

5 Board-Level Issues That Executives Must Discuss With Directors in the Wake of COVID-19 Variants

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Initiatives: [Executive Leadership: Enterprise Strategic Planning and Execution](#); [Audit Planning and Risk Coverage](#); [Coronavirus \(COVID-19\) Resource Center](#); [Working with the CEO/Board/C-Suite](#)

Due to vaccine mandates and COVID-19 variants, executive leaders must remain agile in making decisions that affect their enterprises' future. Brief the board on vaccination strategies, workforce equity, corporate real estate footprints, management of employee health data and resilient planning.

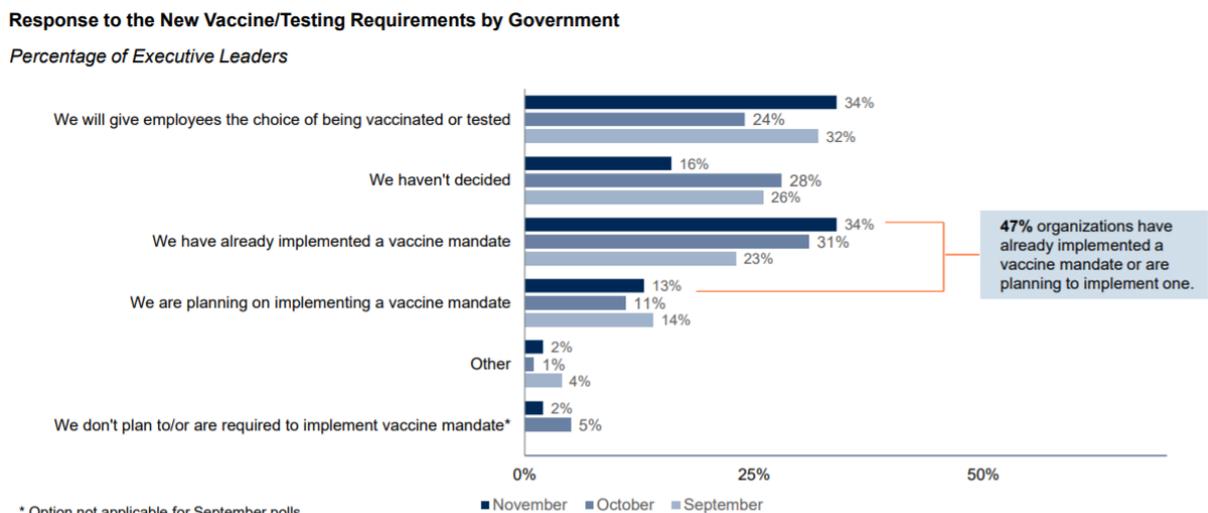
In the U.S. and in many regions globally, the emergence of COVID-19 vaccine mandates have shifted organizational strategies, while the emergence of possibly more transmissible variants of the virus have upended already brittle organizational strategies. To help board directors properly weigh organizational risks and opportunities, moving forward, executive leaders should make sure they discuss the following five issues with directors.

Issue 1: What Policy Changes, If Any, Must We Make Regarding Vaccine Mandates?

With the advent of the delta and omicron variants, an increasing number of countries (including Austria, Indonesia and the U.S.) are implementing vaccine mandates. In the U.S., for instance, the government has implemented two vaccine mandates – one for private entities that offers a testing opt-out (ETS), and another for federal contractors that does not offer any testing opt-out. ¹

While some of these mandates and regulations are being contested in U.S. courts as of December 2021, organizations are working to configure vaccination policies that best ensure the health and safety of their workforce, while still supporting business objectives and remaining in compliance with local regulations. Indeed, 47% of organizations have already implemented a vaccine mandate or are planning to implement one as of November 2021, an increase of 11% since September 2021. In the same poll, another 34% plan to give employees the choice of being vaccinated or being tested regularly (see Figure 1).²

Figure 1. Response to the New Vaccine and Testing Requirements by Government



* Option not applicable for September polls

n = 196 (November), 209 (October), 276 (September)

Q: How are you planning to respond to the vaccine/testing requirements by your government and/or local authorities? (Select one)

