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## Impact of Covid-19 Pandemic on Human Resource Management in organizations

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### **Abstract**

*The promising picture of a progressive world economy that was visible in the recent years was ruthlessly shattered by the Covid-19 Pandemic that hit the world in the 2019-20 and continued to spread its deadly variants and infection waves across the world. Even today, almost a year and half after it was first discovered to be spread from Wuhan, China; the virus continues to torment us. The rapid spread of corona compelled the national governments of the world to enforce strict restrictions on common public as well as businesses to contain the spread of the deadly virus. These included social distancing norms, shutting down of malls, recreational activities, cinema halls, departmental stores as well as travelling restrictions; both nationally as well as internationally.*

*With everyone and everything under lockdown, the businesses across the world were bound to be severely affected. Lockdown situation combined with a fall in demand for products and services as well as diminishing sales and profits meant that companies had to cut costs, reduce production, thereby resorting to cutting down the number of staff members or reduction in remuneration of the existing employees. Also, health care of employees had to be looked upon with a renewed outlook by the human resource department of all organizations.*

*This research paper studies the level of impact of covid-19 pandemic on various human resource functions carried out by the HR departments in organizations worldwide.*

**Keywords:** Covid-19 pandemic, human resource, world economy

### **Introduction:**

As the Covid-19 pandemic spread its ugly wings across the world, the world economy came to almost a standstill. Running businesses today while facing the global pandemic of COVID-19 is quite challenging. More than 200 countries around the world have experienced a major impact on their economies and societies due to the pandemic. The pandemic has also affected the day-to-day

lives of the general public. The income of people has gone down, whereas the rate of inflation is going up. A lot of people have lost their jobs or had to take large pay-cuts. Many of the issues have occurred as a result of reduction in sales and profit drops. Without having sufficient demand and profit in the business, it becomes really challenging for an organization to retain and take care of their staff. It has been identified that some companies have even closed down and some have reduced operations. Some have also been compelled to reduce staff members. Hence, many of the newly joined trainees and fixed term contract employees lost their jobs. Most of the third-party employees have been sent out. However, it is necessary for them to look after their permanent employees as terminating permanent employees is a long process of a company.

The human resource department of an organization has to carry out various functions pertaining to the human resources of the company such as staffing, recruitment, selection process, salary negotiations, maintaining employee records of attendances, salaries, promotions etc. They also conduct the employee performance appraisal from time to time for evaluating the employees and rewarding them with increments and promotions. They also have to handle the employee separation process as well.

This pandemic situation has now shed light on some additional responsibilities that the HR manager and team has to shoulder. One of those is the health care of employees. Without making profits, the company cannot take care of their staff members, and without healthy and potential staff, the company cannot perform. Hence, ensuring health and safety of employees along with balancing profits has become essential for the Human Resource Management of the organization.

In this research paper, an attempt is made to study the challenges in front of human resource management team of an organization due to the impact of covid-19 pandemic.

### **Function-wise impact of the pandemic on HRM:**

#### **1. Workplace Conditions:**

Working conditions represent 'the core of paid work and employment relationships' (ILO, 2020). They 'cover a broad range of topics and issues, from working time (hours of work, rest periods, and work schedules) to remuneration, as well as the physical conditions and mental demands that exist in the workplace'(ILO, 2020).

The covid-19 pandemic has significantly changed the working conditions of an organization, as most of the organizations were forced to employ a work from home approach for their employees. Leading organizations such as Google instructed its employees to work from home till the end of the first half of 2021 whereas Twitter employees were given the freedom to work from home till the pandemic receded completely. But some of the businesses such as manufacturing companies cannot work with employees at home. So these organizations either had to lay off their employees or alter

the working conditions so as to follow strict social distancing norms while working physically at the plant. These changes included sitting at a distance of 1 meter from each other, wearing PPE kits, staggering work-shifts of employees so as to avoid crowding. The HR management had to identify which jobs required physical presence and which didn't and accordingly inform the employees about which process they were expected to follow. They also had to ensure hygiene protocols such as frequent sanitization of office places, washrooms, dining rooms in the workplace. Regular health check-up of employees was of prime importance now.

Isolation and psychological stress among employees working remotely became a serious issue as these employees worked long hours in front of their laptops without actually being physically a part of the company's working environment. They might feel disconnected with their peers as well superiors, or feel the effects of lack of socializing. Many HR managers have used virtual social gatherings such as virtual birthday parties, lunches and foundation day celebrations to boost the morale of these employees.

