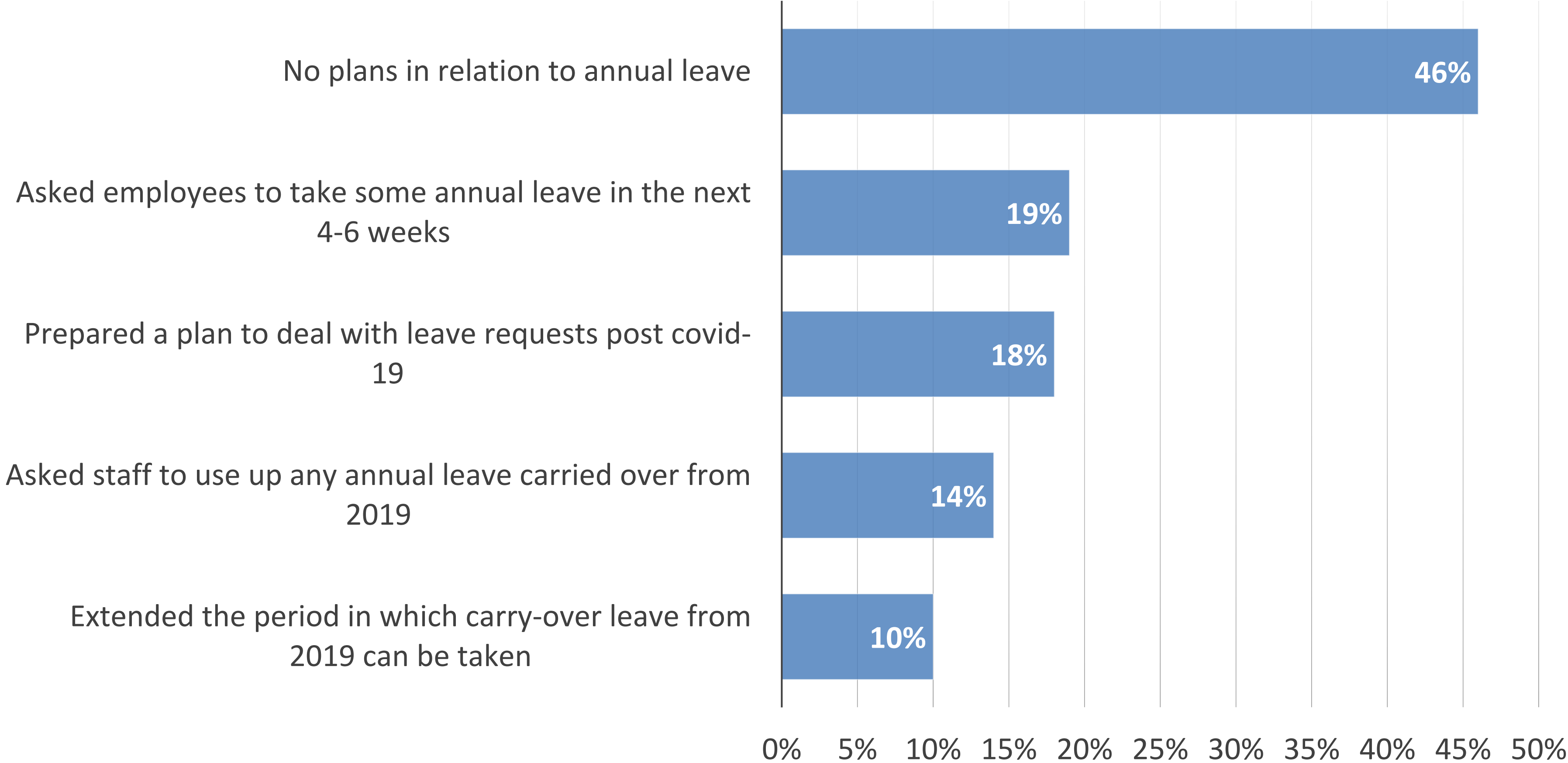
- 64% were topping up the wage subsidy scheme for all employees
- 21% were topping up for some employees only
- 15% were not topping up the scheme

