



Covid-19 crisis and challenges for human resource management

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Abstract

The COVID-19 pandemic presented huge challenges to any or all aspects of life. However, with time, each individual has now adjusted to the new normal made by this pandemic. Each field starting from the education system, corporate associations, medical healthcare, travel and tourism industry and numerous others have witnessed challenges and respective alterations in their functioning style because of Coronavirus. Individuals, to a great extent, shifted from traditional working mode to the online mode. Coronavirus has impacted the economy of each and every nation, bringing the business exercises to a pause. Rising instances of the pandemic, social distancing regulations and lockdown made it challenging for the human resource managers to carry out their business activities and constrained them to switch to the new normal- the "Work from Home" culture. This paper focuses on the multiple challenges faced by human resource management fields due to the crisis.

Keywords: COVID-19, Pandemic, Crisis, Coronavirus, Human resource management

I. Introduction

The Covid-19 pandemic has suddenly flipped around human existence. During the underlying stages, nobody probably thought how grave the impact of this infection would be on the human existence style. It was one of the unprecedented crises which shook the whole planet, with great amounts of uncertainty and fear. Started from Wuhan (China) in December 2019, this acute respiratory syndrome coronavirus 2 spread with lightning speed and was declared as global pandemic by the World Health Organization (WHO). It had a great deal of impact on society, economy, employment and working of organizations and businesses. To mitigate the effect of this outbreak, many measures were implemented by government and authorities including lockdown and social distancing. Schools, colleges, NGOs, Non essential

businesses were closed temporarily, traveling was prohibited, infected patients were quarantined, Social events were restricted. The whole world faced the slowdown in economic and financial activities and lost grip on stability leading to unexpected layoffs and temporary furloughs (World Economic Forum, 2020) and increased unemployment rates. Covid-19 created the situation causing 50% or more of the workforce unable to work (Gourinchas, 2020).

The Covid-19 crisis was one of the unique challenges in human history which caused the transformation in traditional work culture of the health care, education sector, corporate world as well as travel and tourism domain. According to Wright and McMahon, **Human resource management is the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals**, it encompasses the determinants of decisions about HR practices, the composition of human capital resource pools, the specification of the required human resource behaviors, and the effectiveness of these decisions given various business strategies and/or competitive situations (Wright and McMahon, 1992, p. 298). Human resource management focuses on the relationship between manforce and the goals of the organization. However, the coronavirus pandemic created the complex and challenging situation in front of human resource managers and management to replace or update their HR practices to cope up with the challenges faced by the employees and sustain the company's benefits and goals.

The unprecedented pandemic situation resulted in a reduction in the market of some products and services hence organizations reduced their employees in different domains like marketing, sales department for cost cutting in various operations (Baldwin & Weder, 2020). The situation compelled the human resource managers to evolve some compensating methods to face the new challenges and difficult situations. It has given rise to the new normal called "Work from Home (WFH)"



culture or remote working which was the replacement of on site working, adapted for smooth operations and better services to the customers.

Covid-19 repercussions and challenges on human resource management:

HRM 'is about how people are employed, managed and developed in organizations' (Armstrong & Taylor, 2020: 3). It was greatly affected by the outburst of the pandemic presenting unprecedented challenges for human resource managers. Many human resource operations like staffing, recruiting, training, evaluations, compensation management have been widely hampered by the crisis and uncertain circumstances followed by it. Following are some areas of consideration –

- **Working environment:**

The working environment and conditions witnessed the most drastic changes during covid-19 crisis. The working conditions encompass various factors like working hours, schedules of work, rest duration, mental and physical atmosphere at the workplace. Due to lockdown and health concerns many organizations adopted remote working style resulting in employees to work from home. This was again a herculean task for the management to practice these changes. Not all the business firms were suitable to follow remote working as many operations like manufacturing, productions can not be handled from remote locations, hence witnessed big challenges during covid-19. Hence it was the difficult task for human resource managers to classify the employees in the divisions like those whose job can be done from remote locations, those who need to be present on job and those who can be laid off on temporary basis for the cost saving purposes. Those employees who needed to be there on the workplace were guided and enforced to follow all the social distancing and protection measures and the work was scheduled in shifts to avoid the spread of covid-19.

