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The Next Normal: The Changing Workplace in Eswatini

Business Eswatini





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* We have included throughout this report quotes from companies that either responded to the survey or in the interviews we conducted. In order to maintain confidentiality, we have not included the names of these companies.

Preface

In the dawn of this pandemic, we saw Covid-19 purely as a health crisis and not much more. However, with the passage of time it was later to transform itself into an economic crisis that not only affected enterprises, but also went on to dictate a new way of life for all. Having manifested on our horizons as an unprecedented phenomenon, the Covid-19 virus presented many challenges to Eswatini. To compound the problem, there was no reference manual detailing how to respond to it. Unexpectedly, it went on to wreak havoc on our supply chains, an unprecedented situation that demanded that our trade and regulatory systems be tweaked on the fly. Over and above demanding ingenious adaptation tactics, the pandemic overwhelmed our health systems which were ill-prepared to meet the healthcare demands placed on them. Resources that were not budgeted for had to be mobilized as we all struggled not only to keep our enterprises open, but also to preserve the lives of employees and their families.

The resources required and the work to be carried out required a concerted effort from all stakeholders. Business Eswatini swiftly intervened to provide assistance with resource mobilization and delivered a significant portion of the funds raised towards the Covid-19 response. In this regard, we partnered with the Covid-19 Resource Mobilization Committee that was set up to establish a consolidated fund for the procurement of all the medical supplies, including PPE, needed to meet the pressing challenges of the moment.

Human movement that was restricted by way of frequent lockdowns to slow down the transmission of the virus had unintended consequences, as it led to many enterprises closing down completely and others drastically curtailing their operations. As mentioned in the foregoing, trade regulations had to be tweaked to allow enterprises, especially those trading in essential commodities and services, to keep their doors open-albeit intermittently. All of this was at a time when we could only dream of a possible vaccine.

The breakthrough by the global health fraternity towards production of an efficacious vaccine, which has already proven to limit deaths and severe illnesses, has restored confidence back to employers. We are now somewhat assured of a full-scale reopening of all sectors of the economy in due course. Albeit not completely out of the woods yet, there is now some modicum of safety in the workplace, again aided in large part by the strict application of WHO prevention protocols. Business Eswatini has played a pivotal role in fast-tracking the administration of vaccines to Eswatini's private sector in a bid to ensure that the harm to business operations is as minimal as possible. To this end, we engaged our private sector wellness organization (SWABCHA) to deliver jabs to all employees in both the formal and informal sectors. Our involvement in the vaccination exercise in partnership with the Ministry of Health has received many accolades from the country's communities.

Much appreciation goes to the ILO for providing support during this difficult time through many invaluable initiatives that seek to ensure productivity in the workplace amid a raging pandemic. The Covid-19 Impact Assessment study that was carried out earlier accurately indicated that enterprises were, and still are, being impacted adversely. Working from home guidelines were also developed and provided to Business Eswatini by the ILO to give direction to employers on how to provide leadership in their respective enterprises throughout this time.

This post-pandemic assessment is a very crucial study that was also commissioned by the ILO in partnership with Business Eswatini to help employers put together their experiences and coping mechanisms in order to harmonize their systems with the new way of life that the pandemic has ushered in. The study has been received positively by all the key stakeholders who made input into it and this report will certainly harmonize not only the business ecosystem but also the labour relations space where there are many conflicts and uncertainties. It comes at a time when two pieces of legislation are being reviewed in Eswatini: the Industrial Relations Act and the Employment Act. We should be in a position to accommodate the shifts that have occurred in the workplace and modernize this legislations accordingly.

I hope as you read this report you will find important information that will give you a clearer picture of where the world is right now and where it is headed. This should be a good script to help you make important decisions as you begin the arduous task of reshaping the future of your own organization.

Fikile Nkosi

President, Business Eswatini

A photograph of two Black women looking at a laptop screen. The woman on the left has long dreadlocks and is wearing a black top with a colorful patterned sleeve. The woman on the right has her hair in a bun and is wearing a colorful patterned top. They are both smiling and looking at the laptop. A large blue semi-transparent overlay covers the bottom half of the image, and a red triangle is on the left side. The text 'Executive Summary' is written in white over the blue overlay.

Executive Summary

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Executive Summary

The Covid-19 pandemic has had dramatic implications on the workspace in Eswatini. For enterprises, the pandemic has been characterized by almost unparalleled disruption, forcing them to adapt to new circumstances almost overnight. Enterprises have had to alter and adjust their operations and production processes, human resource strategies, work modalities and many other aspects of their businesses. This report explores the pandemic-era experiences of Eswatini enterprises in four key areas: (1) the working space; (2) workplace relations; (3) skills development, knowledge sharing and productivity; and (4) human resources.

The pandemic changed the working space dramatically, though perhaps no single change is as important as the shift of working space from the office to home. In Eswatini, an average of 22 per cent of employees worked remotely during the pandemic. Many other enterprises opted for a hybrid approach, with both remote and in-person work. This was especially common amongst enterprises that required a part of their workforce to be physically present for operations, in sectors such as manufacturing, agriculture and hospitality. Employers rolled out the use of video conferencing services to facilitate communications of all types. This has been particularly true for meetings, negotiations, arbitration hearings, and social interactions. Some enterprises largely retained in-person work modalities and relied on work shift arrangements to reduce crowding in the workplace. Regardless of the work modality, many enterprises made changes to their physical premises because of the pandemic, with the establishment of health and safety features being the most common. Despite all of the changes and disruptions, some enterprises noted that the changes they made to their working space during the pandemic had a positive impact on production efficiency. In the coming years, many enterprises expect to continue a hybrid approach to work, though others are eager to have the human touch back, given that many enterprises require hands-on operations for everything from operating machinery to customer service to in-person sales meetings. Enterprises noted that hybrid workplaces can save costs on office space while still allowing human interaction.

The pandemic has been a time of both opportunities and challenges for workplace relations. On the one hand, many enterprises said that the pandemic helped build trust and understanding between workers and employers. Dialogue about workplace health and safety was common – held at almost all enterprises. However, there were also many challenges, including the common view amongst enterprises that they needed a more flexible and agile workforce.

The skills needs and skills development tools of employers have also changed rapidly during the Covid era. Notably, employers generally stated that soft skills have grown in importance, as have digital skills and multitasking abilities/flexibility. Employers view technical and strategic thinking skills as less vital in the years to come. The change in skills and knowledge sharing has been a major factor pushing enterprises to rethink productivity. The vast majority of enterprises said that the pandemic made them rethink how they should measure the productivity of their workforce, with 68 per cent saying they would focus on outputs as their key measure of productivity moving forward. More traditional measures such as the time spent in the office may be falling out of favour. Very few enterprises noted that they were closely monitoring the number of hours that employees spent working.

Lastly, the Covid-19 pandemic has been a major challenge for human resources. Now more than ever, enterprises understand that the mental and emotional wellbeing of workers is closely intertwined with the successful operations of the enterprise. Organizations have been implementing some interventions to support the mental and emotional wellbeing of their employees. Many enterprises reported engaging in regular communication to keep employees informed and connected. Only 20 per cent indicated that they have done nothing in the form of support to their employees. The pandemic has also pushed enterprises to consider who can be a member of their workforce. As enterprises increasingly shift to hybrid and remote work, their potential labour force is no longer constrained by geography. Though cognizant of this fact, enterprises in Eswatini have not significantly made the shift as to modify their hiring criteria to now include new groups of workers who were not previously considered – such as fully remote employees not living near the enterprise. Only 17 per cent indicated that they have made a shift towards this direction.





Introduction

The Covid-19 pandemic has brought the most significant changes in generations to the workplace. At its core, the pandemic has fundamentally changed where and how people work. Enterprises around the world had to make big structural changes, with many adopting digital tools and new technologies – often for the first time. The adoption of these new modes of working and new technologies have sent shock waves across the world of work, upending many long-standing norms and practices. Enterprises are questioning fundamental assumptions about their operations, such as whether they still need physical premises and how they measure what workers do. Workers are also rethinking key assumptions about work. This will drive long-term changes in the types of work being done, how work is performed, and what skills are required to do that work. The changes to the world of work will be complex, overlapping and significant.



“It has been a challenging and chaotic period for us because a lot happened in a short space of time. We were not ready to have some of our staff working remotely due to lack of tools to support such a working space”



In the Eswatini context, enterprises and government have described the advent of the Covid-19 pandemic as one of the most challenging phenomenon to have ever occurred in the country. The sudden nature of it and the extreme measures that had to be implemented to curb the spread of the virus were described as extremely devastating to an already fragile economy. This was particularly because there was no time for both government and enterprises to plan and put in place mitigation measures to counter the impacts of the pandemic. Enterprises were faced with a new reality where operations had to be suddenly halted because there was no one present to run them. There has been loss of production, reduced sales and almost zero demand for some services. Certain aspects, departments, and branches have had to be scaled down or closed for most enterprises. This resulted in remote working, salary cuts and job losses for employees. The work environment has been generally impacted as a result of all the adjustments that have had to be made as enterprises were trying to navigate the challenges that came with the pandemic. To gather more insights on the impacts of the pandemic and the adjustments of enterprises, Business Eswatini (BE) commissioned a study to explore the pandemic-era experiences of Eswatini enterprises in four key areas: (1) the working space; (2) workplace relations; (3) skills development, knowledge sharing and productivity; and (4) human resources. This report presents the findings of the study that was conducted between September and October 2021.



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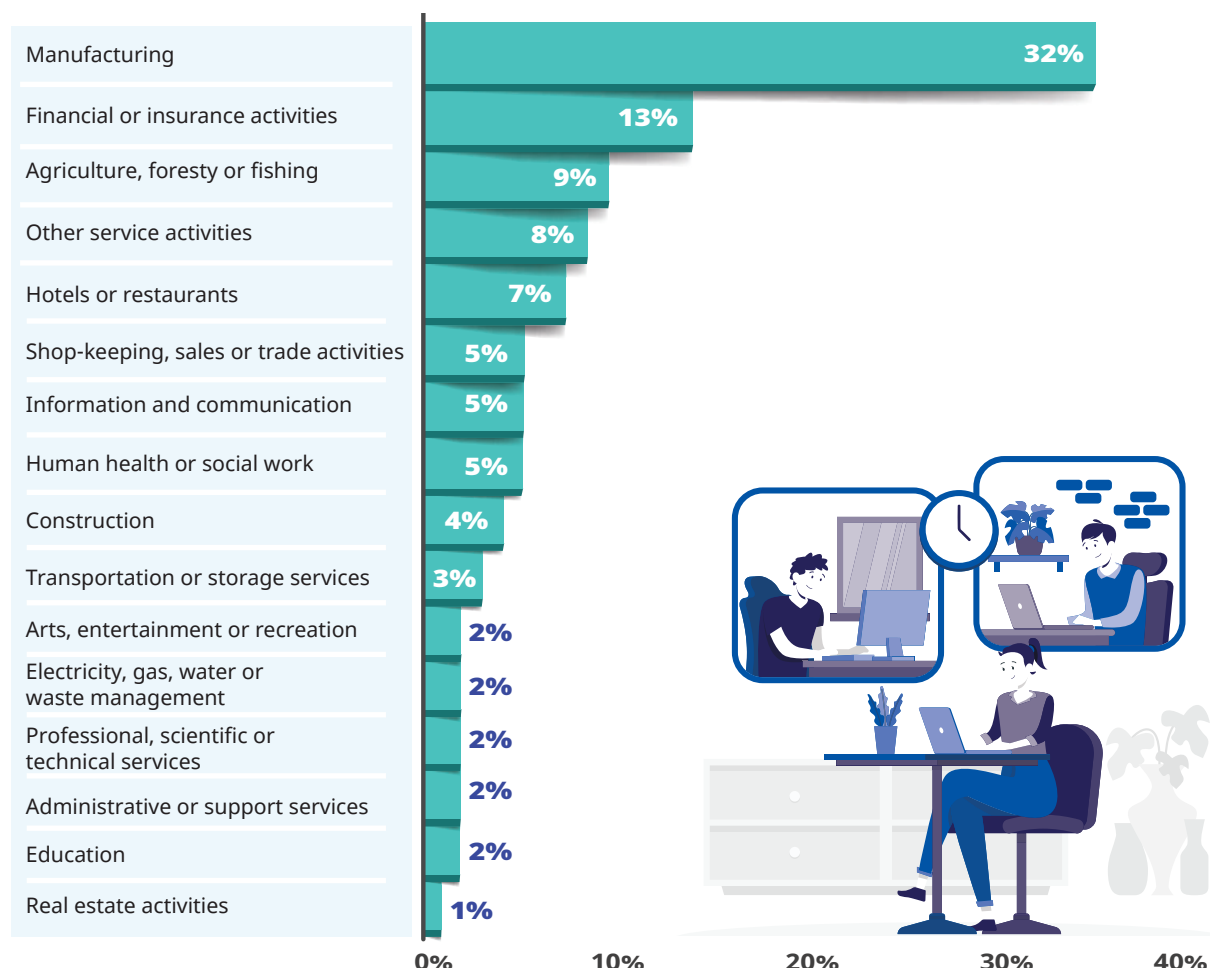
Approach

