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INFLUENCE OF PANDEMIC OUTBREAK ON HUMAN RESOURCE MANAGEMENT : AN EXPERT STUDY FROM COMPANIES PERSPECTIVE

Dr. Monali Neve*

ABSTRACT

Year 2020 has shown tougher times for everyone on this planet due Corona Virus outbreak. It was February 2020 last week, when the coronavirus started hitting India. In March Central Government declared lockdown as the pandemic started spreading rapidly. It has caused unpredicted impact on companies around the globe and influenced human resource management profoundly. HRM has played a role of leader to direct employees in vague present and unforeseeable future, helping their employees to cope with stress and to continue work from home so that business goes on with its operations. However, HRM had to deal with the dismissals and reduction of the staff caused by the pandemic lockdown. The research paper is focused on the challenges faced by HRM during and after lockdown period in India. The data was collected from expert interview method. The paper ascertains the impact of crisis on human resources, the solutions companies applied and give suggestions for tackling the crisis from the point of view of HRM. The finding after expert interview indicates that companies should develop disaster management plans, introduce new policies for remote as well as hybrid working systems as a reaction to the current and future crises.

Keywords : India, Companies, HRM, Technology, Adaptability, Flexibility, Resilience, HRM, Employees, Remote working, Work-life-balance.

1. Overview

Since the outbreak of Covid-19 pandemic organisations disrupted and hence, it has enforced Human Resource Department to rethink on working flexibilities without disturbing social distancing and safety policies of employees. Ultimately it has affected the globe by slowing down the economy and accelerated the use of digitalization.

Human Resource Management has a challenging task to carry out in helping association to explore in the circumstance of sensational changes brought about by the pandemic lockdown.

The research aimed to estimate the level and magnitude of the challenge companies have been facing in terms of HRM, and to assume the consequences, what changes are expecting to be initiated.

The primary data for this research was gathered by semi-structured online interviews. The following research questions were determined for this study.

- 1: How did the Covid-19 affected companies and employees in general, and particularly in India?
- 2: Why and how did the pandemic conditions influence the HRM practice in the Indian companies?
- 3: How did HRM respond to the crisis in India and whether HRM strategy has been worked out for the post-pandemic period?

The research result shows notable insights for HR managers and organisations. HR managers need to know how to improve the wellbeing of employees during virtual work in crisis times taking into consideration personal stress. Besides, internal corporate communication, company brand image should be in

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compliance with the organisation's approach to the workforce during turbulent times. Overall, the contribution of the manuscript that main challenges triggered by the pandemic lockdown are the recession when revenues have been decreased enforcing companies to reduce or dismiss the staff. The research results recommend HR managers to acknowledge their dominant role in the heart of the changing processes of digitalisation towards remote working models, and of developing new HR policies.

2. Theoretical Framework and Hypotheses Development

2.1 The Role of HRM in the Adaptation of the Workforce

Recently, the Covid-19 pandemic has created demanding conditions for human resource managers. In the context of dramatic changes around the world due to the pandemic, organisations need to respond and adapt to the alterations and accordingly manage the workforce (Carnevale & Hatak, 2020). According to Sheppard (2020) companies need to prepare for further changes and turbulence times. They should adopt technologies that are platform-based and develop novel business models also the workforce are required to move to the virtual work (Sheppard, 2020). Carnevale & Hatak, 2020 state that HRM has a significant role in helping employees to overcome the difficulties brought by the unexpected changes in the workplace as well as in the society.

Moreover, the increasing unemployment due to the recession imposes more pressure on the people. The International Labour Organisation (ILO) (2020) estimates that 195 million full-time workers will lose their jobs worldwide this year. Therefore, employees need to learn new skills that increase their employability in the digital space (Sheppard, 2020). In this regard, HR managers should elaborate strategies enabling employees to use advanced technologies as well as update their digital skills (Parry & Battista, 2019).