Source: Gartner Encouraging Vaccination and Implementing Mandates to Reopen Worksites Webinar Poll (16 November), Gartner Reopening the Workplace, Vaccination, and Retention Strategies (29 September), Gartner Managing Employee Vaccination and Workplace Reopening Webinar Poll (27 October)

When rolling out a vaccination strategy, executives and their boards should take into account these considerations:

- **A global vaccination policy may not be possible** — Assess whether it is feasible to create a globalized vaccination policy. In many countries, employers are allowed to implement vaccine requirements. However, there are some that mandate that disclosure of employee vaccination data is discretionary, meaning employers are not allowed to mandate a vaccine nor require a vaccine to physically return to the office. International organizations will need to review vaccine regulations in countries that house operations and assess what type of vaccination policy is allowed.

- **Not all employees want to take the vaccine** – Assess, among other things, employee attitudes toward mandatory vaccinations before deciding which actions to take, and adjust your strategy accordingly. The rate of vaccination in many countries varies significantly regionally, especially in the U.S.. Organizations that are unsure of reactions to a vaccination policy should consider methods to model out the mandate's impact, including employing an employee persona tool. This tool assists HR leaders in understanding employees' vaccine-related needs and preferences. By doing this, organizations will have a better understanding of what their employees' attitudes toward vaccination are and formulate an acceptable vaccination strategy for the organization.
- **Communication is critical, especially in the absence of certainty** – Given high levels of misinformation, skepticism and anxiety about vaccinations, companies must take the lead in bridging the trust gap between employees and employers. At a minimum, any communications strategy must provide clear, consistent and reliable information regarding vaccines, perhaps by sharing information from public health agencies. Also, make sure that messaging to the workforce, customers and investors is consistent with your stated company values.
- **Mandatory vaccination strategies can create risks, but they can also create opportunities** – While many organizations are rightly focused on the risks of mandatory vaccinations, requirements for some industries (such as retail, food, leisure and transportation) may provide customers with a sense of safety, conferring a competitive advantage. In fact, 57% of consumers have indicated that a lack of COVID-19 safety measures at an organization's workplace would make them reconsider doing business with said organization. ³ With this in mind, many companies, including United Airlines, Equinox and Tyson Foods, have implemented vaccine mandates for employees and, in the case of Equinox, customers, too.

For employees who refuse vaccination, remote work can provide opportunities for organizations to retain these employees, while keeping in-office employees safe and healthy. Additionally, with the U.S. offering a testing opt-out in the ETS, organizations may opt to implement a testing opt-out for their unvaccinated employees so that they do not lose employees, especially during the ongoing labor shortage. However, between September 2021 when the ETS was first announced and early November 2021 after the first court challenges of the ETS surfaced, half of leaders consistently indicated that they are unsure of their organizations' approach toward testing. ⁴

Issue 2: How Do We Ensure Equity Across Employee Groups?

Before the disruption caused by COVID-19, approximately 30% of the U.S. workforce worked from home at least some of the time. ⁵ That number more than doubled when the pandemic hit, as organizations overnight enabled every employee they could to work remotely, in an effort to stay productive.