- **Hiring and staffing:**

Organizing the financial resources during the pandemic was the real challenge as all the

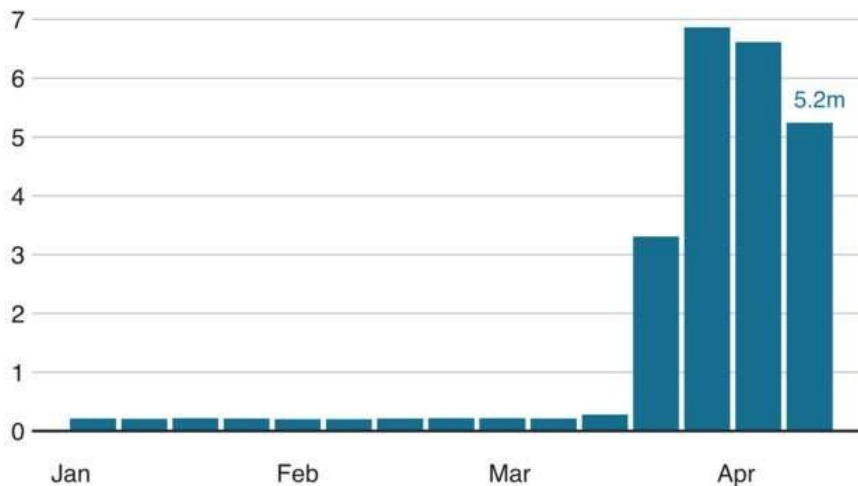
businesses were strongly affected by the situation. Mapping the gravity of how the crisis affected the finances of the company was difficult and managing it was a tough task. The impact of covid was asymmetric with different organizations, as some of them declined due to financial difficulties and had to temporarily close their ventures. Some of them had positive impact on the business and flourished well. Those organizations facing financial challenges started cutting on recruitment just to save the costing and sustain in the situation. They froze the recruitment processes and laid off employees (refer figure 1), which was not an easy decision for human resource managers. Millions of people faced a sudden unemployment phase due to covid-19 crisis. Due to the uncertain situations it was the toughest part for the managers to support their employees and provide correct information to them, as it was not clear that the reemployment probabilities are there or not.

Those organizations which experienced benefits in their operations, faced staffing challenges. Uncertainty caused them to outsource their work or hire freelancers or temporary agencies to contract on short duration. The recruitment of employees in the situation of covid-19 outburst was the most challenging phase for human resource managers. Hiring staff without physical interaction was difficult hence they were forced to be shifted on virtual hiring techniques which was again a big challenge for both managers and the applying candidates. Most of them were not comfortable with the technology platforms and were truly in a state of confusion. It was the biggest challenge to select the best fit candidate through virtual selections. Employee's productivity and retention was again the domain which was hampered drastically due to the pandemic. The sudden retrenchments in the employment sector decreased the employees morale hence attracting best individuals and retaining was again the challenging situation for human resource managers. Frequently changing policies by higher government authorities and highly dynamic market demand was either the biggest cause of all chaos in human resource management.



US jobless claims at record high

Weekly total of unemployment claims in 2020



Source: US Bureau of Labor Statistics

BBC

Figure 1 US unemployment increased in 2020, Source: (Matt Collington,2020)

<https://www.thehrdirector.com/features/cultural-change/the-new-role-for-hr-following-the-covid-19-pandemic/>

- **Adopting digitization:**

For the smooth working of the organization and to cope up with the dynamic situation many organizations adopted digitization with open arms. As it was the only ray of hope to survive, during the period of strict lockdown. However, replacing traditional working and adopting digitization was again the biggest challenge in front of the managers. Remote working was possible only through technological tools to bridge the communication between employees and managers. Providing employees with hi tech devices and communication softwares like zoom, Microsoft team, team viewer etc. was not again an easy task. Also working on new technologies was difficult for many employees as they were not very familiar with these technical terminologies earlier. They needed additional training and support to perform efficiently on these technical platforms. Evaluation of employees, supervision of their work, supporting them and establishing effective communication among them were some of the major challenges faced by human resource managers.

- **Performance evaluation:**

Evaluating the work performance of the workforce and channelizing it with the organizational goals was again the major challenge during the pandemic.

The working conditions of employees were altered during the pandemic so measuring their performances was the difficult task. The new working environment was complex and uncertain to evaluate for HR managers. As there were many factors associated with covid 19 spread, the working conditions of each employee were different. Working in isolation, family distractions, death of family members due to covid, lack of effective communication, confusing job roles, lack of tech friendliness, work overload, job control were some of the issues which affected the performances to different degrees. Hence evaluation of performances under such circumstances was not feasible for human resource managers. Also handling the managing the remote working team was again difficult for the managers.

- **Training and development:**

Training and development is one of the essential activities to enhance the knowledge and skill of employees in order to align with the organizational goals. It provides instructions and information to perform any specific task in a better way. To shift from traditional working practices to digital working the digital skills needed to be provided to the employees in order to perform the smooth work transition. Hence there was a need for proper



technical training of employees to understand the use of ICT to perform their work and communicate with their peers and superiors in an effective manner. Hence HR managers faced the biggest challenge of upskilling and reskilling the workforce to get adapted with the new ways of remote working.