## **2. Staffing:**

Staffing refers to 'the process of attracting, selecting, and retaining competent individuals to achieve organizational goals' (Ployhart, 2006). Covid-19 has had a varied impact on different types of organizations. Some organizations have had to face major losses, especially the ones selling consumer products, recreational services, tourism services etc. On the other hand, there are some businesses that have prospered and flourished under this new normal, such as online shopping sites, health care agencies, home delivery agencies such as Zomato, Swiggy, Pharm Easy.

This has had a major impact on the staffing function of HRM. Firms that have faced financial crisis have had to lay off their employees. Also, recruitment had to be frozen till indefinite future or had to be restricted to low skill employee recruitment in order to control costs of staffing. The process of laying off employees is a delicate job under these trying circumstances where employment is hard to find. The main challenge of HRM practitioners, in this case, is to support managers and employees during this process and to offer proper information. However, it might not be easy in the context of uncertainty.

Contrary to this situation, firms that have expanded their business during the pandemic had to increase their staff and speed up the recruitment process in order to meet the growing demand. This also had its fair share of challenges as workforce shortage was eminent due to public fear of contracting the virus in case they went out for physical jobs in offices which is a necessity for these business companies. The organizations have tried to find out various options for recruitment which are more flexible such as temporary agency work, freelancers. Retention of talented employees is also a challenge as they might be willing to look out for jobs in sectors that were positively affected



by the pandemic, thus having more opportunities for career growth. Various employee engagement activities conducted virtually became the need of the hour for encouraging the employees.

### **3. Employee Performance Management:**

Performance management is 'a continuous process of identifying, measuring, and developing the performance of individuals and workgroups and aligning performance with the strategic goals of the organization' (Aguinis, 2019).

In the time of the pandemic, employee performance becomes even more critical to enable the company to survive through this financial crisis and improve company profit. On the other hand, the company HR management teams have had to alter their performance appraisal and management strategies to adjust to the pandemic situation as the working pattern of employees changed such as work from home and staggered work timings. At the same time, some of the organizations were so busy countering the crisis put forth by the covid-19 pandemic that their performance management programs were disrupted as they failed to keep tab on measurement of employee performance and performance related pays. This resulted in these organizations had to abandon the employee performance management systems.

Since regular employee performance appraisals help them to assess their performance and work towards growth and development of their career as an individual. This will ultimately result in better business for the company and higher profits. Hence it becomes important for organizations to monitor employee performance in this pandemic crisis and keep providing the details of the same to the employees.

### **4. Training:**

Training provides employees an opportunity to update themselves about the changes in business conditions which are dynamic in nature. It helps them to inculcate those skills which are essential for their further growth in the organization as well as in their own career. Training also helps them to be ready for new roles and responsibilities that might be given to them.

The Covid-19 pandemic has also necessitated companies to provide various trainings to their employees keeping in view the changing work scenario. Among those, one of most prime importance is the training related to personal safety and hygiene, social distancing. They need to be trained regarding how to followed covid-19 prevention protocols at work, how to use sanitizer spray machines, thermal guns as well as what steps to take in case a colleague at work suddenly falls really sick at workplace. They also need to address the mental health issues of their employees who are subjected to a dual stress of work as well as fear of contracting the virus at work. Secondly, the employees need to be trained to adapt to the new working style of remote working, work from home so that they can smoothly carry on working in this changed environment. They should be trained

regarding usage of online meeting and work platforms such as Google Meet, Webex, Zoom etc, in order to enable them to adjust to the new way of working in the best possible manner. This will ensure that the organizational work will carry on without any hiccups and the organization achieves its predetermined goals.

As is the case with working conditions, the challenges that the training programs would face are conducting the training online. Thus, a lot of effort needs to be taken to make the online training sessions more engaging and innovative for the employees.

### **5. Career Planning and development:**

Career Planning and development of employees is an important function of the Human Resource Management team. This function charts the future course of action in the organization for an employee by planning his next stage of work, responsibilities and positions that he or she may be elevated to in the organization.

The Covid-19 pandemic has impacted the career planning goals of employees worldwide. The study by Baert et al. (2020) based on the analysis of the impact of COVID-19 on career outcomes and aspiration among a panel of 3,821 employees, showed that due to the COVID-19 crisis, employees were afraid of losing their job in the near future. In addition, some of them expected to miss out on a promotion that they should have received if this crisis had not happened. Most of the employees in various organizations are more focused on just retaining their jobs amidst the wave of job cuts and salary reduction going through each and every industry worldwide. This pandemic situation has been a great jolt in the careers of aspiring individuals who looked at the year with high hopes of future promotions and salary hikes. Now, the focus is on job security and personal health, thereby giving a break to the go-getter attitude.