A mixed methods approach, constituting both quantitative and qualitative data collection techniques, was adopted for the purposes of conducting the research study. For the quantitative component, a survey questionnaire was completed by 102 registered enterprises in Eswatini. These enterprises are from a pool of 230 companies that are members of Business Eswatini. These include state-owned enterprises and private companies. Consistent with the country's economic orientation, the largest share of participant enterprises (32 per cent) were from

the manufacturing sector. The financial services (13 per cent) and agriculture sectors (9 per cent) were also well-represented in the survey. The full distribution of participants, by sector, is included in Figure 1.

From a location perspective, the vast majority (93 per cent) of the participant enterprises were from the Manzini and Hhohho regions, with 48 and 45 participants respectively. Four (4 per cent) participant enterprises were from the Lubombo region and three (3 per cent) were from the

Fig. 1: In which sector is the most important activity of your business?



Shiselweni region. This is in line with economic activity concentration, with most companies based in the cities of Manzini and Mbabane which are in the Manzini and Hhohho regions, respectively. In all the participating companies, the managing

directors and senior managers, particularly those in the Human Resources departments, were the ones who provided the information required in the survey.



For the qualitative component, 20 interviews were attempted with a total of 14 being completed, including government representatives from the Ministry of Labour and Ministry of Commerce. The approach in terms of selection of participating enterprise was to select one organization from each of the 18 sectors that have membership with Business Eswatini. Three main criteria were used to select the organizations to be represented in the study as participants in the interviews. The first consideration was the size of the organization as an industry player within the sector. The major players were preferred for participation in interviews. The second consideration was that the organization should be fully local in terms of its operations. To this extent, organizations who are subsidiaries of multinational companies were not selected to be interviewed. The rationale in this regard was to ensure that the sentiments and views shared were based on local experiences without external influences from head offices outside of Eswatini. The last consideration was

whether a representative from the organization would be available for the interview within the assignment data collection timeframe. There were challenges in eventually having the targeted 20 organizations to participate in the study. Of the 18 selected organizations, six were not available for participation. This could be attributed to the civil unrest under which the country was engulfed at the time of conducting this study. Appendix I shows the organizations that participated in the interviews and those that were unavailable. The participant engagement process was voluntary and potential participants understood that they were not compelled to participate in the study. The interviewer was upfront with this information and explained what the study sought to achieve. Consent was sought from the participants to engage in the interview process. Discussions were mainly held in English language, but respondents were at liberty to interchange with the local language.



The Working Space

The Covid-19 pandemic has brought about dramatic changes in the physical workspace. When asked how to briefly describe changes to the working space, enterprises came back with

a range of diverse responses. One common theme was “challenging”. The challenges were highlighted in the context of the adjustments that had to be made by enterprises.

Fig. 2: Most commonly cited words describing how the Covid-19 pandemic changed the physical and/or remote working space.

DISRUPTIVE ANTI-SOCIAL
CHALLENGING
 REMOTE NESS INEFFECTIVE **SAFE**
IMPROVE FEAR INNOVATION
 LONELY RESTRICTIVE **BETTER**
WORSE **LIMIT** ADAPTATION
COSTLY

A variety of adjustments were made such as more open working spaces, active promotion and entrenchment of hygiene practices in the workplace, and increased access and use of digital platforms. Another theme concerned reorganization of working spaces. Health and safety concerns were common, from “social distancing” and “hand sanitation”; to “wearing of masks at all times in the workplace”. Lastly and not unsurprisingly, there were a number of different but related summative words from the interviews about the challenges of the year: “chaotic”, “disaster”, “ever-changing”, “unfamiliar territory” “hurting” and “fear”. Positive words also arose from the discussions: “exciting”, “innovative”, and “exceptional”. If there is one common thread amongst the voices of enterprises, it is that the effects of the pandemic on the working space of enterprises has been diverse, with some positives in certain circumstances.



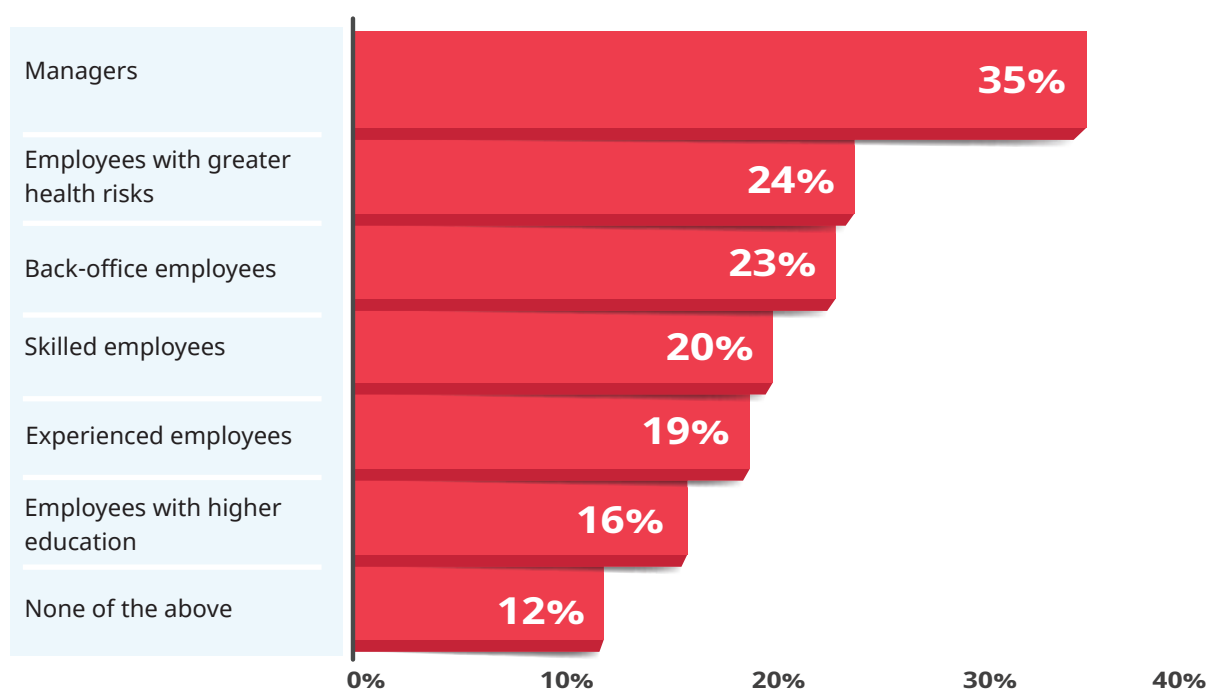
“The biggest challenge was around negotiations with the union ... they struggled to get to terms with the virtual platform as they were used to the physical contact where they could even read the body language of the management team”



Nowhere is this change in physical working space more evident than among newly remote workers, whose physical workspace is no longer the employer’s facility, but now the worker’s home. In Eswatini, an average of 22 per cent of employees worked remotely during the pandemic. Although a relatively significant share of the workforce, this figure does show that the majority of employees were not able to work remotely during the pandemic. Comparing these figures to global averages shows that employees in Eswatini were less likely to be able to work remotely than employees elsewhere. Globally, 62 per cent of employees expect their employers will allow them to work remotely in the future. Notably, of those employees surveyed globally, 77 per cent say that working remotely will help their company lower operating costs and 78 per cent say they want to work remotely to avoid distractions.

Though 22 per cent of all employees worked remotely during the pandemic, this was not evenly distributed among all employees. Instead, some groups of employees were much more likely to be working remotely, whereas others were much less likely. Notably, the group of employees most likely to work remotely were those in management positions (35 per cent). This was followed by those with greater health risks (24 per cent) and back-office employees (23 per cent). Employees with higher education and experienced employees were only more likely to work from home at a comparatively small share of enterprises.

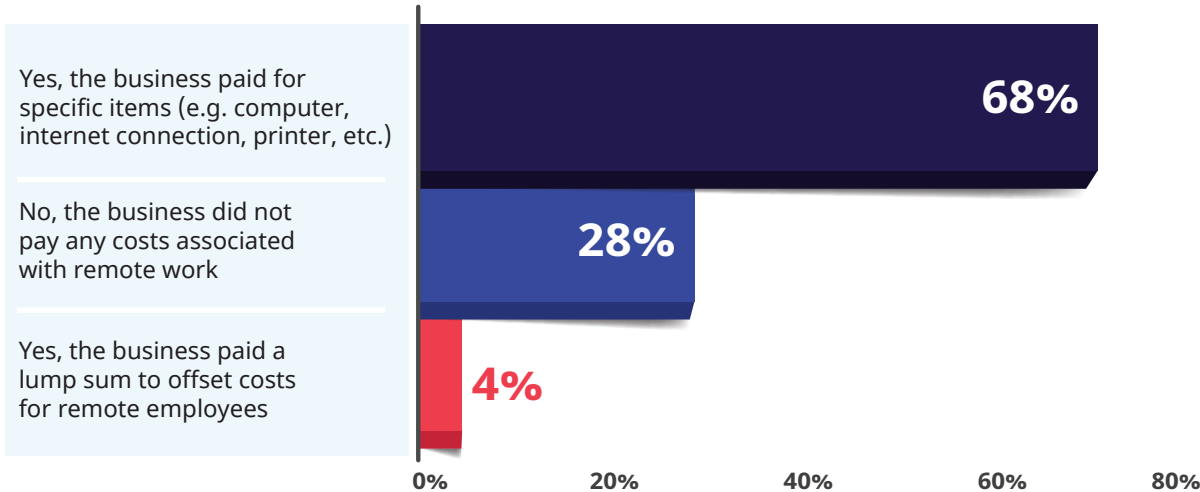
Fig. 3: Types of employees in businesses who were more likely to work remotely



The shift to remote work created new costs for both employers and employees and, as the survey found, many enterprises supported the costs of both. 47 per cent of enterprises that had some or all of their workers transition to remote work indicated that they paid for specific items that employees needed to work remotely, such as

computers or internet connections. However, other enterprises left it to employees to cover these costs, with 19 per cent of enterprises reporting that they did not cover any of these costs. Only a small share of enterprises (3 per cent) provided employees with a lump sum payment to be used towards the costs of remote work.