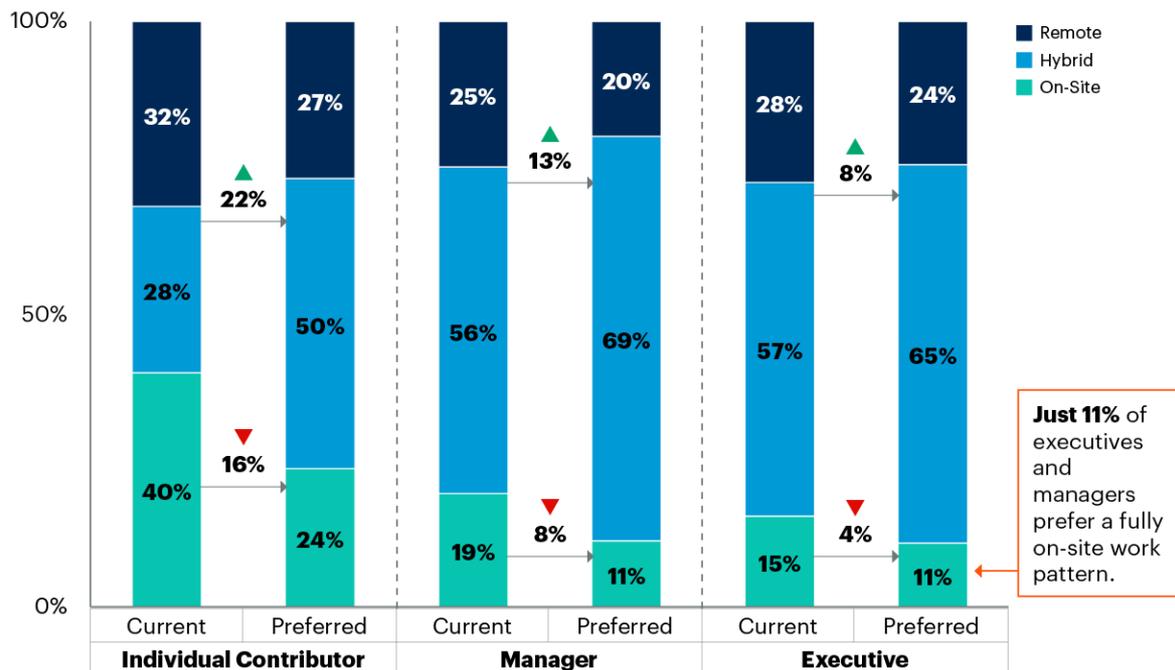
What will normal business operations look like, moving forward? Executives and their boards must decide how to meet the needs of a permanently changed workforce — how an organization treats its people could have a significant impact on the ability to attract (and retain) top-level talent in the future.

In fact, HR leaders, on average, estimate that 54% of the workforce will work remotely some or all of the time once the crisis ends. ⁶ Additionally, Gartner found that a majority of individual contributors, managers and executives prefer hybrid work (see Figure 2).

Figure 2. Current and Preferred Work Patterns by Employee Level

Current and Preferred Work Patterns by Employee Level

Percentage of Employees Selecting



n = 4,257 employees

Source: 2021 Gartner Hybrid Work Employee Survey

Note: Employees were asked how many days per week they currently work remotely, and how many days per week they would prefer to work remotely if given the choice. Percentages may not add to 100% due to rounding.

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As the workforce increasingly becomes remote or hybrid for many organizations, organizations will need to be cognizant of potential biases that may appear toward in-office employees and design strategies that ensure remote and hybrid workers remain a valued part of the overall workforce. Organizations must mitigate any bias against remote and hybrid worker performance, and ensure remote and hybrid workers have the same access to opportunities and promotions as in-office workers.

For workforce equity conversations, executive leaders and their boards should consider the following:

- **Creating opportunities to share concerns about remote work** — As remote work becomes more commonplace and permanent, organizations should make space for leaders to share concerns about a remote and hybrid working model. By supporting honest conversations, organizations can uncover leaders' underlying assumptions, worries and biases about remote work and begin to strategize how to counteract any beliefs that might result in inequities for remote workers.
- **Special recognition strategies for remote and hybrid workers** — Recognition strategies for remote and hybrid workers must be different from normal strategies for in-office employees. Effective strategies could include public acknowledgment, senior leadership interactions and new development opportunities. These strategies help ensure remote and hybrid workers' performance gets recognized, creating better visibility into remote workers' contributions and further disrupting leaders' perceptions regarding their performance.
- **Combating bias against remote and hybrid workers in performance management** — As noted earlier, leaders' and other employees' perceptions toward remote and hybrid work can create bias against remote and hybrid workers, especially as it relates to performance management. Organizations will need to look out for biases and implement strategies to reduce said biases. This can include:
 - Creating challenging objectives for both remote and hybrid and in-office workers
 - Ensuring managers are assigning remote and hybrid workers equally challenging work as their in-office peers
 - Reinforcing the use of outcome-based performance indicators
 - Training HRBPs to spot biases against remote and hybrid workers in calibration sessions

- **Solving, not silencing, cultural conflicts** – While there are many benefits to increasing permanent remote and hybrid roles (increased intent to stay, stronger employee commitment and greater attraction from top talent), leaders must recognize that there will be conflicts. ⁷ Instead of trying to silence these potential conflicts, organizations should consider implementing new strategies such as promoting listening tours between executives and the wider workforce and the formation of employee resource groups. The key with these strategies is to break down the conflict, separate divisive specifics from unifying values and identify action steps your organization can take in support of those values.