Consequently, HR professionals have a facilitating and supporting role in this transformation, but they also take responsibility to retain the employees by upgrading their skills and abilities (Parry & Battista, 2019). The extensive survey of 869 teams and 11,011 workers in

European countries demonstrates that remote working is not valuable for all employees, the performance of team members reduces when they work from home and specially when work more than 8 hours per week (Van der Lippe & Lippényi, 2019). Yet individual performance factors such as work characteristic, satisfaction, and commitment should also be taken into account (Van der Lippe & Lippényi, 2019) when HRM coordinates flexible or hybrid work. Besides, employees' wellbeing and health have implications on their outcomes. Consequently, work and private life mixture during remote working from home can be the core challenge HRM is facing (Peasley, Hochstein, Britton, Srivastava, & Stewart, 2020).

The research conducted by Singer-Velush, Sherman, & Anderson, (2020) at Microsoft explored that the major difficulties during the pandemic were business continuity, employee wellbeing, and customer orientation. On the other hand, less socialisation during the pandemic have implications on the employees' mental health. Therefore, according to Singer-Velush, Sherman, & Anderson, (2020) HR practitioners need to respond also this challenge by arranging virtual meetings or online relationships to maintain the motivation and productivity of employees. Hence, being digital is the potential solution for assessing workload and performance (Narayandas, Hebbar, & Liangliang, 2020).

Hence, an organisation should enable creativity for building a culture of flexibility taking into account the individual needs of each employee (Donovan, 2019). According to Donovan (2019), flexibility means a happier and productive workforce.

Thus, HRM should take the lead in helping organisations to navigate through uncertainties, taking into consideration the needs of developing skills and of maintaining mental wellbeing of employees.

2.2 Effects of the Covid-19 Crisis on Indian Companies

The survey done by Indian Chamber of Commerce and Industry found that, the main challenges companies in India have reported are reduced sales (for 53% of them), the exchange rate (13%), and transportation problems (13%) (GCCCI, 2020). Decreased demand and

disruption in the supply chain among all sectors resulted in decreased revenue; especially the accommodation and food service companies (PwC India, 2020). 63% of surveyed companies stated that their revenues dropped by more than 50% in comparison with the last year (PwC India, 2020). As a result, more than 50% of companies in India have reduced staff, and 40% of companies in the tourism sector dismissed all their employees. However, many companies in other sectors suspended business operations or even shut down production due to the pandemic, but the most medium and large companies switched to teleworking (PwC India, 2020).

According to the survey of the Indian Chamber of Commerce and Industry, 66% of Indian companies suffered financial loss, and business turnover in 76% of companies for the last six months decreased (GCCCI, 2020).

In this light, how does the HRM in India affected by the crisis situation, and how HR managers should overcome the challenges they are facing under the circumstances of uncertainty. In this vein, the present research includes the recommendations for companies coping the pandemic crisis from the viewpoint of the HR experts.

3. Data Collection Procedures

For this research, exploratory qualitative approach was used, as its aim was to study the impact of the Covid-19 pandemic crisis on the organisations and in particular on HRM. The semi-structured open interview was taken using video and telephonic interviews. For the expert interview, the following procedures were implemented

3.1 Data Collection Instrument

Based on interview guideline, the primary data were collected through Expert interviews conducted in April and May 2020. For the selection of the expert purposive sampling techniques is used.

3.2 Expert Interview

The Expert Interview Method was applied to collect data for this study. The expert interview as an exploratory tool is considered as a widely used in empirical studies for the data gathering. The following criteria were developed to invite experts for the interview (1) having theoretical knowledge as well as expertise gained in praxis in the area of human resource management, (2) having experience in working with organisations regarding human resource management issues, (3) be involved in research at the university level, or in consulting, and training activities and hence, have direct connections with HR managers in Indian companies.

Data collection from an expert interview involves the video/call recording, transcript in Indian and translation into English. The face-to-face expert interviews were conducted in April and May this year through online video platform Zoom. Every interview was prescheduled, carried out in the Indian language, and transcripts were later translated into English. The depth interview with an individual expert took between 23 and 46 minutes. The experts were asked to allow video-recording in Zoom in order to transcript it later. They were ensured that their personal data will be protected.