Fig. 4: Did the business pay for any costs incurred by employees who worked remotely?

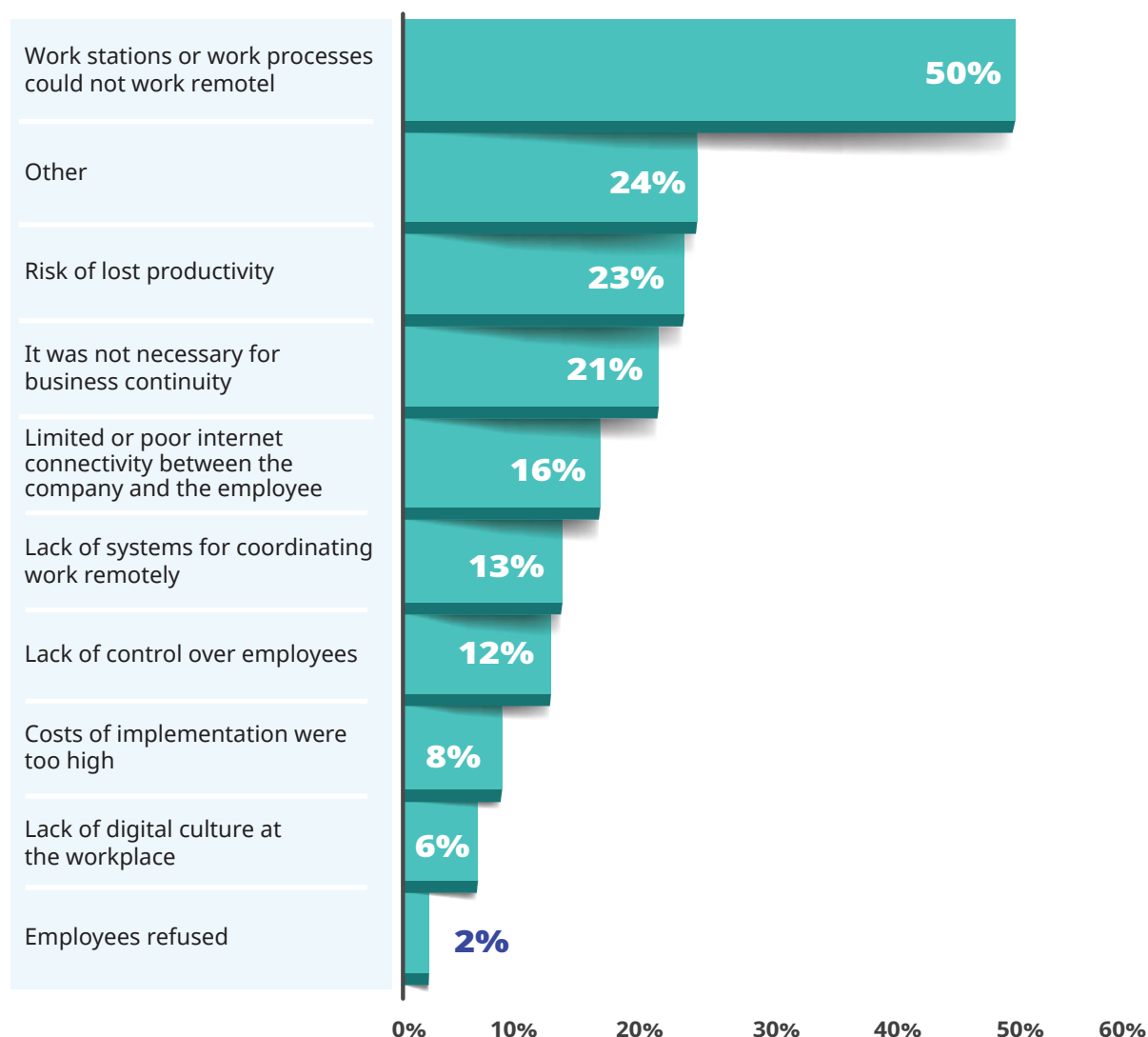


Whether voluntarily or involuntarily, many enterprises opted for a hybrid approach to remote work, with some workers at the employer's facility and others working remotely. Of course, the ability of employers to take this approach depends on the nature of their business and work processes. For example, one hospitality services provider said that remote working was obviously not possible in their business. They needed to be physically available to serve the clients that would come to the establishment. Another organization in the financial services sector mentioned that they could afford to have as many as 70 per cent of their staff working remotely, because they could still effectively interact with their clients outside the physical space. Others with more flexible enterprises opted to retain a hybrid approach to work to minimize disruptions. This was mainly in the form of rotation, with a group of employees being physically present in one week and another group working remotely. For labour-intensive

establishments such as manufacturers, there was an increase in the number of shifts for employees, with fewer employees per shift to reduce workplace crowding.

As already noted, only 22 per cent of employees worked remotely during the pandemic. Most enterprises largely retained in-person work modalities, a choice sometimes driven by necessity and sometimes by choice. Of the enterprises that did not implement remote work, 50 per cent indicated that this was because work stations or processes could not be adapted to run remotely. The risk of lost productivity was cited by 23 per cent of enterprises, whereas 21 per cent were of the view that it was not necessary for business continuity. On the flip side, only 2 per cent of enterprises did not implement remote work because employees refused, whereas only 6 per cent indicated that they did not implement remote work because of the lack of a digital culture in the workplace.

Fig. 5: Reasons why businesses did not implement remote work.



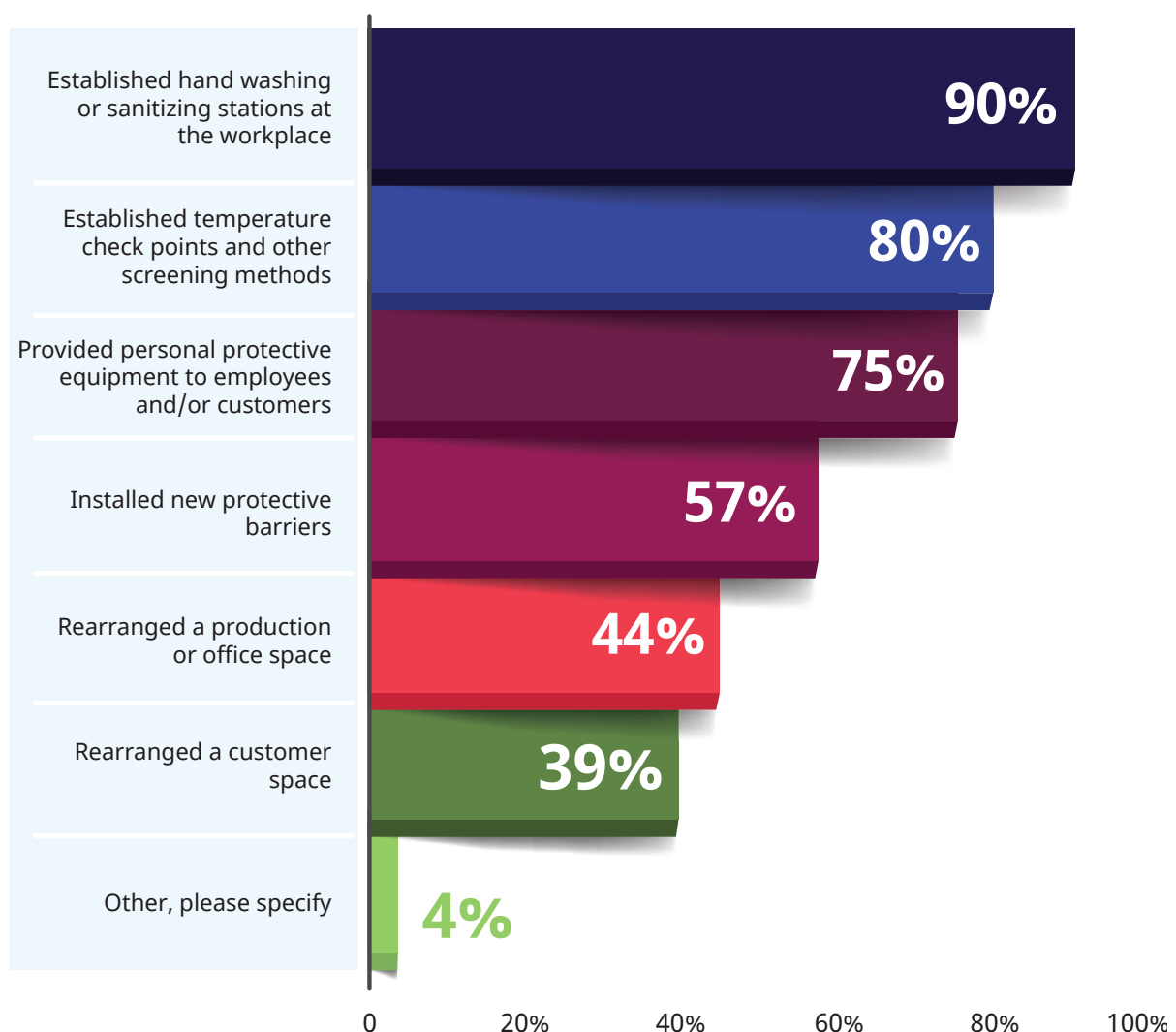
Some enterprises highlighted the importance of physical human interaction. This quote from one respondent summed up what some enterprises have observed in this respect: "People have been affected from a wellness perspective because some of the physical forums provided a good space for people to vent, and since cutting these off in response to Covid, we have observed high levels of unexplained frustrations and even anger from our employees."

For enterprises, remote work provided a range of benefits but also many challenges. Some of the biggest challenges have been the reduced control in terms of participation in work activities and an increase in absenteeism, which had an impact on productivity. One manager noted that the lack of control of the work space with people working from home has seen a reduction in valuable contributions from employees. He stated; "It is now common cause that a person can miss a meeting

and cite connectivity challenges as the reason, and because we are not in the same space we cannot be sure of the authenticity of that excuse. So we are most likely losing value which we would have otherwise retained if the person was physically at work."

To facilitate in-person and hybrid work, many enterprises had to make changes to their physical premises to adjust to the pandemic era. The most common steps, by a large margin, were establishing hand-washing/sanitation stations, done by 90 per cent of enterprises, and establishing temperature checkpoints and other screening mechanisms, done by 80 per cent of enterprises. A significant share of enterprises – 75 per cent also provided personal protective equipment to employees and/or customers. At the lower end, more than a third of enterprises rearranged a customer space because of the pandemic.

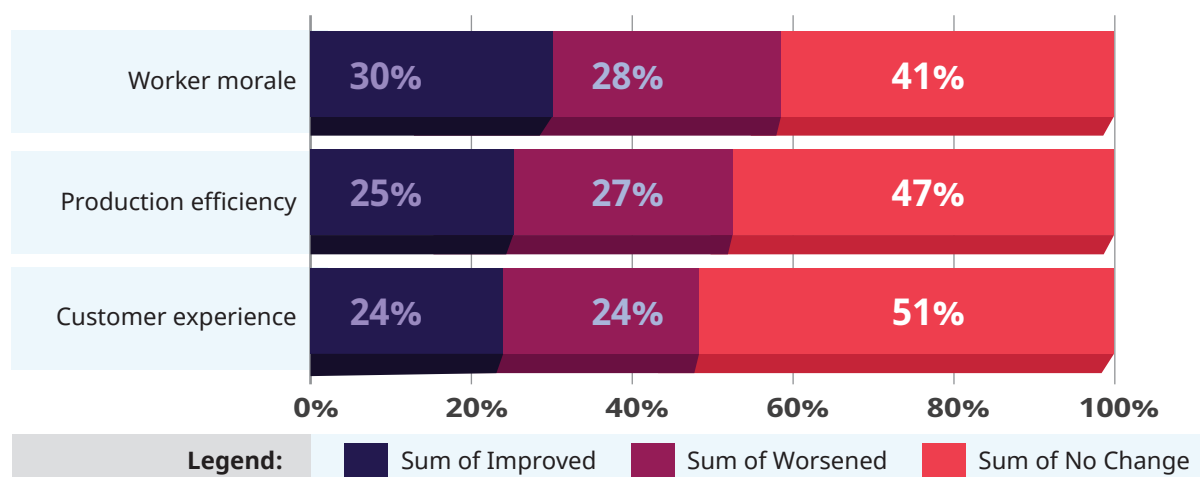
Fig. 6: Which of the following changes have you made to your business premises because of the pandemic?