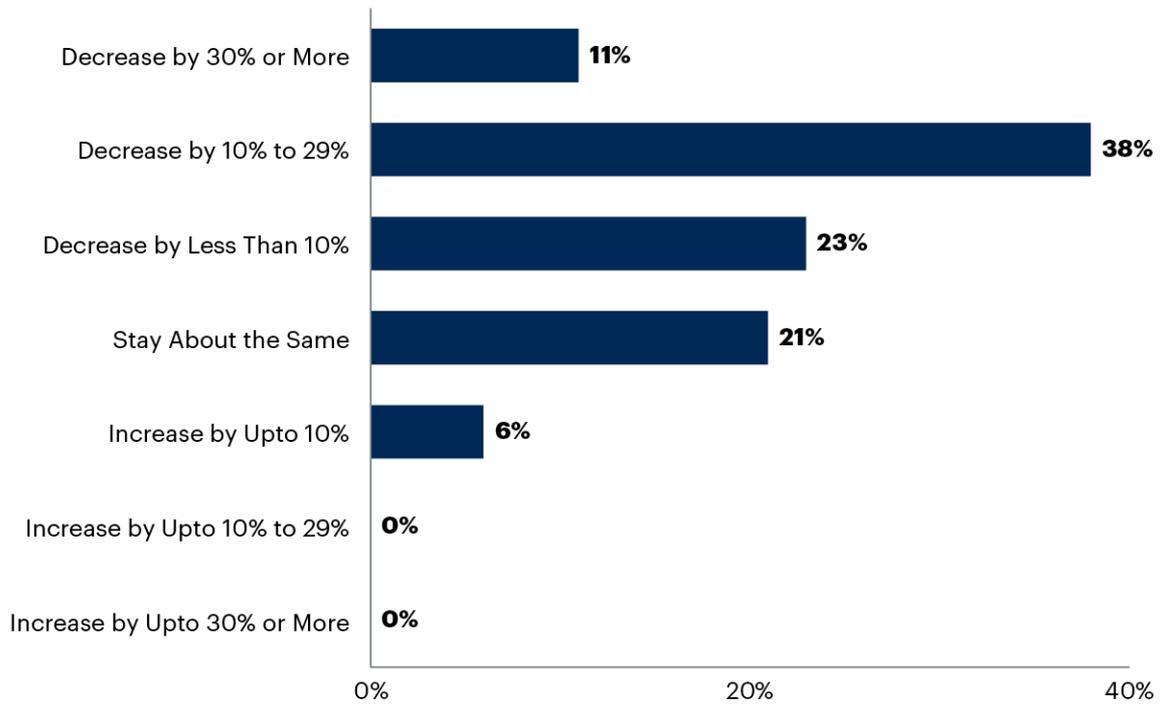
Issue 3: What Should Our Future Corporate Real Estate Footprint Look Like?

As more workers elect to work remotely, executive leaders and their boards should rethink the importance and role of physical offices. Nearly three-quarters (72%) of CFOs told us they anticipate a smaller corporate real estate footprint in the next two years. ⁸ While many are taking a “wait and see” stance to real estate decisions, as many as 49% of CFOs and finance leaders indicate that their organizations plan to decrease their real estate footprints by 10% or more (see Figure 3).

Figure 3: Anticipated Change in Organizations' Corporate Real Estate Footprints

Corporate Real Estate Portfolios Will Get Smaller

Anticipated Change in Corporate Real Estate Footprint



n = 47 Gartner Research Circle Members (CFO and Finance Leaders); excludes "not sure"

Q. How do you anticipate that the size of the total corporate real estate footprint (square footage) at your organization will change 2 years from now?

