EXECUTIVE SUMMARY JANUARY 2022



Corporate support for critical roles during the pandemic and beyond

The COVID-19 pandemic has shone a spotlight on frontline workers in consumer staples sectors and their critical role in the economy and society. It has also highlighted the challenges faced by these workers, who are disproportionately BIPOC individuals and who have been disproportionately affected by the coronavirus. With the support of the Ford Foundation, CECP set out to understand how companies have supported their frontline workforce during the past 18-24 months and how the events of that period have influenced approaches to human capital management.¹

CRISIS REINFORCES THE IMPORTANCE OF STAKEHOLDER CAPITALISM

The pandemic hit at a time when the role of companies in society was under examination alongside growing trust in business and support for stakeholder capitalism and corporate purpose.

Pre-pandemic, 87% of respondents to the Edelman Trust Barometer agreed that stakeholders, not shareholders, are most important to companies' long-term success. The crisis of the pandemic, in combination with the social justice movement, put these theories to the test.

The crisis accelerated expectations not only of the frontline and blue-collar workforce, but also of society in general, related to worker compensation, engagement, and well-being.

Simultaneously, the crisis placed a new level of pressure on companies to serve as trusted providers of information about the coronavirus to keep their frontline workers safe, both in the workplace and within their communities.

The pandemic also served as a stark reminder of how structural and societal inequalities related to race and ethnicity, gender, and socioeconomic status influence the experience of individuals across America. These issues are intersectional and compounding in nature, heightening the risks and challenges faced by various populations of frontline workers. Corporate response to the pandemic has been especially meaningful for those workers disadvantaged by these inequalities.

While wage is a critical factor for workers, others are also vital, including stability of pay, paid time off, safety, shift schedule and flexibility, and sense of purpose and dignity.

LOOKING FORWARD

The pandemic has influenced how many companies are thinking about operations going forward. A CECP Pulse Survey found that 65% of consumer staples companies are permanently retaining at least some of the measures they put in place to support frontline workers in manufacturing, processing, and warehousing environments. In another recent CECP Pulse Survey, half of respondents overall and just under half of respondents from the consumer staples sector indicated their company was making major changes to how they define and measure frontline worker well-being.

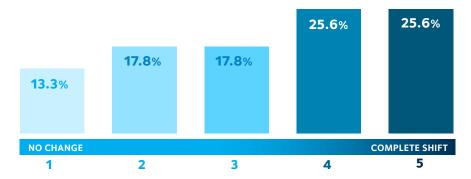
The pandemic has exacerbated the shortage of frontline labor, which is anticipated to last for years to come. Companies are facing challenges of attracting and retaining talent in consumer staples manufacturing, distribution and warehousing head-on by revisiting core operations and strategies for the short and long term. This includes rethinking recruitment, thinking smarter about job design, ensuring the employee value proposition is clear, and understanding what is meaningful in their specific labor markets.

¹ The full paper with detailed findings and recommendations for corporate practitioners will be available on our Thought Leadership page.

CECP PULSE SURVEY

On a scale of 1-5, with 1 being no change in our perspective and 5 being a complete shift in perspective and/or plan to revise our approach.

To what degree have the events of the past 18 months changed how your company is thinking about how to define and measure worker well-being with regards to frontline workers (those who have had to go to work in person during the pandemic)?



RECOMMENDATIONS

Companies that implement the tenets of stakeholder capitalism with regards to their frontline workforce will emerge stronger as COVID-19 moves from pandemic to endemic. Moving forward, there is an opportunity for companies to take an integrated approach that protects, engages, and develops frontline workers while also strengthening their competitive position, minimizing risks, and creating new opportunities. CECP's findings resulted in a set of recommendations for corporate practitioners related to this intersection of frontline worker well-being and corporate well-being.

ENSURE SAFETY • EMBRACE THE EMPLOYEE VALUE PROPOSITION

SHORE UP THE FOUNDATION:

By revisiting health and safety, as well as frontline employee value proposition, companies can ensure their approaches to protecting, attracting, retaining, and upskilling frontline workers provide a strong foundation for corporate resilience.

- » Ensure appropriate industry-led safety protocols: Health and safety are essential for frontline worker well-being, and the pandemic underscored the critical role of the employer in supporting these protocols.
- » Approach frontline employee value proposition (EVP) holistically and thoroughly: Leading companies are looking at their frontline EVP in a comprehensive manner, seeking not only to be market competitive, but to attract new pools of talent, increase retention, improve engagement, and build and reward expertise.

IMPROVE COMMUNICATIONS • BUILD WORKER VOICE • BROADEN NETWORK

EMPOWER AND ENGAGE:

By empowering and engaging not only their frontline workforce but also their extended communities, companies will benefit from the creativity and knowledge of experts on the ground to address current challenges and position themselves ahead of the curve on future ones.

- » Lean into efforts to improve communication and build worker voice: Effective communication between frontline workers and their employers was arguably one of companies' most important tools to weather the pandemic in production and distribution facilities. Looking forward, communications and worker voice will become even more important as companies seek to expand their frontline workforce to new populations, innovate their EVP, and modernize job design and flexibility.
- » Broaden your outreach and network of advisors: Companies that recognize and reconsider their role as part of the community in which they operate will benefit from an expanded set of potential advisors and partners.

INTEGRATE DEI •
ALIGN ACROSS BUSINESS

INNOVATE AND INTEGRATE:

By taking an integrated approach to ensuring that work "works" for everyone and aligning on purpose and priorities across the business, companies will be better positioned to reach expanded talent pools, innovate, and as a result, thrive.

- » Continue to integrate DEI: The pandemic and Black Lives Matter movement served to remind us of challenges around equity and inclusion within the frontline and blue-collar workforce, which is often already diverse. The more DEI, particularly equity and inclusion, are integrated into daily operations, the more likely they will be naturally incorporated into future crisis response and operational changes.
- » Build internal alignment across the business: Times of crisis can result in significant change. As individual business units refresh or even overhaul business goals, priorities, and operational strategies, it will be essential to build alignment across them.