

COVID-19 Employee Experience Report

April 2020



COVID-19 PANDEMIC POSES DIFFERENT CHALLENGES FOR PRIVATE AND PUBLIC SECTOR EMPLOYEES

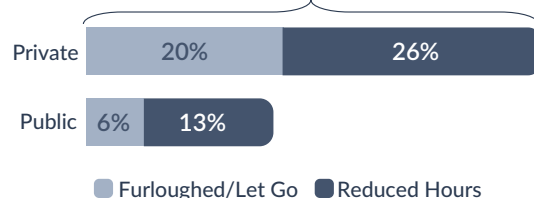
The COVID-19 crisis has been a pandemic officially for just over a month, and it has already taken an incalculable toll on America's public health, economy, and social structures. To capture how this ongoing crisis is impacting our nation's workforce, CFI Group in collaboration with Medallia have conducted a study collecting feedback from the private and public sector workforces to assess how things have changed so far and how we can prepare for the next phase. The results are in and indicate everyone is managing with rapidly shifting workplace landscapes, but there are some key differences between the experiences of private and public sector employees and even amongst seniority levels within those markets.

Both public and private sectors workforces' hours and productivity have been dramatically impacted with greater variability in the private sector. Private sector employees, particularly in small businesses within the food and beverage, hospitality, transportation, retail, and childcare had the highest likelihood of experiencing reduced working hours or of being furloughed. One in 5 respondents from the private sector reported being recently laid off with 1 in 4 experiencing some type of reduction in hours. Public sector employees have also seen reductions in hours and increased layoffs, but not at the same alarming rates since their job functions are less exposed to the dramatic reduction in demand some sectors are facing. In total, 6% of public sector employees surveyed working for the Government at the Federal, State, or Local level said they have been furloughed or let go as a result of the pandemic, as compared to 20% of the private sector employees surveyed. Furthermore, twice as many from the private sector (26%) reported having their hours reduced versus public sector employees at 13% (Figure 1).

Figure 1

Work Reductions - Private vs. Public

Nearly half of private sector respondents have seen at least a reduction in their work since the pandemic began

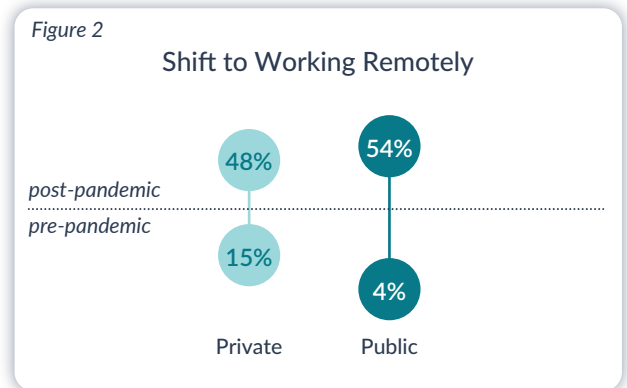


Private sector employees also report changes to staff levels that suggest more volatility compared to the public sector. While nearly two-thirds (65%) of public sector employees said the pandemic had not caused any changes to staff levels, less than

half (44%) of private sector employees say staff levels have remained stable. Typically, both employee groups are far more likely to be referring to reductions when reporting changes in staffing. However, small contingents of both groups indicated their organizations had increased their staff as a result of the pandemic (3% public sector and 10% private sector). Within those contingents, over half of those in private sector who said their company has increased their staff size were from the healthcare or online retail industries, where the pandemic has caused an increase in consumer demand.

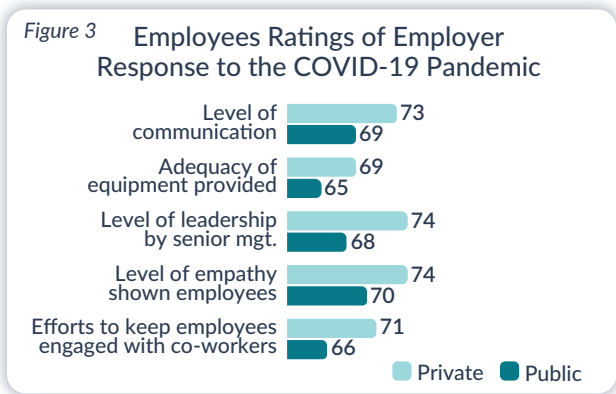
GOVERNMENT'S RAPID SHIFT TO TELEWORK

Prior to the pandemic, only 4% of government workers surveyed indicated they usually worked from home. Since the outbreak, that number has ballooned to 54%, a staggering increase that speaks to Government's agility of office policy and technology usage to support. Of the surveyed private sector employees still working, 15% said they usually worked from home before the pandemic, with 48% reporting they are now primarily working from home (Figure 2).