Source: Gartner 2020 CFO Corporate Real Estate Footprint

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But the impact of COVID-19 is more than just the size of an organization's real estate footprint. This much is clear: The office will shift from the place employees go to do their work, to the place where they go to have a variety of distinct experiences, including face-to-face interactions, access to location-specific technology and group collaboration sessions. Getting to the right answer for the talent your organization seeks, and customizing the design to maximize use, may save money, while also creating a comparative advantage in recruitment and retention.

Specifically, executive leaders and their boards should consider the following:

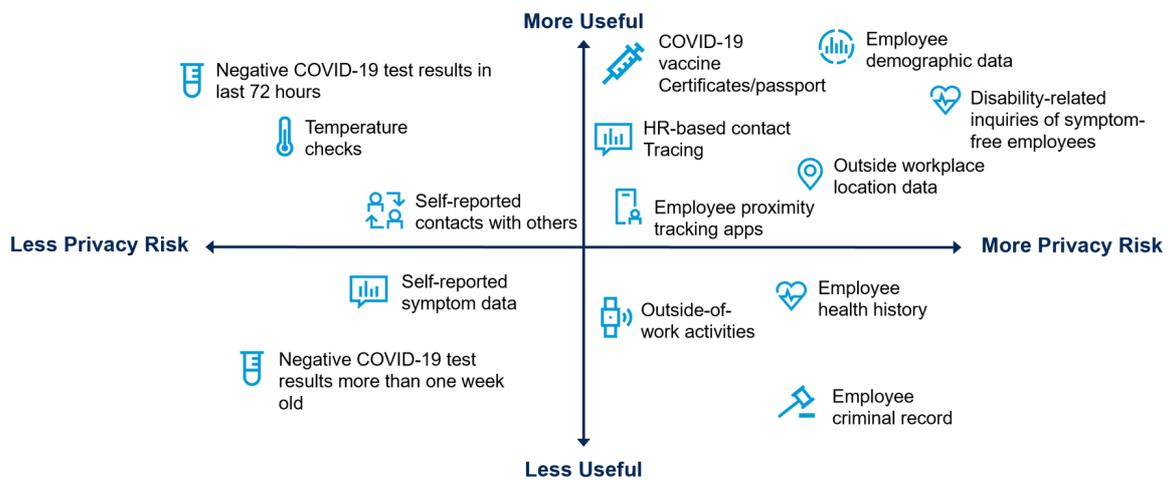
- **Health and safety protocols will continue** – As countries across the world combat the delta variant, and now the omicron variant, workplace designs will need to incorporate social distancing and mask wearing to keep employees safe. In fact, 85% of HR leaders plan to continue mandating face masks in the workplace, and 89% will enforce safe spacing in high-traffic areas. ⁹
- **Reconsider the function and purpose of offices** – Given the likelihood of a permanent remote and hybrid workforce, think bigger than the number of offices, desks and chairs. Consider designing office space that includes remote employees and physically present employees alike. Build areas that let both groups work together, places for innovative experiences and quiet spots for immersive work that allow an employee to focus on tasks.
- **A distributed workforce may create different resilience risks** – Although a dispersed workforce provides backup capabilities, it can be catastrophic during a regional disruption. Without an alternative to their homes, many employees may not be able to work during local disasters (such as hurricanes and earthquakes).
- **The costs associated with remote work will be different from in-office work** – Remote work will be associated with different costs and considerations than in-office work. Organizations will have to consider the costs for remote worker travel, possible usage of productivity tools and equipment, and the cadence of bringing remote workers physically together. Each of these costs will have to be determined by each organization individually, based on their work needs and workforce.

Issue 4: How Should We Manage Employee Health Data?

With vaccine mandates requiring organizations to retain employee vaccination and testing data (such as the U.S.), organizations must decide how much information they need from employees to confirm they do not pose an undue health risk to others on-site. Each option can raise potential privacy issues, necessitating the safe handling and disposal of the information received, along with clear communications about collection and use of the data (see Figure 4).

