Title: Workplace Disruption – How It Is Changing…

Statement of Purpose: Since the beginning of the COVID-19 Pandemic in 2020 the GIPC has organized a work group focused on analyzing the impacts of the pandemic upon the Electronic Components industry. The work group is focused on developing a thorough understanding of the challenges and staying well-informed of the rapidly changing environment, by sharing experiences and analyzing the merits of potential responses to disruptions caused by the pandemic.

Design: The work group has produced a unique set of insights that are specific to the electronic components industry. The construction of this document is intended to define the primary areas of impact and educate and raise awareness as it relates to certain universal challenges created for companies operating within this industry.

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Workplace Disruption – Areas for Consideration

Return to Office
One of the most difficult decisions companies are dealing with revolves around issues tied to the return to office policies. The shared experience of the work group confirms there is no one-size fits all. This section will attempt to raise awareness to various approaches, discuss pros and cons, as well as provide an overview of other considerations.

Timeline – Defined or Flexible
Most organizations in the electronic component industry are presently in a partial reopening phase. The various approaches can generally be broken into two categories, defined vs. flexible remote work. A defined remote work approach means various roles within an organization are required to have some presence in the office for a certain amount of time. A flexible approach puts return to

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office decisions in the hands of either the employee directly, or individual department managers. It's important for executives making these decisions to consider the needs of their organization, employee productivity, company culture and employee satisfaction.

First consideration is to determine **who is eligible** for remote work. Roles such as warehouse, manufacturing, facilities maintenance, and others are not able to be performed remotely. However, the pandemic has taught us that the universe of roles that can be performed remotely is much larger than commonly understood prior to COVID-19.

In addition to defining which roles can be performed remotely, **employee personalities and work styles** should be considered. Not everyone is equally capable of maintaining productivity levels with the distractions of remote work. Not all employees are capable of measuring and making the necessary adjustment to their routines and environments to maintain consistent levels of productivity. Taking both the requirements of the role and the employee's individual abilities, into consideration is advisable.

Defined approaches can be tailored to best suit the organization. Some commonly observed approaches include an assigned day(s) or week(s) method. In this scenario all employees are required to be in the office during specified calendar days. Balancing the percentage of employees in an office space at any one time, along with aligning work/peer groups becomes the main scheduling consideration. Another common approach is to allow a specific allotment of work from home (WFH) days per week or per month. Under these approaches employees may consider WFH a privilege to enhance their work/ life balance. Some company culture benefits for the organization include increasing cohesiveness, communications, and a sense of belonging.

Flexible approaches are most popular with employees. The key is to balance productivity and culture requirements with this increased employee satisfaction. Flexible methods require a more rigorous analysis and alignment of roles and employees and more decentralized decisions-making. Some organizations have adopted a volunteer approach to return to office for non-operational personnel, while others leave these decisions up to department managers. Flexible approaches are founded on the principle that employees are most productive and less likely to leave when they are happy.

No matter the approach your organization has decided upon, there are pros and cons. To find out which approach is best for your workforce, conduct anonymous, all employee surveys. Do not try to craft policies based upon theories.

Return to Office Policies

Mandates, masks, social distancing, vaccines, visitors, travel, and entertainment all make up the complex jigsaw puzzle of these modern times. From the ECIA survey "Workplace Disruption Due to COVID" it is evident that within our industry there are many different policies in effect.

Organizations must create policy against a backdrop of current and pending government regulations, both local and federal. From the ECIA survey we see there is a small (between 10-20%) but growing number of organizations requiring vaccines as a condition of employment. If the OSHA Vaccine or Test mandate passes legal muster, then all companies with more than 100 employees will be forced to re-evaluate their vaccine requirements or somehow address the high costs of weekly testing for non-vaccinated employees. Regardless of mandates, we commonly see employers encouraging

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vaccines through other means such as offering vaccinations on site, requiring visitors to show proof of vaccination for entry to facilities, implementing higher health care premiums for non-vaccinated employees, and utilizing third party software solutions from Clear and ADP. All these policies are tools that can be used to maximize the percent of fully vaccinated employees.

Masking policies tend to follow CDC guidelines and local regulations. When crafting a mask policy, organizations should prepare to take a nimble approach as many localities are instituting temporary mask requirements, often turning requirements on and off as local cases rise and fall. Differentiating mask requirements for vaccinated vs. unvaccinated, employee vs. visitor, or other delineations adds complexity. All organizations should be motivated to do their best to reduce any possible virus transmission within their facilities; however, be aware that requiring masks is not universally appreciated and may lead to lower employee satisfaction.

To keep current with the latest trends in return to office practices, particularly as we move into 2022 and the later stages of the pandemic, be sure to check in with the ECIA survey on "Workplace Disruption Due to Covid".

Attracting and Retaining Employees

The pandemic has substantially increased employee restlessness across every industry and geography. This section addresses the topics of retention and attraction of employees. It is an area impacting practically every organization.