With such a large share of enterprises making changes, and a significant share making multiple types of changes, it is unsurprising that these pandemic-era adaptations affected business operations. However, for many enterprises, being forced to change had no effect on productivity. Nearly 50 per cent of enterprises noted that the changes that they made had no effect on production efficiency. This was a similar pattern as well when

it came to customer experience, where 51 per cent of enterprises indicated that the changes had no effect. The effects on worker morale were similar in terms of noted worsening and improvement by the enterprises, at 28 per cent and 30 per cent respectively. Just over 40 per cent of enterprises reported that changes had no effect on worker morale.

Fig. 7: How have the changes you made to the business premises affected each of the following?

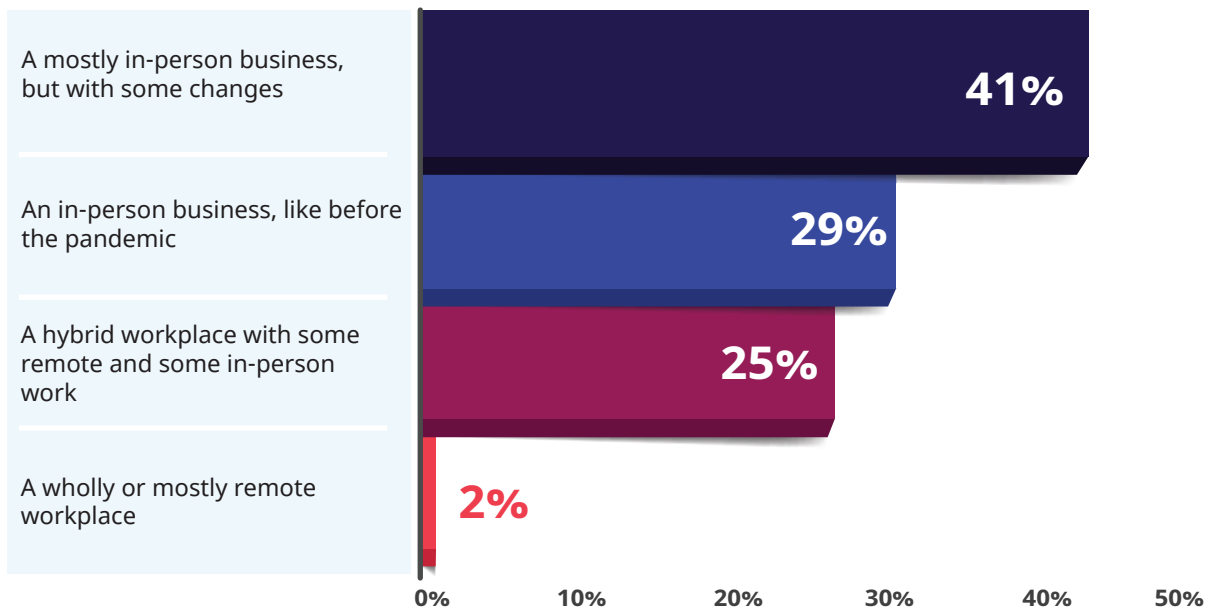


Despite all the upheaval and change in the past year and a half, Eswatini enterprises have already put thought into their future business models and a significant share indicated they would operate as mostly in-person enterprises, with some changes. This was the view of 41 per cent of the enterprises that participated in the survey. This was followed

by 29 per cent that said they would continue to be in-person enterprises as they were before the pandemic. Those who see themselves working as a hybrid workplace with some remote and some in-person work were at 25 per cent, with only 1 per cent of the enterprises saying they would be wholly or mostly a remote workplace.



Fig. 8: Which of the following best describes your business model in the coming years?



At government policy level, the Micro, Small and Medium Enterprise (MSME) national policy already had an element of using virtual platforms as a means of conducting business for the purposes of promoting enterprise competitiveness in the international market. With the advent of Covid the use of these platforms has been emphasized

and strengthened. In respect of remote work, the view from government was that it would be encouraged because of the associated potential cost savings it could have. However, enterprises would only be advised to take this route if they have robust performance and productivity monitoring mechanisms and systems.



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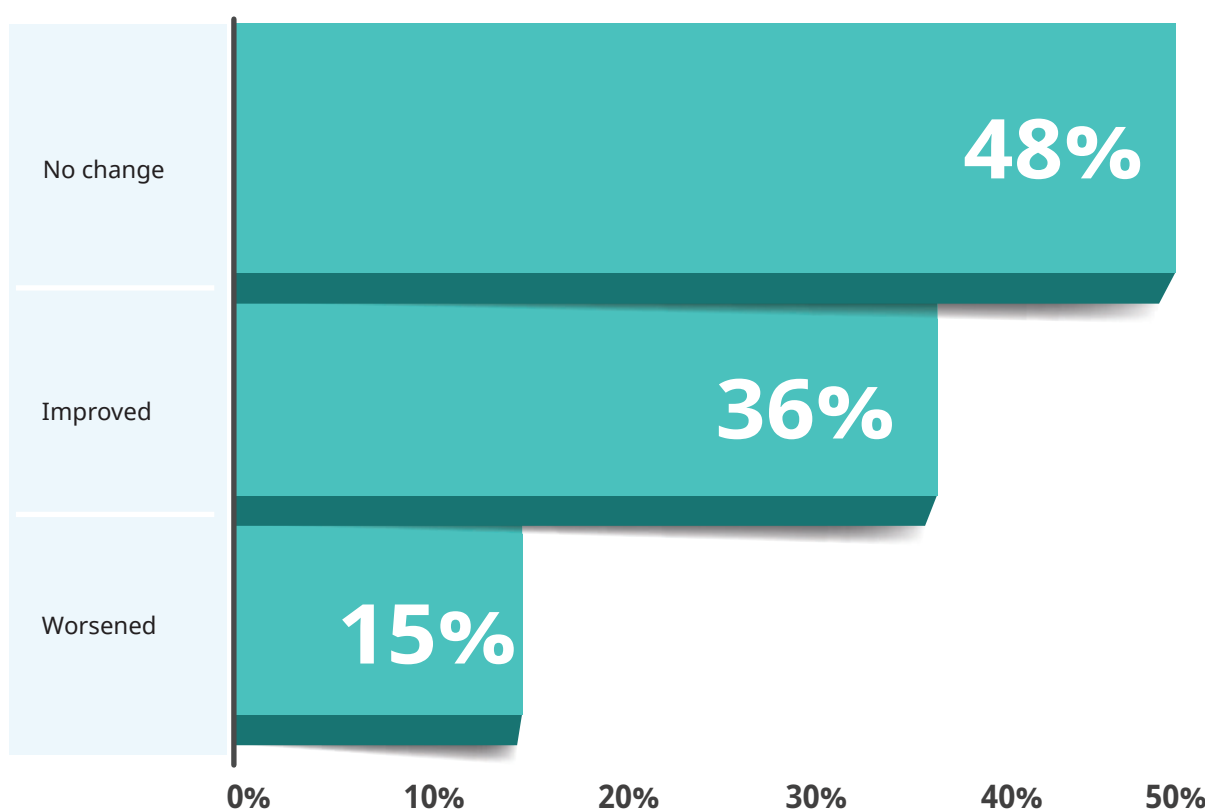


Workplace Relations

The Covid-19 pandemic has been a challenge for workplace relations but also provided opportunities for it to grow, with potential long-term benefits. From a workplace relations perspective, only 15 per cent of the participating organization indicated that relations between

senior management and other employees worsened during the pandemic. For most of the organizations (48 per cent), the pandemic had no effect on these relations, and 36 per cent felt the relations improved.

Fig. 9: How has the Covid-19 pandemic changed workplace relations?



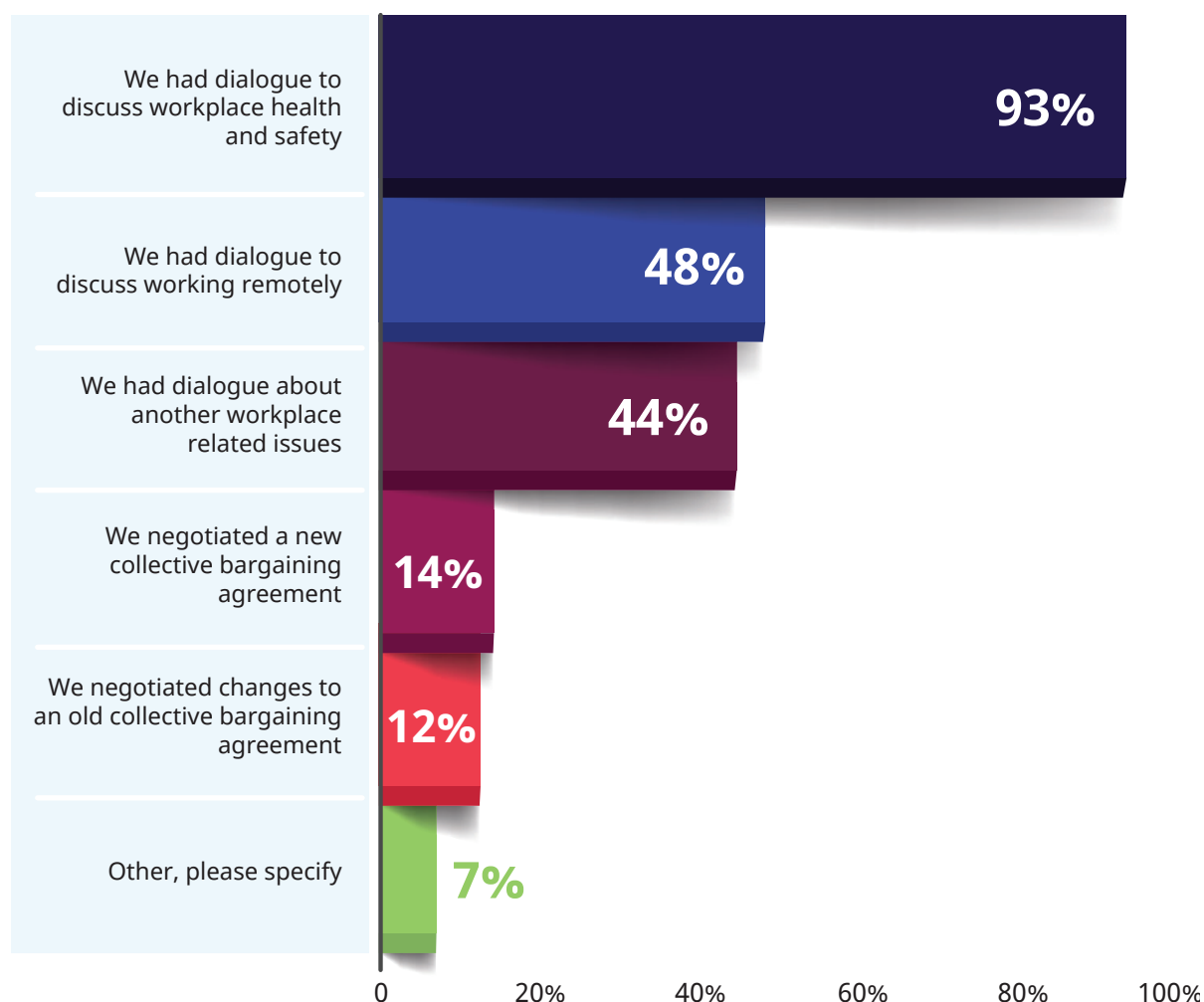
During the pandemic, employers and employees engaged in workplace dialogue on a wide range of issues. Unsurprisingly, dialogues on workplace health and safety were done in almost all the organizations (93 per cent). Remote work was also a common topic of discussion, covered at nearly half of enterprises (48 per cent). Changes to collective agreements, or new collective agreements, were less common. Fourteen percent of enterprises stated that they negotiated a new agreement, and 12 per cent negotiated changes to an old agreement. The lower response rates in relation to collective bargaining are understandable because not all enterprises in Eswatini have collective bargaining agreements.