Examples of top-ups include: topping up to full pay in the over half of cases, or to a percentage of pay e.g. 80%, 90% most commonly

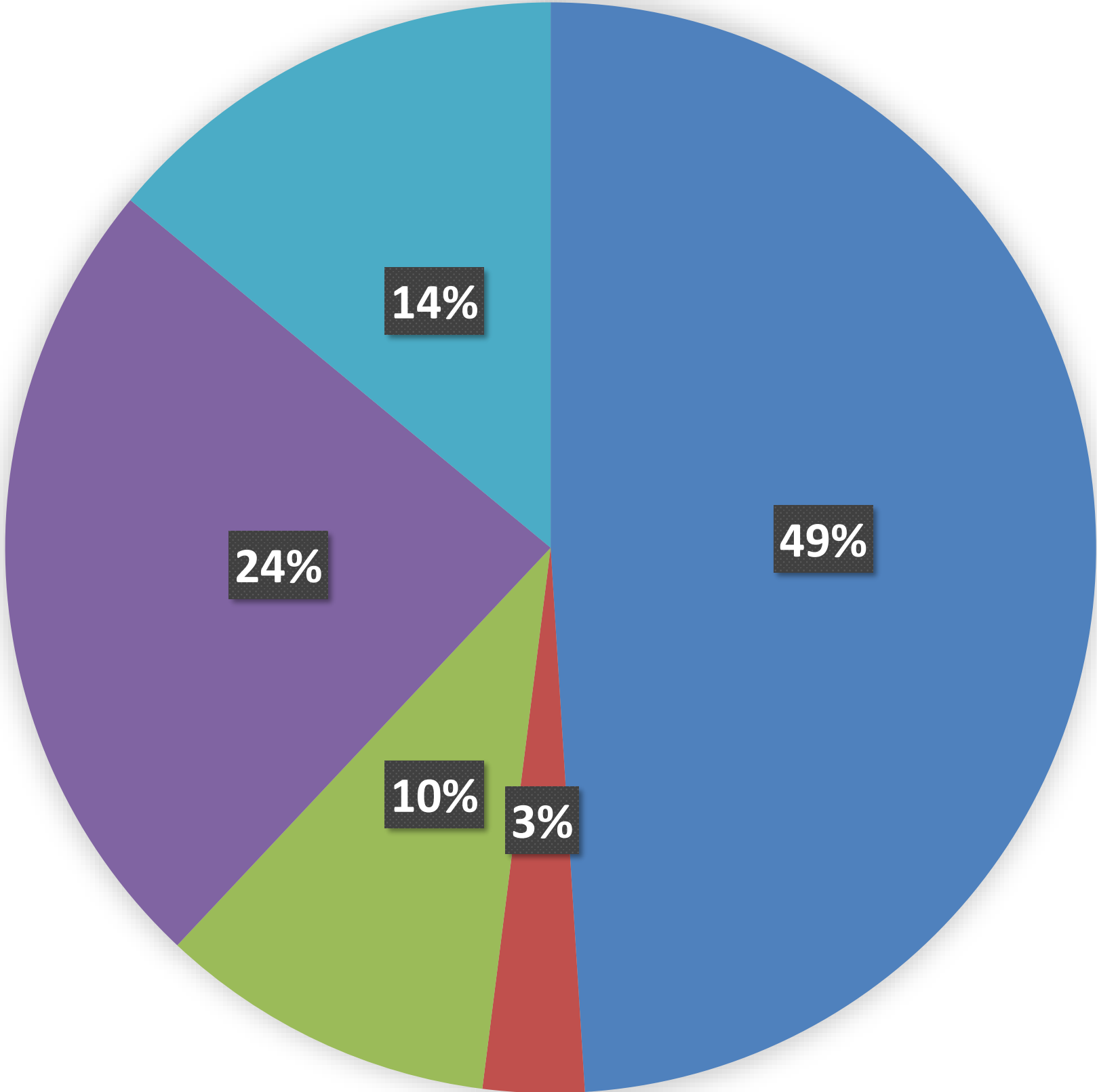
Just over one in ten (13%) expected to implement a **pay cut** for employees. In most cases the percentage pay cut had not yet been decided, or may come in the form of reduced hours.