The semi-structured interview followed similar guideline that enabled to compare data, and to keep the interview within the topic boundaries. At the end of the interview, the last question was about their additional comments or viewpoints they thought it could be important to this study.

The questions were open-ended and comprehensive answers were expected. Overall, the interview outline consisted of 9 questions covering the 6 main themes (Table 1).

Table 1: Main Interview Themes

Part	Theme
I	General question about the expert experience and precise field of expertise
II	Questions about impact of Covid-19 on organisations and challenges faced by HRM

III	Questions about changes like Work-life balance, Digital transformation caused due to crisis
IV	Questions about the company response to the pandemic crisis from HRM perspective
V	Expert opinions regarding the future of HRM, and their recommendations to HR managers
VI	Additional thoughts/ views if applicable

In the framework of this paper, questions in part 2 and 5 are analysed.

The experts were asked what they consider as the most challenging for Indian companies during the pandemic, how they are affected, how HRM will be changed in the post-pandemic period, and if any opportunities regarding digitalisation and employee wellbeing have been revealed.

3.3 Sampling

Totally, 25 experts were invited to the face-to-face video interview, from which 10 were actually interviewed. Experts were recruited through the professional contacts of the researcher. Initially, we contacted them via Email explaining the purpose of the research and sending them preliminary interview questions.

The respondents are HR people and the data they provided is true reflection of current state in this area. Their experience and insight allow gathering primary data from various background and experience in order to study the impact of the crisis.

The experts stem from various organisations ranging from consulting companies to training centres to universities.

Namely, Training and Consulting: n=6, University: n=3, only Consulting: n=1. Six of the interviewees were female, and four – male. Their working experience in HRM consulting, training, and research field ranges between 10 and 20 years (see Figure 3).

3.4 Data Analysis

At the stage of the analysis, the collected data through the expert interview were interpreted and analysed with the approach of qualitative content analysis.

4. Research Findings and Discussion

4.1 Disruptions in HRM Caused by Pandemic

Interviewed experts confirm that the unexpected emerged situation provoked apparently a shocking reaction, and exposed that companies were inexperienced in crisis management. It took Indian companies at least 2 weeks to switch to online mode. First of all, service companies were extremely affected, as they could not meet customers face-to-face, so those activities were totally cancelled. Even when service companies managed to transform their offers such as training, consulting, or coaching sessions to online working systems, not all of their clients were ready to accept the digital services, and preferred to wait until the crisis is over. The interviewees clearly state the problem of flexibility among Indian companies.

“Some companies cannot be so flexible; especially large companies find it difficult to transfer all processes online quickly” (R4, translation).

The main focus in Indian economy has been on tourism and entertainment industries in terms of revenue, as this industry enables to make relatively more profit with relatively less investment. In consequence of the pandemic lockdown, Indian companies in tourism, hospitality, food, and entertainment business have encountered serious problems. Companies are now attempting to focus merely on survival. “It is no longer a question of profit, but to survive in the market” (R6, translation).

In the field of tourism, it has become clear that many companies have closed or are on the verge of closing. For that reason, many people have become unemployed, and overall, the purchasing power of the population is falling.

In general, the respondents mentioned three types

of cases they observed in terms of companies' attitudes towards employees: (1) Some companies have been closed and hence dismissed all employees. (2) Many companies have retained employees by sending to unpaid

leaves. (3) There are companies that retained employees giving them salaries. However, some companies managed only to retain the senior staff with salaries (Figure 1).