As with customers, retaining an existing employee is easier than attracting new ones. When looking to maximize employee retention rates there are many challenges to address. One such challenge that has been drastically heightened due to the pandemic is **employee engagement**. When an employee doesn't feel a sense of community and purpose, they become more likely to seek out new employment. Remote work introduces stress and uncertainty in the workforce for some employees. Addressing this reality head on is one way to improve employee retention rates. Developing a plan to maintain company culture can make a big difference in how employees view their individual future.

Job fatigue within the electronic component industry is real. Even while many companies are posting record sales and profits, employees may not share the joy. The severe supply chain constraints have introduced additional stresses in the component industry especially. The pandemic has forced most companies to temporarily do away with the company picnics, employee appreciation luncheons, and other live events that contribute to a higher quality of work life.

Employees may have become highly accustomed to skipping the daily commute, dressing casual, flexible work hours etc. The return to office process is likewise having a negative effect on many employees who are now finding their **sense of priorities has changed**. For this reason, many companies are opting to include flexibility in their return to office programs and attempting to strike a balance. Given that crafting a perfect return to office that pleases everyone is impossible, it becomes increasingly important to reinforce the value of connectedness, promote cohesion and camaraderie. It has been noted that many non-customer facing positions, such as accounting and IT roles are at higher risk during the return to office phase, because in many instances these positions can be performed remotely. These employees are no longer captive to the local job market and are often being lured away with the promise of permanent WFH, increased pay and/or unlimited vacation time. Using flex hours, flexible WFH policies, and rethinking vacation policies may both reduce the amount of employee turnover and may help attract talent that is otherwise difficult to find.

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Hourly employee positions, such as warehouse, operations, and manufacturing positions have become increasingly challenging to fill. While WFH is normally not a possible option for these types of positions, other normal benefits (or lack therefore) will certainly play into employment decisions. Developing, enhancing, and promoting company culture, encouraging engagement and employee connectedness, and maintaining competitive wages have never been more important in retaining and attracting these employees. Successful organizations will carefully monitor and adjust these factors to maximize retention.

Employee Productivity

The year 2021 has been very positive for most companies in the electronic component industry. Few business cycles have delivered the highs that most companies are seeing in terms of order rates and shipments. This has led to extremely high levels of productivity. However, there are real concerns about **employee burnout**. Employees work extended hours as they skip the daily commutes, attend back-to-back-to back virtual meetings, and stare at computer screens all day to deliver those productivity gains.

Monitoring WFH employee productivity is challenging. On one hand a company may want to monitor and measure the individual output. On the other, employees will be more productive if they feel their managers trust them. Finding that balance is the management challenge. Tools do exist that track and monitor keystrokes, phone calls, meetings attended, but they are widely unpopular as they promote a feeling of being micromanaged

The first step is to **know your team** and what they accomplished during these unprecedented times. For example:
- Remote work has resulted in higher productivity for some employees, who are working longer hours from home than they did in the office.
- Jobs requiring travel have seen upticks in productivity simply because employees can be in more places in less time, thanks to Zoom, Skype and Teams.
- New virtual tools such as live webinars and virtual trade shows, are being utilized today, leading to higher productivity.
- CRMs, call reports and other self-reporting tools traditionally used for outside sales can be used for inside sales, customer service, technical support, and other roles.
- Team members who are less productive are often easily identified by peers, who can apply natural pressure to encourage them to do their fair share of the work.

A serious long-term concern may develop when **training, coaching, and mentoring programs** are cancelled due to pandemic restrictions. Without face-to-face interactions, will salespeople lose their selling skills? Teams may currently appear to be performing at a very high level, without much direction, coaching or skills development. This is not sustainable.

Resilience is the key to productivity. Whether this happens because of self-management, peer pressure, or leadership coaching, companies benefit when employees can adapt to changing work conditions. Consider matching productivity tools, increased mentoring/coaching along with a trusting and empowering company culture as a best practice.

Companies that monitor **mental wellness** of their workforce have noted significant increases in the usage of Employee Assistance Programs or EAP. Companies can positively impact the overall mental health of their employees by reducing the stigma of counseling and other programs by offering

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and actively promoting the usage of the EAP benefits. Many people who would otherwise hesitate to seek out help, may find assistance in these services, particularly if anonymity is maintained in the process.

Other things that can be considered is the introduction of on-site meditation or quiet rooms, which are places where employees can "decompress." Training for managers and supervisors on how to identify employees who may be struggling combined with a culture that promotes physical and mental health can also contribute to a healthier work environment. **Mental health and employee productivity go hand in hand**.

Closing Comments

With so much having been written, discussed, and debated about the pandemic at this point, it's still a highly complex and fluid situation. The number one recommendation is for all companies to continue being flexible and vigilant. The volatility and disruption will likely not subside in the short term. Even though many companies appear to have their local and North American operations mostly under control, we are still experiencing pandemic impacts on global operations that cause ripple effects throughout the supply chain.

Resilient companies have acknowledged that disruptions like COVID-19 are here to stay for the foreseeable future and having policies that confront them head-on are warranted. The complete office closures that we experienced back in early 2020 are unlikely to reoccur; however, scenario and contingency planning remains important. Understand both the positive and negative impact on employee well-being, carefully considering local regulations and work-place policies while emphasizing a commitment to flexibility are your best weapons to minimize the negative impacts of the COVID-19 pandemic.

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