### **6. Management of Employee Compensation:**

Compensation is the total amount of the monetary and indirect pay provided to an employee by an employer for rendering of his service to the organization as may be required by him/her. Compensation is a well defined approach of providing a value in terms of money to employees in exchange for work performed. Compensation may accommodate several other areas such as assisting in recruitment, job performance, and job satisfaction. There are direct financial payments in the form of wages, salaries, incentives, commissions and bonuses and there are indirect payments in the form of financial benefits like employee paid insurance and vacations.

A good compensation package is important to motivate the employees to increase the organizational productivity. Unless compensation is provided no one will come and work for the organization. Thus, compensation helps in running an organization effectively and accomplishing its goals. The most competitive compensation will help the organization to attract and sustain the best

talent. The compensation package should be as per industry standards.

The study by Elsafty and Ragheb (2020) showed that financial benefits such as bonuses during COVID-19 are associated significantly with employees' retention. As a reaction to the COVID-19 outbreak, some countries have implemented governmental policies to provide financial support for employees and organizations during this health crisis and to encourage them to comply with the stay-at-home orders. For instance, in the USA, the federal government has enacted the temporary paid sick leave, allowing private and public sectors employees 2 weeks of paid sick leave for isolation, treatment related to COVID-19, taking care of a member of their family infected by COVID-19, and childcare caused by the school or daycare closure (Andersen, Maclean, Pesko, & Simon, 2020).

Short-time compensation, also known as part-time jobs, has also been adopted to sustain the economy while protecting business and employees' jobs. It consists of offering employees a temporary reduction in the number of their working hours which will help organizations that are experiencing a decrease in the level of demand, to retain their employees and to avoid layoffs (Giupponi & Landais, 2020).

Also, employees contracting the virus and being absent for a long period of time due to recovery has led to the HR managers increasing paid sick leaves of the employees along with financial help for paying the medical expenses incurred by the employee due to covid-19 infection. At those workplaces where the risk of getting infected by the covid virus was higher, the HR department had to reconsider the amount of compensation to be paid to employees who were risking their lives and well being in order to continue working and completing company targets. This was due to the fear of losing employees if they weren't paid sufficiently in comparison to the risk they were taking in working in places such as hospitals, housekeeping service providers.

## **6. Employee Relations:**

Employee relations or Labour Relations has always been a sensitive issue with regards to human resource management. Organizations have always tried to use various techniques such as workers' participation, collective bargaining in order to make the employees feel wanted by the organization as well as to increase their sense of belonging. The challenges posed by the covid-19 pandemic have surely has an impact on the traditional relationship of the employers and employees. The labour laws across the world were also reconsidered in order to adjust to the current work scenario. Many countries have modified these laws in order to support and protect both the employees as well as the employers. Many countries have prohibited organizations to lay-off employees collectively. For example, in Italy, a decree law has been issued to prohibit organizations from initiating a collective layoff procedure for a period of 60 days (Biasi, 2020). Furthermore,



various legal measures and laws have been adopted to support employees during the lockdown and closure of schools, e.g., employees were given paid leave to take care of their children. In some countries, e.g., in France, remote working is voluntary and cannot be imposed by employers (Sachs, 2020), however, as in many other countries the current situation has led employers to impose this mode of working on employees whose job position can be performed from home (Sachs, 2020).

Also, as the vaccination campaigns have started all over the world, organizations in many countries have taken the initiative of providing free vaccination to their employees as a move to protect them from the deadly virus and reinforce the employees' faith in the belief that their company cares for their health and well-being. This is also a commendable step for improving employee relations.

### **Conclusion:**

Thus we can conclude that the Covid-19 pandemic has had a far reaching impact on the various functions of human resource management. HR managers and practitioners worldwide need to review their existing HR policies in order to be prepared for any such sudden crisis that has the ability to alter the work environment drastically. Employee healthcare, insurance as well as remuneration along with emphasis on safe work environment is the need of the hour. Those organizations that want to grow and flourish in this new normal will have to look inward and change their way of working in order to recruit, motivate and retain their talented human resource as well as attract new ones.'

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