It's one thing to be able to send employees home to continue their work duties but providing them with the proper technology and tools to keep personnel productive is a separate challenge. The results show that Government agencies and private enterprises are largely providing effective tools and support in this area. Among those working from home, 74% percent of public sector employees and 77% of private sector employees rated their provided technology as either good or outstanding. This rating is generally good news for employers and employees. Still, if a quarter of a workforce is reporting flawed technology that is hampering their productivity, employers would benefit from focusing on improving that number and productivity should follow.

PRIVATE SECTOR EMPLOYEES' RATINGS OF EMPLOYER PANDEMIC RESPONSE REFLECT MORE POSITIVE SENTIMENT



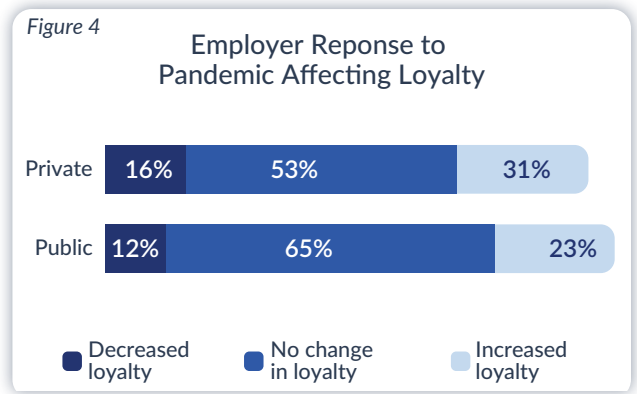
Interestingly, even though private sector employees have experienced greater layoffs, they still rate their leadership's handling of the pandemic higher than their Government counterparts. When asked for an overall score of their employer's response to the coronavirus pandemic, private sector employees were rated a 73 (on a 0-100 scale) while public sector employees rated their organizations a 69. Additionally, private sector employees consistently rated their organizations higher for level of communication, adequacy of equipment provided, level of leadership by senior management, and efforts to keep employees engaged with their co-workers (Figure 3).

There were two key areas where the Government received more favorable ratings than the private industry. First is the amount of leave/sick time provided to employees (74 vs. 70, respectively). Second, the Government employees rated their employers' flexibility accommodating personal schedules with social distancing measures and adherence to the Federal/Local authorities' guidelines on social distancing more favorably (73 and 78, respectively).

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EMPLOYER RESPONSE TO PANDEMIC CREATES OPPORTUNITY FOR INCREASED EMPLOYEE LOYALTY

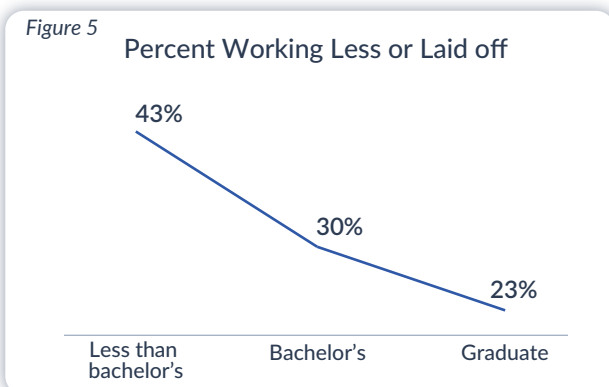
Survey respondents were asked about changes in their loyalty to their employer as a result of their employer's response to the pandemic. Among those working for the Government, 23% said their loyalty has increased, compared to 31% among those in the private sector. At the other end of the spectrum, 12% of Government employees said their loyalty has decreased, versus 16% in the private sector. As employers navigate their way through this unprecedented time, they must remain mindful that their response may have a lasting impact on their employees and their long-term loyalty (Figure 4).