"Those who worked during the lockdown felt they should be compensated ... there was some feeling of a lost benefit by coming to work when most people were at home"



Fig. 10: Dialogues or negotiations enterprises had with employees since the start of the pandemic

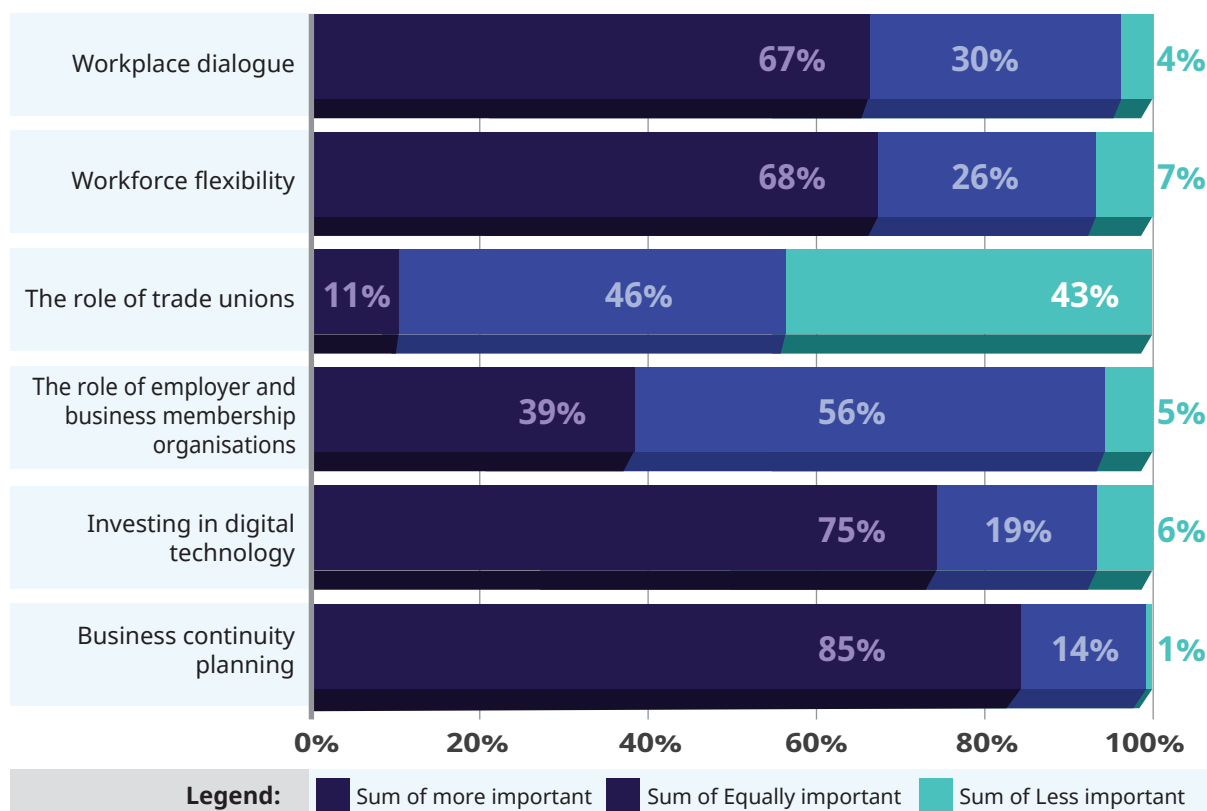


The pandemic has also changed the way that employers view various workplace-related activities. Most notably, enterprises generally noted that the pandemic had increased the importance of almost all areas. However, business continuity planning and investing in digital technology were cited more often by enterprises as areas whose importance has increased. Workplace dialogue and workforce flexibility were also cited by significant proportions (67 per cent and 68 per cent, respectively) of the participating organizations as having increased in terms of importance. The role of trade unions was cited by only 11 per cent of the organizations as having increased in importance during the pandemic. Interestingly, a significant number (44 per cent) of the enterprises were of the view that the role of trade unions had actually diminished in importance, with almost half (46 per cent) of them indicating that it was equally important. Generally,

“We have had to speed up our digital platforms ... we recently launched our mobile app to say all the services that customers were receiving at our service centres could be remotely accessed without having to travel to these centres”

for all the enterprises, all work-related areas became more important during the pandemic. Save for the role of trade unions, enterprises who indicated diminishing importance in the work-related areas were less than 10 per cent, with business continuity planning recording only 1 per cent with this view.

Fig. 11: How has the pandemic changed the importance of the following work-related areas?



Though many enterprises noted the need to have an increasingly flexible workforce, the vast majority – some 78 per cent stated that they had not increased their use of external contractors since the start of the pandemic. Only 17 per cent of the enterprises indicated that they had increased

their use of external contractors. For enterprises that did increase their use of external contractors, the most frequent reason given was that the organization needed people with skills that are not part of their core business.

Fig. 12: Has your business increased its use of external contractors since the pandemic started?

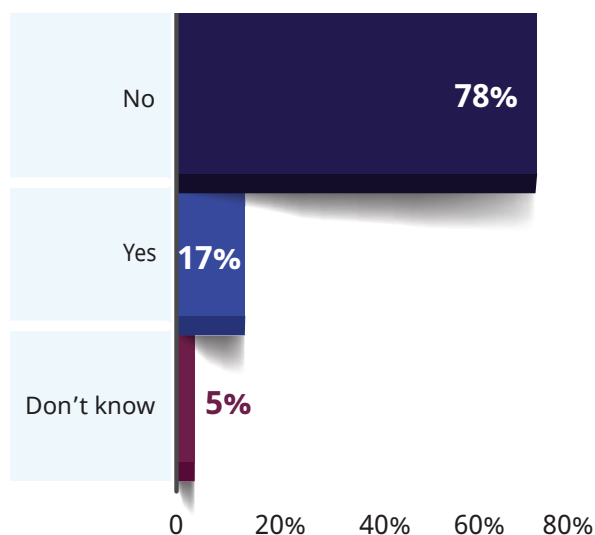
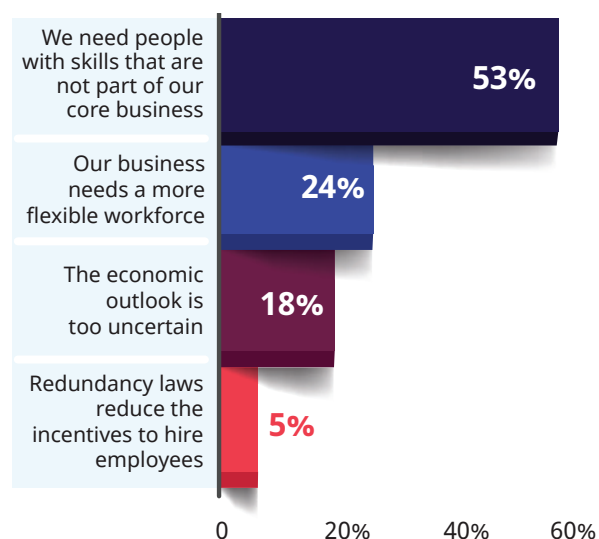


Fig. 13: What is the most important reason that your business is expanding its use of nonemployee (external) workers?





About a quarter (24 per cent) of the organizations cited the need for a more flexible workforce as their reason for increased engagement of external contractors. Only 5 per cent indicated that they engaged contractors because of the country's redundancy laws.

From a compensation perspective, enterprises largely stayed the same. However, some adopted a range of compensation-related manoeuvres during the pandemic to manage costs, ensure business continuity and alleviate challenges with workplace relations. 19 per cent of enterprises increased their use of reduced-hours contracts. Performance-based pay was recorded to have increased in 15 per cent of the enterprises. Lastly, average employee compensation stayed the same at 61 per cent of enterprises, but the proportion of enterprises reporting a decrease (18 per cent) was slightly more than those reporting an increase (13 per cent). Over and above these compensation manoeuvres, some enterprises adopted unconventional ways to reduce expenses while remaining competitive. For example, one enterprise stated that they actively assist their employees to find other jobs to cover for the reduced hours lost in terms of compensation.

Employers rolled out the use of video conferencing services to facilitate communications of all types. This has been particularly true for meetings,

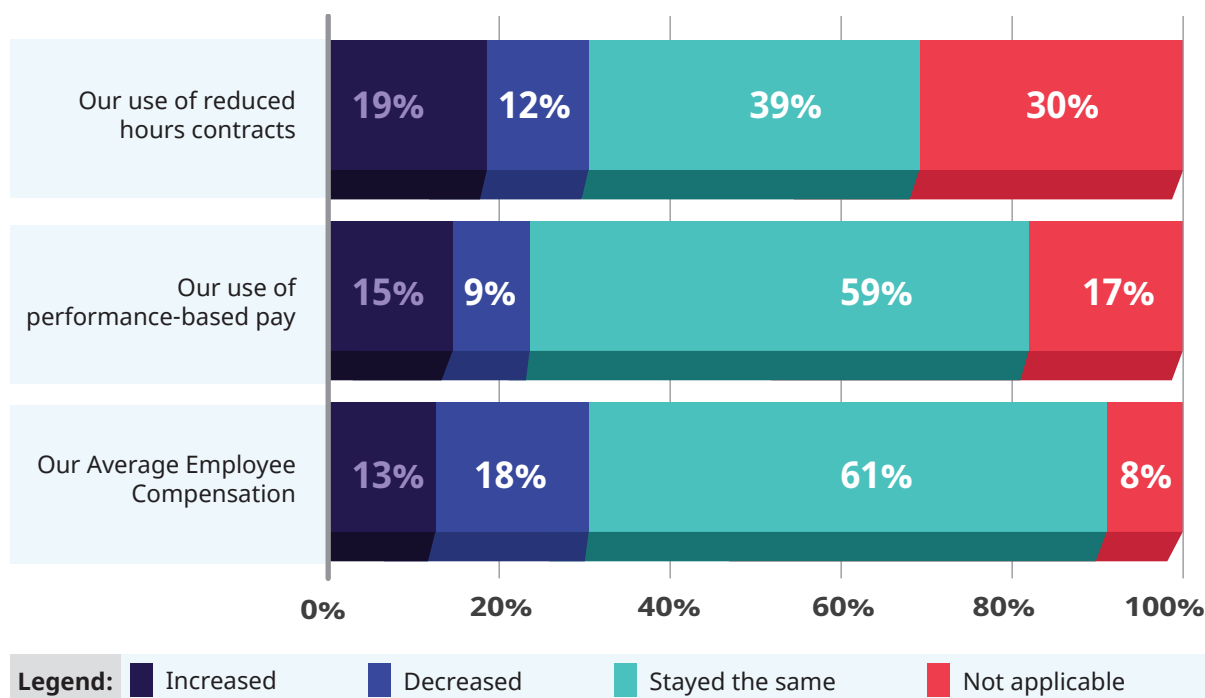
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“We identify opportunities for work that is noncompeting with our line of business and we encourage our employees to engage in those income-generating activities during their free time”

”

negotiations, arbitration hearings, and social interactions. The pandemic significantly accelerated the adoption of these technologies, with applications such as Zoom and Microsoft Teams now a common feature for interactions of any sort in organizations. These seem likely to be the norm post-pandemic for enterprise interactions and communications. Moreover, many enterprises said that there are now expectations from employers that remote work flexibility will remain beyond the pandemic. Globally, 83 per cent of employees report they are more productive working from home.¹

Fig 14: How have the following aspects of your compensation practices changed since the Covid-19 pandemic?