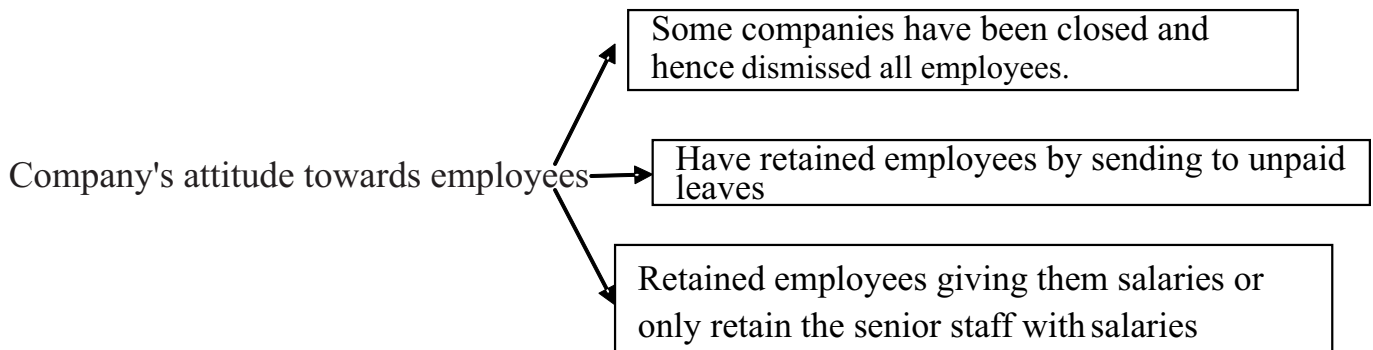


Figure 1: Type of Indian companies according to their approach towards employees

Moreover, the recruitment of new staff has been reduced as well, companies do not intend to hire new workers at the moment. “Companies hire only temporarily with contract to carry out ongoing projects” (R5, translation).

In addition, systemic deficiencies and unpreparedness have been reported in many cases in terms of business continuity.

4.2 Major Obstacles for HRM Concerning the Workforce

The experts reported in the interviews that the pandemic crisis showed how corporate brand actually corresponds to the communicated brand, and it have had either a positive or drastically negative impact on the relationships between management and employees.

Findings of the research :-

Challenges to the organisation caused by the pandemic crisis :-

1. The company image can face the challenge caused by the organisation's attitude towards employees during the pandemic period. The experts see significant failures in internal corporate communications as well.
2. Some companies experience high turnover because the management demonstrated values different those from employees. Obviously, not all companies have taken responsibility for their workers.

Challenges to the employees :-

1. Dismissals, cuts in salaries, granting unpaid leaves have led to the changed attitudes towards the organisation.
2. Employees have not been fired, the psychological stress, fear, and insecurity of the rest workforce are so high that the degree of loyalty in organisations decreases

Challenges to HRM :-

1. HR professionals needed to try to prevent dismissals and retain employees.
2. As the management is trying to save costs by doing nothing for employees development has causes problems to HRM function in accomplishing their goals.
3. The major challenge companies faced was quick switch in working pattern i.e. working from the office to remote working systems using online tools.
4. They faced also the administration challenges such as management of dismissal, regulations, and so on.
5. HR managers have encountered challenges regarding safety regulations too, and worried that their staff might become ill with the virus.

4.3 The Future Roles of HRM

1. HR professionals need more knowledge; despite many years of experience in this field, many of

them lack skills and education especially in crisis management.

2. The workforce still needs more skills, multidisciplinary education, as competition will be increased in the future. Jobs will be significantly transformed.
3. The strategies should be design to deal with the crisis focusing on flexibility and adaptability
4. When HR the company encourages the workers, keeps them up-to-date, and takes into account their opinions it becomes easier for companies to face uncertainties like pandemic.

5. Conclusion

The researchers have theorized the similar trends experienced during the crisis situation regarding human resource management and impact on employee behaviour. The current response of companies to the pandemic is complex and having some negative as well as positive outcomes. Organisations are accepting the challenge of crisis and adapting new normal to achieve goals. HR is taking efforts towards employees by online training and development.

On the other hand, however, crisis management dictates the companies to cut costs on training sessions and on other development activities. Thus, it is important that the HR management finds the right balance between cutting costs due to recession and developing the staff. Otherwise, effectiveness and efficiency cannot be achieved.

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