Designing effective training programs and using most suitable training methods to provide the quickly adaptable training in the period of pandemic, to make the business survive was the major task to be accomplished by the HR managers. Also, providing the knowledge about adverse effects of the crisis, and measures to deal with it and prevent oneself from mental stress was the need of time. Employees were suffering from the fear of losing the job and opportunity of promotion due to this crisis. These all facts pose new challenges in front of HR managers that they never dealt with before.

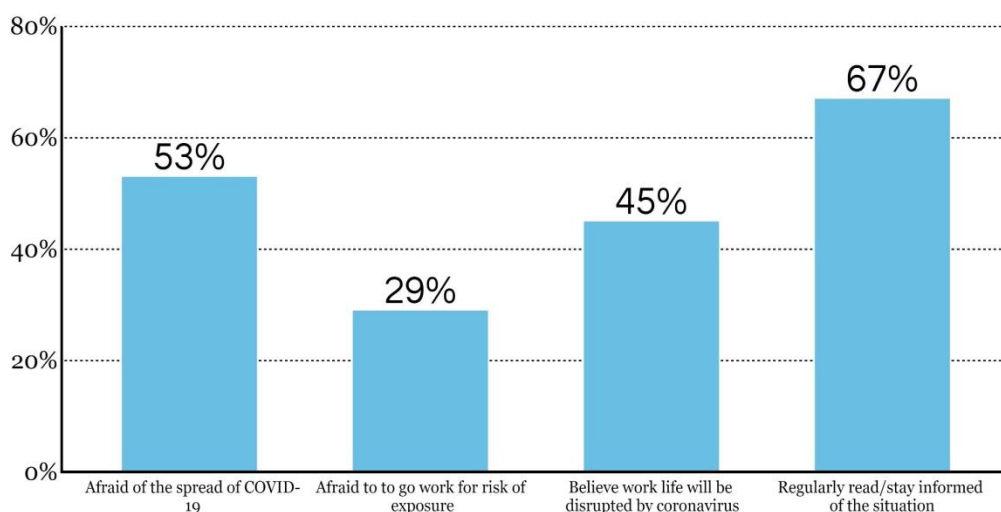
- **Communication and mental health:** Remote working caused by the pandemic, created a huge communication gap among the workforce. Employees were not trained and ready for such sudden shifts in working formats. Isolation led to lack of face to face interaction among the peers, lack of peer advice, lack of one to one

communication with managers and superiors which resulted in the source of stress deteriorating the mental health of employees (Prasad & Vaidya, 2020). Virtual work demanded for urgent availability of the employee whenever asked for, sudden increase in usage of information and communication technology (ICT), handling a large volume of data which they never dealt with before, created visible and invisible stress on employees, leading to deterioration in their mental wellbeing. The uncontrolled loss of mankind due to the crisis had already disappointed society in a great way. It was a big challenge for HR managers to lift up the morale of employees and make them ready for positive outcomes. Refer figure 2, to understand the different perspectives of employees related to the virus spread and its impact.

Also for those employees physically needed to be present in the workplace, it was a big fear of getting affected by a virus or transmitting it to family members leading to increased stress level. Those employees who were dealing with psychological issues prior to the pandemic or those working at high risk jobs like healthcare workers, the stress level was more severe. Identifying the risk factor and providing the secure and safe working condition to such a workforce was highly demanding and challenging for HR managers.

Coronavirus impacts

How employees say the virus is affecting them



Source: Forrester
Created using www.datavisu.ai

Figure 2 : Coronavirus impacts , source: (McIlvaine, 2020)

<https://hrxexecutive.com/performance-management-in-the-time-of-coronavirus/>



● **Compensation:**

Compensation involves monetary or non monetary rewards given to the employees for their job performance. The study by Elsafty and Ragheb (2020) showed that financial benefits such as bonuses during COVID-19 are associated significantly with employees' retention. Compensation management during the pandemic was the most challenging and complex task for HR managers and practitioners. To retain the employees who were working on high risk job profiles, high compensation needed to be offered. HR managers found it difficult to decide the risk factors associated with their job profiles and decide compensation during the period of financial crisis. The covid-19 outbreak suddenly altered the compensation strategies and policies adopted within organizations.

Likewise there were many other minor challenges that HR managers faced due to the covid-19 spread which caused many strategic changes to be designed and followed by them.

II. Conclusion:

The objective of the article is to get acquainted with the impacts of the COVID-19 pandemic on human resource management. The sudden outbreak of this unprecedented crisis and the challenges it threw in front of human resource management demanded for many vital strategic alterations and modifications. Covid-19 has shaken the working of all organizations severely. It is evident that right HR strategies could increase employee morale, efficiency, mental wellbeing and productivity. Coming up with creative solutions for business survival and employee's benefit was the need of time, as covid affected human resource in several ways. The challenges are the indicator for HR management to practice flexible and adaptive approaches for any such future situations to balance the employee and employer satisfaction.

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