Skills Development, Knowledge Sharing and Productivity

The Covid-19 pandemic has had a significant effect on the skills that companies need to be successful, as well as the way that those skills are developed and knowledge is shared within an enterprise. The changing nature of skills and knowledge sharing has also had a significant effect on the productivity of enterprises. In future, the skill sets that enterprises need to survive and thrive are likely to be significantly reshaped by the pandemic.

Across participating organizations, there was a clear need to approach business skills differently during



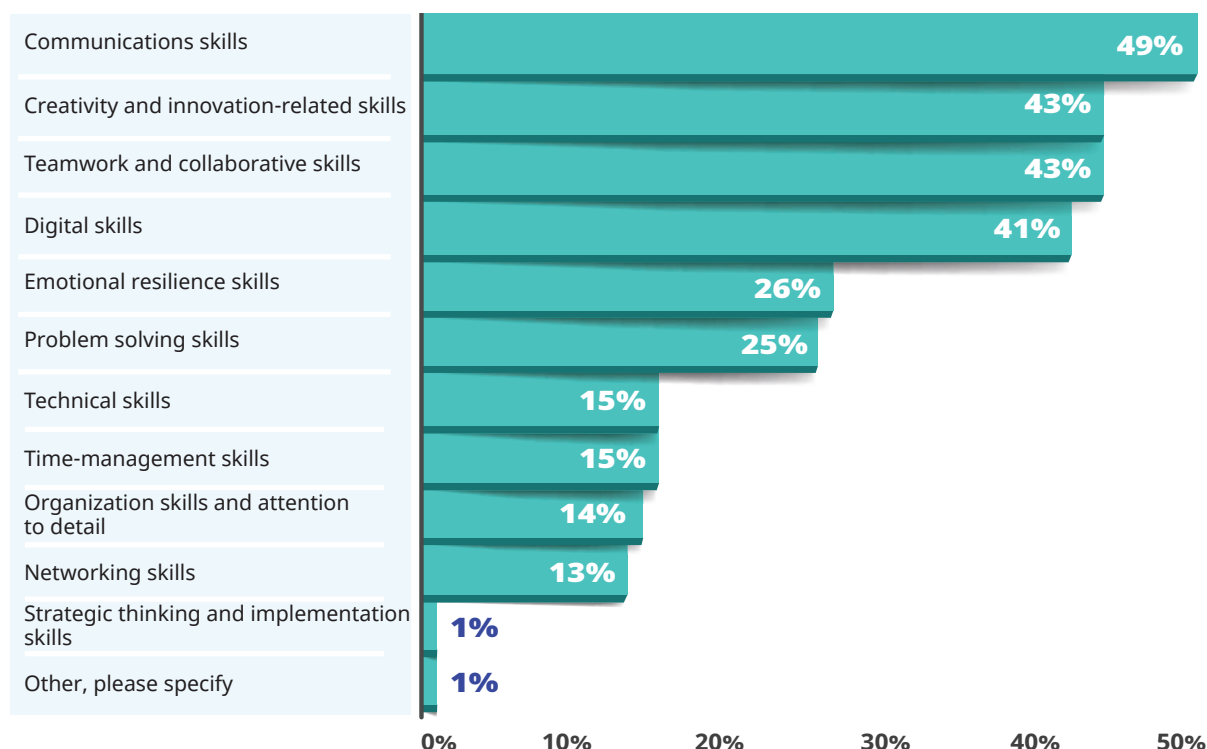
"We need to be very agile as an organization and we obviously need greater agility from our employees"



and after the pandemic. Different skills would be needed, such as the ability to solicit and manage clients online through digital platforms. In general, surveyed companies needed greater adaptability from employees. The survey found that the most important skills that enterprises need for the future are what are often referred to as "soft skills". Communication skills were cited by almost half (49 per cent) of the organizations as highly required in future. This was followed closely by creativity and innovation-related skills together with teamwork and collaborative skills, cited by 43 per cent of the organizations. Digital skills, which have taken on a new importance in the pandemic with the rise of remote work, were cited as a top skill set by 41 per cent of enterprises. On the other hand, very few enterprises (just 1 per cent) indicated that strategic thinking and implementation skills would be one of the three most important skill sets moving forward. Technical skills, time management, organization, and networking skills were all below 20 per cent as being highly important for the future success of enterprises.



Fig. 15: Which of the following skill sets will be most important for the future success of your business?



Across the survey, there was a clear indication that, looking ahead, technological and digital skills will be in high demand. Adaptability and the ability to multitask, so important during the pandemic, will also prove a sought-after skill in the future. As can be expected, the change in skills requirements is not the same across all sectors. The pandemic

“We have had to relook at our strategy map in terms of skill requirements ... we need to reposition ourselves as business to say what are the skills for the future that we are going to be in need of”

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had a variety of impacts from a skills perspective, depending on the sector. Some respondents from the manufacturing and agriculture sectors, for example, reported limited changes in skills requirements resulting from the pandemic. Any changes to skills requirements changes would be as a result of evolutionary changes within the sectors. They did note, however, that the pandemic has presented a lesson that as enterprises they need to be better prepared for disruptive events that may impact the enterprise.

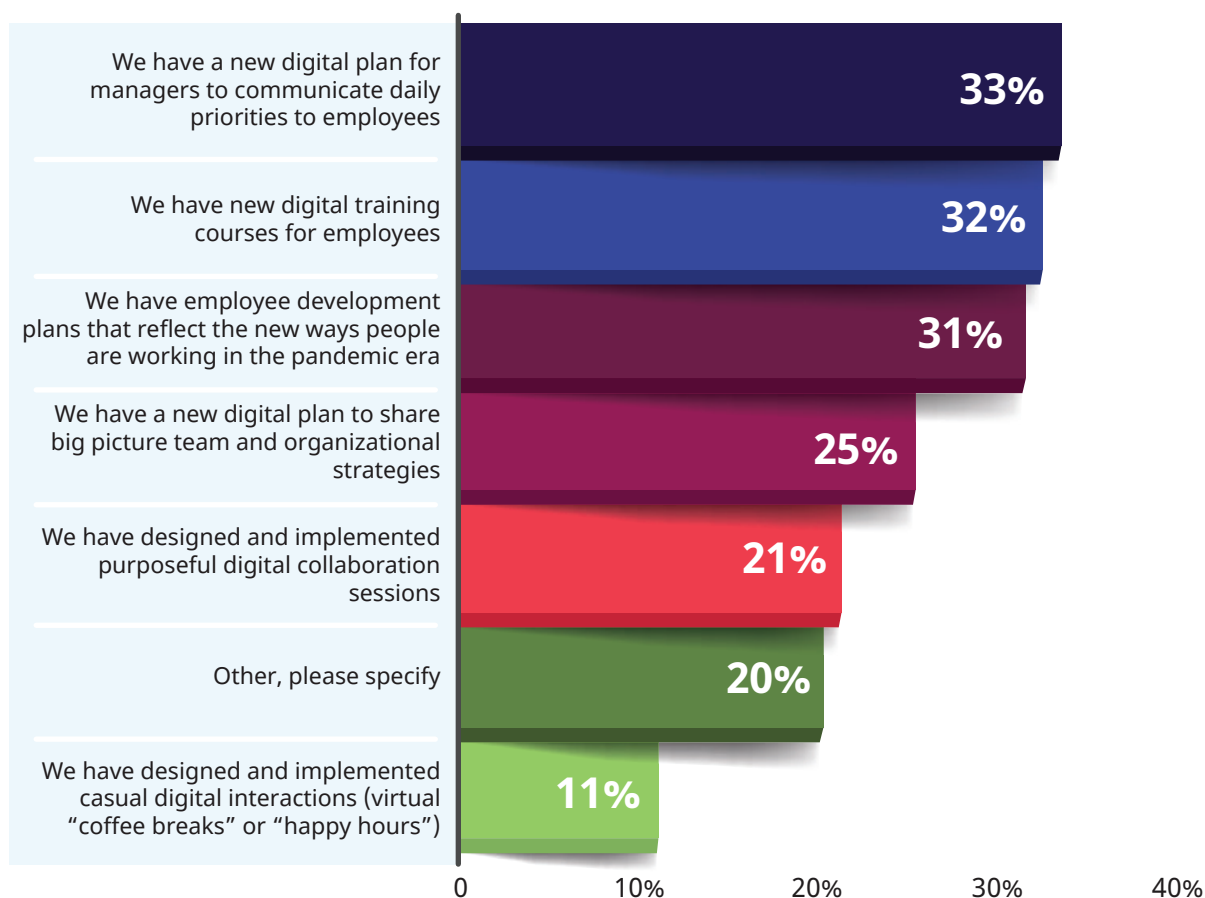
Enterprises have responded to the fastmoving context in terms of the demand for new skills by changing the way that they train employees, collaborate and share knowledge. A third (33 per cent) of enterprises have developed new digital plans for managers to effectively communicate with employees. New digital training courses have been developed and are being rolled out in 32 per cent of the organizations, whereas 31 per cent now have employee development plans that reflect the new ways employees are deployed and work during the pandemic. However, comparatively few enterprises (only 11 per cent) have implemented casual digital interactions, which can be good forums for informal information exchange and collaboration. Enterprises in knowledge-intensive industries may benefit from expanding these types of interactions.

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“We have had to relook at our strategy map in terms of skill requirements ... we need to reposition ourselves as business to say what are the skills for the future that we are going to be in need of”

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Fig. 16: How have you changed the ways in which you train, collaborate and share knowledge during the pandemic?