In companies with fewer than 25 employees, a startling 61% said they have been laid off or had their hours cut back.

SMALL BUSINESSES AND LESS EDUCATED HIT ESPECIALLY HARD

The coronavirus has had the most significant economic impact on small businesses and those with less education. In companies with fewer than 25 employees, a startling 61% said they have been laid off or had their hours cut back. Subsets of these small businesses have been particularly hard hit; for example, 84% of those employed by food and beverage establishments are now working less or not at all.



It is a similarly bleak picture for non-college graduates who have been disproportionately affected. Among those with less than a bachelor's degree, 43% are working less or have been laid off. Only 30% of those with a bachelor's degree and just 23% for those with a graduate degree have reported working less or losing their jobs (Figure 5). Interestingly, the survey also shows that few people are immune to concerns about the long-term future of their employment. Sixty-five percent of non-college graduates are worried about their job, compared to 62% of those with a bachelor's degree and 60% with a graduate degree.

LASTING CHANGES FOR ALL

The COVID-19 pandemic will undoubtedly have a lasting impact on the working lives of all employees. Few believe their employers were adequately prepared for the changes needed to react to the pandemic, varying between 15% of public sector employees and 23% of private sector employees. The full economic toll remains to be seen, but with over 20 million people filing for unemployment within the last month, future employment is on the minds of most American workers with more than half of those surveyed being worried about their long-term future employment. As expected, the worry is much higher in the private sector, with 74% of private sector employees expressing concern. Somewhat surprising is that 52% of public sector employees are also worried about their future long-term employment.

A majority of those surveyed believe the pandemic will lead to permanent changes in the way people work at their agency or company. Over half (53%) said they expect long-term changes to result, mostly by migrating to a more remote-based workforce.

Others felt their employer would institute social distancing practices to reduce person-to-person contact, either between co-workers or customers.

95% of employees surveyed said they think about the pandemic while at work.

With nearly 40% of employees currently reporting a negative impact on their productivity, due to inadequate technology or another reason, employers need to develop strategies for the short and long term to deal with this pandemic and the probability of additional future disruptions.

ADAPTABILITY AND INGENUITY PAVE THE ROAD AHEAD

COVID-19 is dominating the thoughts of the American workforce. Ninety-five percent of employees surveyed said they think about the pandemic while at work. Although the challenges vary widely by industry, leaders across all industries have an opportunity to learn from their current struggles. Those who work to identify the areas of need within their organizations, take action to enhance the productivity of their employees, and maintain service to their customers will weather the storm the best. For some, it is offering new products or altering the method of interaction/delivery to customers. For others, the priority lies in equipping employees with optimal technology to minimize the gap in productivity between working on-site or from home. But employees from both sectors need to know that their safety is priority to their employer. Communicating the steps enacted to ensure their protection is paramount. Employers need to be thinking about things like increased cleaning procedures, provision of personal protection equipment, and new company policies on how to handle sick time to care for yourself or a loved one.

Overall, it is not surprising there is greater variability in the employment experiences within the private sector with some sectors being hard hit while others experience drastic increases in demand. Meanwhile, Government has shown more agility than it's traditionally given credit for and is continuing to adapt from a technology standpoint. As organizational behaviors in both markets shift to live with this new reality there will be growing pains and the importance of employers keeping a pulse on their workforce's sentiment will become even more key to maintaining productivity and avoiding missteps in internal messaging. How organizations respond to this crisis in the view of their workforce will have long-lasting ramifications for the relationship between the two well beyond these immediate impacts from the virus.

The COVID-19 Employee Experience survey was conducted from April 1-7, completed by 1,917 individuals with current or recent employment. Private sector respondents accounted for 1,001 of the completed surveys, with the remaining 916 responses from public sector employees.

About CFI Group (cfgroup.com)

Since 1988, CFI Group has delivered customer experience measurement and business insights from its Ann Arbor, Michigan headquarters and a network of global offices. As founding partner of the American Customer Satisfaction Index (ACSI), CFI Group is the only company within the United States licensed to apply customized ACSI methodology in both the private and public sectors.

About Medallia (medallia.com)

Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers, and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment.