

Key Thoughts on Compensation Resources' 2020 COVID-19 Survey Results

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Compensation Resources recently asked companies in its database what they are doing relative to compensation in response to COVID-19. The survey was undertaken well after stay-at-home orders were put in place, and at a time when there were positive signs of our economy reopening. Questions within two (2) main categories were asked: those specific to compensation, and those covering college graduate programs, and were solicited in a confidential manner to allow for the greatest opportunity for feedback.

The results of our survey cover responses from 99 companies representing a broad range of industries.

Results indicate a very interesting dynamic: the majority of companies are continuing as planned with their current compensation programs – taking no action on compensation (neither increasing, freezing, or reducing pay). For those making changes, the vast majority made these adjustments temporarily. Likewise, headcount is remaining stable among respondents. This is good news for employers and employees, indicating that companies are able to provide some degree of stability. This becomes important as economic conditions improve and the job market begins to recover. Although the notion of employee turnover may seem unusual at this time, retention continues to be a concern, as keeping a company's best performers is always a key goal.

While approximately 40% of respondents indicated that merit increases will continue as budgeted for 2020, 30% of respondents are still evaluating their merit increase process, so cautionary positions are still being taken relative to increasing fixed costs.

While working from home is the most prevalent change made by respondents, updates to paid time off and flexible schedules in response to COVID-19 have also been implemented by responding organizations. As part of a total rewards scheme, these programs continue to engage employees and support the value proposition provided by employers, well beyond COVID-19 and the economic recovery. Ultimately, communication is a key aspect of keeping employees informed and engaged, especially working remotely. Being honest about the company's relative financial position and providing information proactively will position the company positively as the new normal emerges.

For respondents reporting on their college graduate hiring, almost all participants reported no change in starting salaries for college graduates due to the current economic conditions and, likewise, companies did not need to rescind any offers to college graduates during the pandemic. About one-third of respondents are continuing with their recruiting programs, with about 15% placing their programs on hold. These findings are generally consistent with the path participants are taking above relative to their overall compensation administration.

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