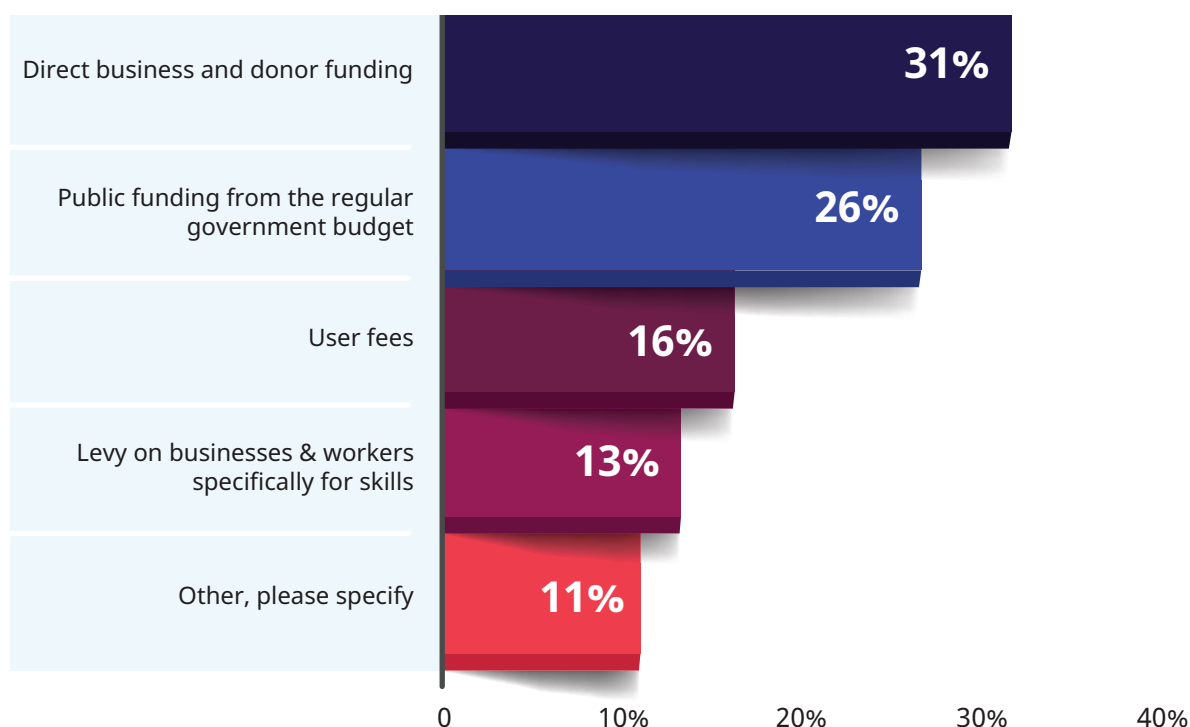


With the skills needs of enterprises changing so quickly, it can be expected that many countries will struggle to ensure that their workers are properly trained with the right skills for the post-pandemic workplace. Funding the training and skills development for this can be a major challenge. Through skills development can benefit workers, employers and governments, there is often disagreement about exactly how it will be paid for, a tricky question given the many beneficiaries. Just

under a third (31 per cent) of the organizations were of the view that the costs for post-pandemic skills development should be funded by direct business and donor funding. Just over a quarter of the enterprises supported public funding from the regular government budget. Payment from user (participant) fees was supported by 16 per cent of the enterprises and 13 per cent indicated that their preference would be payment from a direct levy on enterprises and workers.



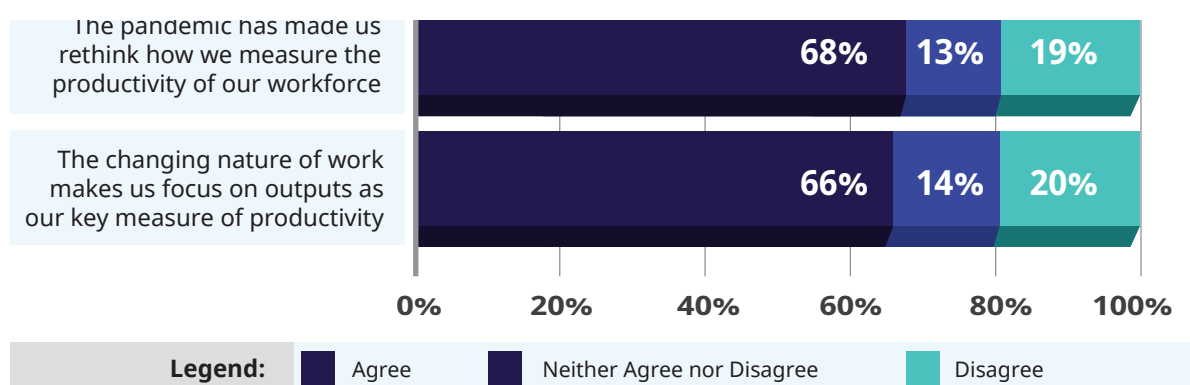
Fig. 17: Which model for funding post-pandemic skills development is most suitable?



The change in skills and knowledge sharing has been a major factor pushing enterprises to rethink productivity. The mix of skills and knowledge needed to be productive has changed for many enterprises and workers. The survey shows that the pandemic has caused the vast majority of enterprises to rethink productivity. Over two-thirds (66 per cent) of enterprises revealed that the pandemic made them rethink how they should

measure the productivity of their workforce. More traditional measures such as the time spent in the office may be less of a factor in future. A similar proportion (66 per cent) of the enterprises also stated that they would focus on outputs as their key measure of productivity. This has major implications for the time-based employment relationship that has been the mainstay of many formal workplaces for decades, if not longer.

Fig. 18: Do you agree or disagree with the following statements?



With regard to productivity monitoring, responses from enterprise indicated a focus on output-based measurements. In the first instance, enterprises seem to place trust on their employees to complete their outputs in a timely and professional manner, indicated by 23 per cent of the organizations as the highest recorded proportion in terms of responses for “none of the above.” An almost similar proportion (21 per cent) was recorded for organizations that indicated close monitoring of outputs produced by employees as their best way of monitoring performance of remotely working employees. Regular meetings with employees to keep track of performance was cited by 18 per cent of the organizations that participated in the survey. Interestingly, a small number of enterprises reflected reliance on time-based measures. Just 4 per cent of responding enterprises stated that they trusted employees to work a certain amount of time each day and another 4 per cent indicated

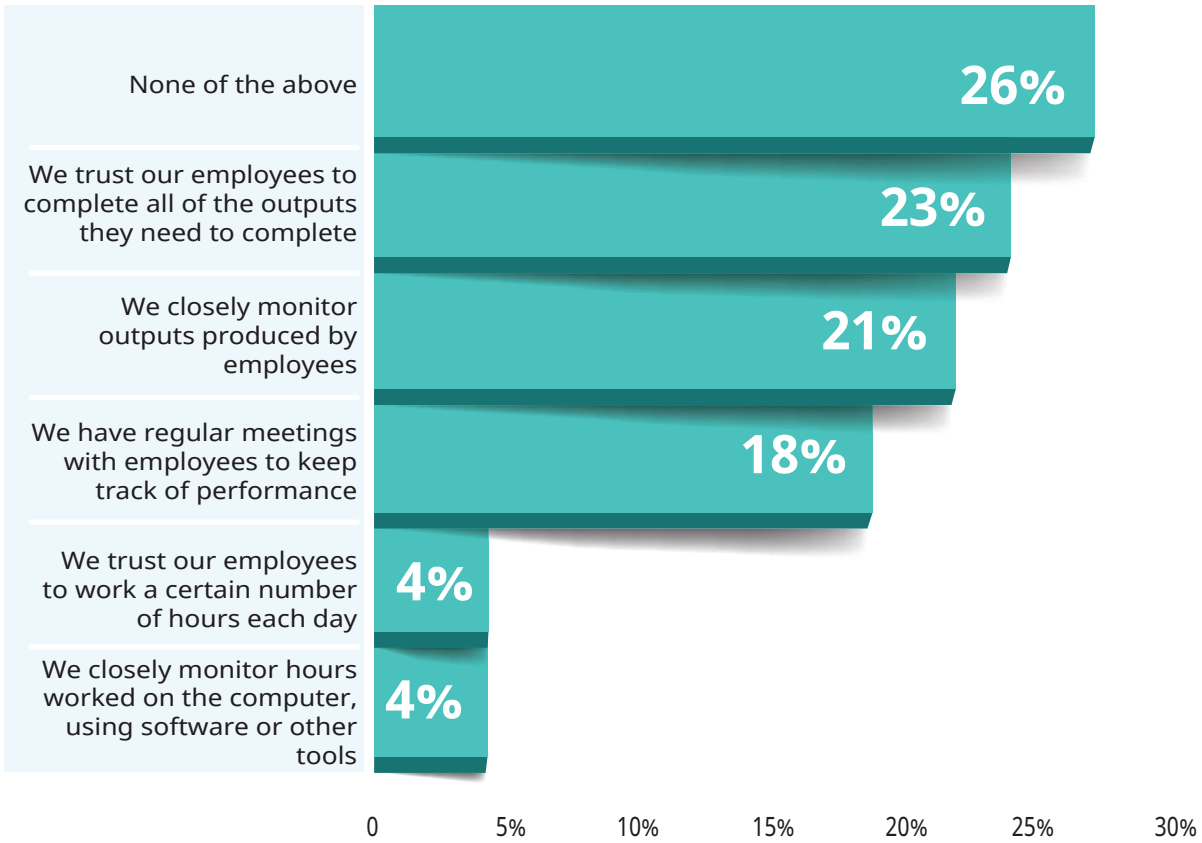
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“For the HR department for instance we now assign work in the form of projects for our staff. They report on progress made on these mini projects”

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that they closely monitored hours worked on the computer using software or other tools. Though many enterprises moved to hybrid or remote work, some noted that they still required the physical presence of their essential staff, a phenomenon that was particularly the case for enterprises in manufacturing and agriculture.

Fig. 19: Which of the following statements best describes how you monitor the performance of remote employees during the pandemic?



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“The biggest frustration is particularly during meetings. A person simply says they have poor connectivity or there has been a power outage and you have no way of knowing whether that is really the case or not”

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For most of the organizations, the biggest challenge with monitoring remote work has been the “excuses” from employees for non-delivery and not reporting. One of the main excuses has been around internet connectivity. It is in this context that organizations have had to make the shift to output-based rather than activity-based performance monitoring. Organizations also noted that with the virtual platforms there is a loss of value with regard to input exchanges from employees during engagement. Highlighting this point, one interviewee said: “A person just logs into the meeting to tick an attendance box. It also becomes tricky to effectively probe people in these platforms because you cannot even read their body language and posture ... so you lose value in terms of employee contribution that you would have otherwise attained in a physical set-up.”

Some enterprises did, however, report that, for some employees, remote working has increased their productivity. The flexibility that comes with working in the comfort of their own homes seems to be working for some employees. Another element that was noted in this regard was that employees were eager to demonstrate their value to the enterprise because they are aware that enterprises may be re-looking at their organizational structures and set-up because of all the changes that have come with the new ways of doing things.



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“In our case we have realized that employees are doing all they can to stay relevant to the business and make their presence felt despite not being physically in the workplace. As such employee performance and productivity has increased”

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From a commerce and enterprise productivity perspective, government has been advising enterprises, especially the Micro, Small, and Medium Enterprises (MSMEs) to take advantage of some of the business opportunities that came with Covid. This was particularly true for Covid-related equipment and sundries supply, such as protective clothing, masks, and sanitizers. Government also established schemes to allow for access by enterprises to loan facilities with less stringent conditions and interest rate than in the commercial banks.

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“Government established a 45 million Emalangenzi revolving fund with Eswatini Bank against which the bank could lend loans to enterprises, and reports presented by the bank indicated that very few of the enterprises were defaulting in terms of repayment”

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Human Resources

The Covid-19 pandemic has created a range of new opportunities and challenges for the human resources side of an enterprise. The individuals and departments managing human resources are faced with a dynamic environment, with changing external factors such as Covid-related restrictions compounded by changing internal factors such as



“The uncertainty and the anxiety has been real for the employees. On the one hand they are worried about contracting the virus and on the other they are worried about what the Covid measures mean for their jobs.”



the duty of care to employees and the operational needs of the enterprise. Employees are similarly feeling the strain of the pandemic, having to deal with constantly changing conditions while balancing professional and personal obligations. Workers are also concerned because of the pandemic-related uncertainty surrounding

both their personal and work lives. A number of enterprises reported a great deal of distress among employees as they feared the uncertain. For enterprises, then, the mental and emotional wellbeing of workers has become even more closely intertwined with the successful operations of the enterprise.