Figure 4. Types of Employee Health Information Collected

Types of Employee Health Information Collected



Gartner.

While some of the data shown in Figure 4 must be retained by organizations by law in certain countries (such as vaccination and testing records), organizations can decide on their own what other data they believe they should retain to ensure employee health and safety.

In discussions with the board about these matters, executive leaders should consider the following:

- **Technology can be an ally** – New technology platforms already allow accurate and up-to-date tracking of vaccinations. Many customer relationship management, enterprise resource planning and large digital health system providers have begun implementing new capabilities such as integrating health information, contact tracing and human resources data on vaccination status. In many cases, these platforms have security and privacy safeguards built into place to manage potential risks of inappropriate access or use. As vaccine mandates become more commonplace across the world, consider using these platforms to retain employees’ private health data.
- **Limit the amount and kind of information you collect** – Subject to applicable laws and regulations governing privacy, strive to collect only information that has a direct impact on the safety of your employees – the minimum needed for a predetermined and documented purpose. In addition, limit access to as few employees as possible, and for the narrowest use possible.

- **Set policies for employees traveling on business and for third parties** – As movement resumes among other offices, facilities or client sites, organizations will need to implement new policies to ensure employees and third parties remain in compliance with public health regulations before they can come into contact with others.

Issue 5: How Do We Plan for What Comes Next?

With the world soon entering its third year contending with COVID-19, the pressure for organizations to successfully execute strategic objectives is immense. The ongoing public health emergency has demonstrated the increasing importance of flexible and agile enterprise risk assessments and scenario planning.

Executive leaders preparing with their boards for the future should consider the following:

- **Information precision can impede action** – Don't fall into the "analysis paralysis" trap. The best available knowledge on COVID-19 may change over the course of weeks. Instead of aiming to get more certainty on events that will drive risk, focus on smaller, low-cost, low-regret actions that can be implemented quickly (and changed, if necessary).
- **Scenario-planning processes need flexibility and resilience** – Once pandemic-specific risks are identified, develop effective response and recovery plans that keep the organization resilient, and engage more frequently in tabletop exercises to root out unforeseen consequences.
- **Risk management can get in the way of action** – Many risk functions still often work in silos, creating a fragmented view of risk governance for boards. While useful for function-specific risks, COVID-19 scenarios require a level of collaboration that is seldom seen in risk governance. Encourage collaboration and information sharing between risk and assurance functions to understand major dependencies and potential outcomes.

By Ethan Trucker

Recommended by the Authors

[Executive Pulse: Despite Court Challenges, Companies Forge Ahead on Vaccine Plans](#)

[Quick Answer: 4 Ways to Ensure Equity Between Remote and Nonremote Employees](#)

[Mitigating Bias Against Remote-Worker Performance](#)

[Future of Work Reinvented: Reshape the Culture](#)

[Future of Work Reinvented: Rethinking the Workplace](#)

Endnotes

¹ [COVID-19 Vaccination and Testing: Critical Implications of OSHA's ETS for Federal Government Contractors](#), Piliero Mazza.

² [Executive Pulse: Despite Court Challenges, Companies Forge Ahead On Vaccine Plans.](#)

³ [Late-2021 Update: Work Policies Lag Behind Consumer and Employee Expectations.](#)

⁴ [Updating Return-To-Work Plans After Federal Vaccine Mandates. Gartner Webinar Poll.](#) 18 November 2021.

⁵ [C Suite: 7 Myths Standing Between You and the Hybrid Future of Work.](#)

⁶ [Future of Work Reinvented: Reshape the Culture.](#)

⁷ [Employee Flexibility Benchmarks by Function and Level.](#)

⁸ [CFO Perspectives on COVID-19's Impact on Corporate Real Estate.](#)

⁹ [Peer Benchmarking on Health and Safety for a Postvaccine Return to the Workplace.](#)

Document Revision History

[5 Board-Level Issues About COVID-19 That Executives Must Discuss With Directors - 18 February 2021](#)

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