# Annual Leave



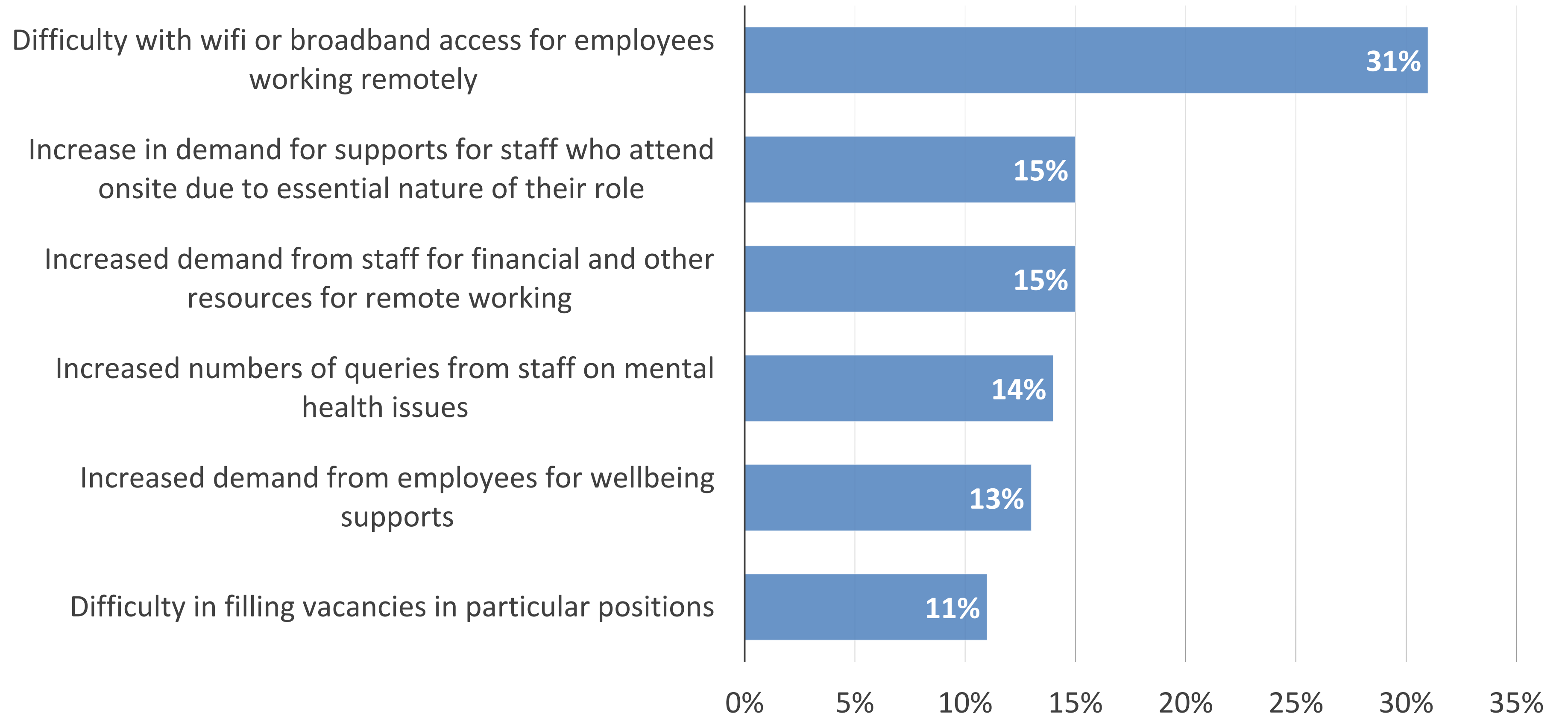
# Annual Leave planned prior to covid19



- Allow employees to cancel this leave
- Not allow employees to cancel this leave
- Allow employees to cancel this leave in exceptional circumstances
- No decisions made yet in relation to leave cancellation
- Not Stated

# Company experience

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# Company Initiatives Implemented