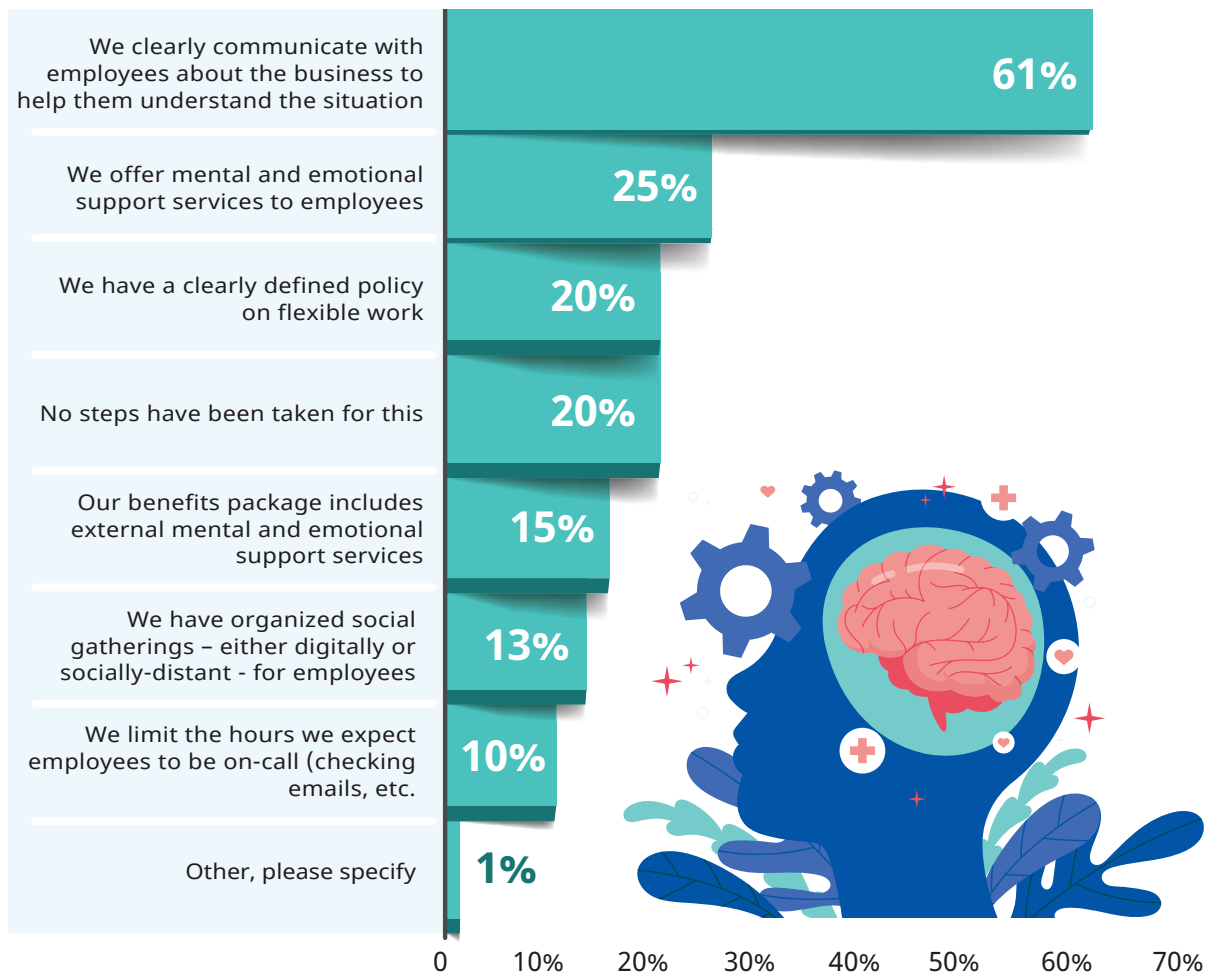
Enterprises have taken a wide range of steps to support the mental and emotional wellbeing of employees during the pandemic. Regular communication was, for most enterprises, key in keeping employees connected – 61 per cent of enterprises reported communicating with employees about the enterprise to help them to understand the situation. For most enterprises the biggest concern has been the mental wellbeing of employees, which has been significantly affected by the rapid changes and uncertainty. One of the organizations interviewed indicated that there has been a noticeable surge in the number of near-misses in terms of safety incidents since the start of the pandemic. They attribute this to mental fatigue among employees. A quarter (25 per cent) of the organizations indicated that they offer mental and emotional support to their employees to manage these effects. 15 per cent stated that they offer benefits packages to their employees that include external mental and emotional support services. In general, most enterprises have made some effort to manage the effects of the rapid changes brought about by the pandemic. Only 20 per cent indicated that they have not taken any steps for these purposes.



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Fig. 20: What steps have you taken to support the mental and emotional well being of your employees, including those working in-person and remotely?



The pandemic forced some organizations to make difficult human resources decisions. Some employers had to downsize and retrench employees, or reduce the number of hours payable to employees. Most organizations, however, have opted to implement a hiring freeze. Roles and functions had previously been merged and employees have been encouraged to perform multiple functions. Some functions that were sourced externally have had to be internalized and given to the current staff complement. For instance, one of the managers interviewed stated

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“Our hiring is most likely to change going forward, with preference being given to multi-skilled individuals”

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that they had to terminate their contract with the company that provided them with security services, and they passed this role to some of their employees to perform alongside other duties.



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From a government perspective, the critical labour issue in relation to the pandemic has been employee layoffs. As noted by one of the government officials, in the wake of the pandemic and the measures to counter its impact, some employers quickly indicated their intentions to implement retrenchments, and worse, in some cases without extensive consultation with the employees. In the short term, government issued a directive to say enterprises should put retrenchments on hold during this emergency period until such time as social partners could be consulted. In the long term, government established layoff relief funds. As noted by the government representative from the Ministry of Labour: “with assistance from the ILO, we are in the process of establishing the Unemployment Relief Fund to cover issues of sick leave, maternity leave, and retrenchment.”

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“One employer informed us that he could not consult the employees because they were away at home so he called a few to inform them of a decision taken to lay off some of the employees”

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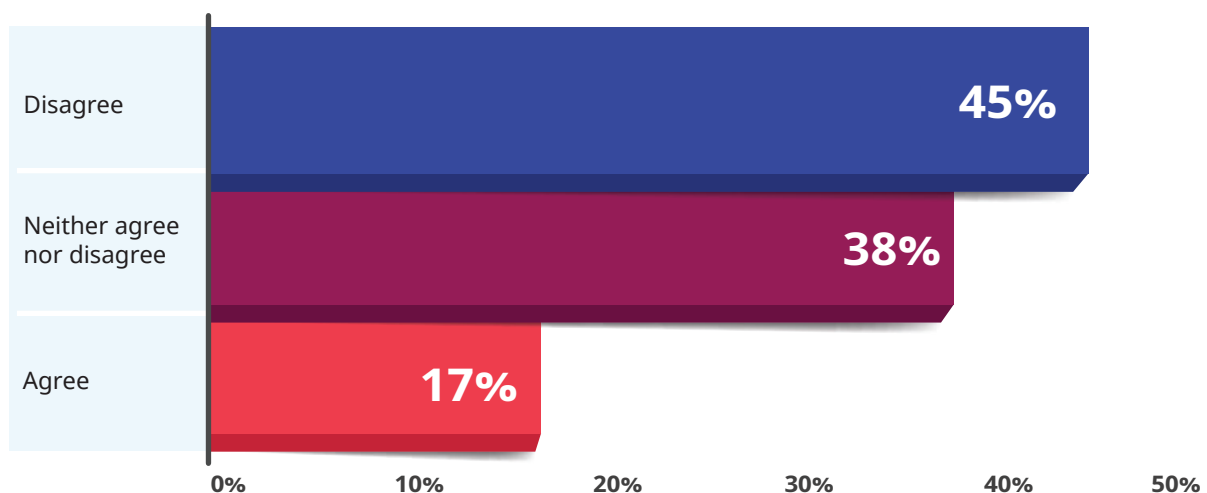
Fig. 21: Words that describe the most significant way the workforce will change in the next three to five years, compared with how it looked before Covid.

MULTI-SKILLED **LEAN** **RESILIENT**
DIGITAL
TECHNOLOGY **STRESSFUL**
COMPETITIVE **EFFICIENCY**
COMMITMENT **EDUCATION**
—AGILE— **SMARTER**
VERSATILITY
SIGNIFICANTLY **REDUCE** **REMOTE**

From a hiring perspective, only a few of the enterprises have implemented changes in their recruitment criteria since the start of the pandemic. Only 17 per cent reported that their hiring criteria now include new groups of workers who were not previously considered such as fully remote employees not living near the enterprise. Almost half (45 per cent) of the organizations indicated that they have not changed their hiring criteria.

Although there is a feeling that in the future remote working will likely be a common feature for most of the organizations, the drive at present to get this aspect going at a larger scale is low. As one manager noted, “we certainly could have at least 30 per cent of our staff working remotely on a full-time basis, but it is something that we are not extensively discussing at the moment.”

Fig. 22: “Since the start of the pandemic, our business has changed its hiring criteria to include new groups of workers we had not previously considered – such as fully remote employees not living near your workplace”





Conclusion

The study has confirmed the major disruptive nature of the pandemic on Eswatini workplaces. It raises many questions about a variety of aspects regarding the future of workplaces. Will remote workers find it easier or harder to bargain with their employer for pay rises and improvements in conditions? How do employers manage issues of leave, particularly extended sick leave resulting from Covid? Should Covid be treated as an occupational disease or not? Will employers find it easier to fire remote workers than if they had to do it face to face? How will organizations monitor contractual working time in a world where remote workers no longer physically clock in? How do employers monitor and compensate for overtime for remotely working employees? Can firms monitor remote workers to assess their productivity? Should a enterprise pay for a worker's internet connection? Who is liable if employees injure themselves at home during working hours? Can remote workers live in another country and what would the tax implications of such an arrangement be?

At the centre of the challenges and questions presented by Covid about the workspace is the government. On the one hand, government has had to prioritize the health of Eswatini citizens, and ensure business continuity and secure employment on the other. Government has had to ensure safe working spaces, and at the same time minimize the cost burden to enterprises, particularly MSMEs. Striking a balance between all these elements has proven to be a major challenge for the government of Eswatini. The government, particularly from a labour and employment perspective as well as in terms of business support has had to respond in the immediate term, but also with a long-term view

in terms of what strategies and instruments to put in place.

All these elements and questions that have been raised in relation to the workspace as a result of Covid-19 have wide-ranging implications for public policy. These questions, and many others, are evidence of the need for changes to the vast body of employment and labour laws. Modernisation is essential for it to keep pace with changes happening in the world of work. In the Eswatini context, the regulatory framework with regards to labour has really been put to the test during this pandemic. As noted from discussions with government during this exercise, some of the guidelines that were put in place were seen by other stakeholders as non-compliant with the legislative framework. On the flipside, however, the pandemic has also brought an opportunity to review some of the statutes to be able to accommodate any future events similar to the current one. There is also an opportunity to regulate some of the sectors that have previously not been regulated in certain labour-related aspects. For instance, as noted by the Ministry of Labour official: "Issues of layoffs were previously only addressed in 2 out of the 18 sectors of the economy, but through the Covid regulations the gap has been closed because layoffs were now an issue for all sectors." Business Eswatini (BE) has a key role to play in helping to influence the policy dialogue and shape the answers to some of the questions that have arisen from the Covid pandemic. These dialogues should be cognizant of the interests of employers but also respect the rights of employees. BE will be one of the leading entities in the review of some of the statutes, particularly the Industrial Relations Act.





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