

Trying Times need Responsible Measures

How corporates are coping up with Corona Virus Outbreak

WHO has designated COVID 19 as a pandemic. India has reached Stage – 2 of this epidemic and it appears so far that condition in India is still under control. Most companies are facing the challenge of maintaining their business and ensuring safety of their employees. Although the corporates have stepped up and have demonstrated that employee safety is paramount for them by providing them with work flexibilities, it will be practically impossible for all owners to completely shut – out their units. Under the prevailing slowdown, complete shutdown of businesses will most likely worsen the global economic situation. So, while we hope that things don't turn for the worse, corporates and industries have started implementing several measures to balance the need of continuation of business and protecting their workforce from the virus outbreak.

Many corporates across the globe are exploring alternatives which would help them strike a balance between their two goals:

1. Work from Home (WFH)

This is not a feasible option for manufacturing and trading units but may be carried out to an extent in the service industry. For service industries, like consulting and advisory, it is possible the most suitable option where there is appropriate understanding between the parties involved in the assignments being handled from home. Nevertheless, this is a temporary solution and cannot be prolonged.

2. Flexible Working Hours and Shifts

Firms in the manufacturing industry will not be able to implement WFH neither will a waiver from clients help them in any way as the nature of their operations is such that any disruption can cause them to lose their entire business. Such establishments can plan to provide an option of flexible working hours to its workers and staff to help them in avoiding peak office rush during their commute in public transport. Working in shifts in situation where flexible working hours is not possible can be a possible option. Many companies are evaluating to function at lesser workforce during some hours.

3. Waiver from clients on Accessing Data

Client intensive companies often enter into NDAs and other confidentiality agreements with their clients which forbids them from accessing their confidential documents outside of client's premises. But many organisations across the globe are now approaching their clients for waivers in certain clauses which can enable them to access data even while they are not in the client's premises for official purpose. The agreements usually carry a "Force Majeure" (FM) clause which means extraordinary events or circumstances which are beyond human control such as an act of God (like a natural calamity) or events such as war, strike, riots, crimes, etc. An FM clause frees both the parties from contractual liability or obligation when prevented by such events from fulfilling their obligations under the contract. As per notification from the Government of India dated 19th February 2020, clarification was issued by the Ministry of Finance to include the Corona Virus outbreak as a natural calamity and FM clause may be invoked, wherever necessary.



4. Improvement in Back – ups

This may be a good time to evaluate strengthening of data systems and IT infrastructure of companies to arrange for complete back-ups and access systems. Companies deal with a huge amount of data at any single point in time and while people are scattered due to WFH, accessing such data will require strong IT set-up, while maintaining the designated roles and data confidentiality.

5. Withdrawal of Incentives to continue operations

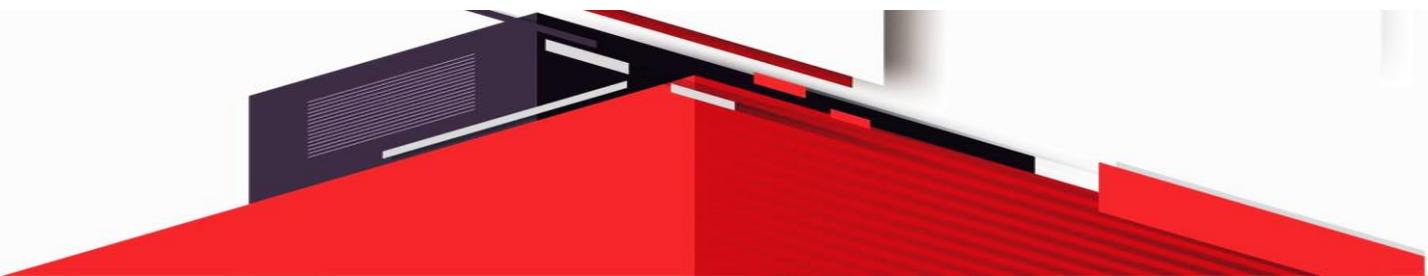
The travel industry has been hit hard by this outbreak as the first precaution people are taking is to avoid any kind of travel. Airlines business have obviously taken a big hit. Companies such as SpiceJet have already revoked the incentive schemes which were given to their pilots for flying extra hours. With fewer flights to operate and still having to manage the same number of employees, the companies in airlines industry would be looking to make tougher decisions in times to come in order to maintain their financial stability along with maintaining their staff count.

We certainly hope that the situation does not deteriorate any further and the country does not reach a situation of lock – down as is the case in Italy. Italy is one of the worst affected country and is facing a complete lock – down. Auto – mobile giants such as Ferrari, Ducati and Lamborghini have completely shut down their productions.

To avoid the lock – down situation, it is paramount that the transmission chain is broken, and the spread of virus is curtailed. Many employers have stepped up to the expectations and are taking enough measures in their capacity to limit travel for their employees and provide them with all the necessities to maintain social distancing. The onus here also lies on the employees to be diligent and not have a casual approach to the benefits given by their employers in these times such as that of WFH. Employers and employees both need to realize their roles and responsibilities and adhere to their schedules and deadlines. Only if all stakeholders can balance themselves out on the scale of social and business responsibilities, can we hope to wade through the dark clouds looming over the globe at this time.

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The opinion of the author is personal and based on current circumstances which are liable to change with changes in situation.



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