



# A Review on the Impact of COVID-19 Pandemic on Human Resource Management of Organizations

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## Article Information

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To Cite This Article:

Janadari M.P.N., (2020) A Review on the Impact of COVID-19 Pandemic on Human Resource Management of Organizations, *Journal of Management and Tourism Research*, Special Issue on Impact of COVID-19 Pandemic (2020), pp 52-59,

[http://www.uwu.ac.lk/wp-content/uploads/2020/JMTR\\_SI\\_CH5.PDF](http://www.uwu.ac.lk/wp-content/uploads/2020/JMTR_SI_CH5.PDF)

Keywords:

COVID-19

Human Resource Management

Printed : ISSN 2630-788X

Online : ISSN 2714-1691

## Abstract

The changing business environment characterized by uncertainty has made it difficult for business organizations to cope with new normal while running their business operations smoothly especially facing the global pandemic of COVID 19. Herein, managing human resources has become even more challenging because of the challenges that can come with the workforce's health-related issues while enhancing and boosting their morale towards their performance in the journey of achieving the established organizational goals and objectives. The current study has focused on carrying out a comprehensive literature review exploring the impact of the COVID-19 pandemic on organizational human resources. The empirical findings revealed that the field of human resource management function has drastically changed with the managers' new perspectives towards managing organizational human resources effectively and efficiently. The study has also presented some valuable insights with relates to effective strategies that can be implemented to overcome the challenges in front of managing people at work.

## Introduction

Every organization has to remain alert expecting an unpredictable future (Carnevale & Hatak, 2020). The world has besieged with full of challenges and an array of complex issues such as severe economic downturns, political instability, and climate change (George, Howard-Grenville, Joshi, & Tihanyi, 2016). These significant challenges and issues have created an unexpected threat to organizations' vitality and survival while encouraging organizations to be responsive, adaptive, and responsible as they organize and manage their workforce. But with the recent outbreak of COVID-19, the organizations have been faced with a major challenge of managing their workforce in terms of technical, physical, and socio-psychological ways considering their health and mentality (Carnevale & Hatak, 2020). Moreover, the Covid-19 pandemic has created an unexpected mess worldwide, creating an adverse impact on the well-being of the economies, making a tough economic time (Elsafy & Ragheb, 2020) while altering everyone's reality overnight (Caligiuri, Cieri, Minbaeva, Verbeke, & Zimmermann, 2020). It is apparent that many countries around the world had experienced a severe impact on their societies and economies due to the pandemic increasing uncertainty, especially when they navigate their businesses. Accordingly, the current review's primary objectives are to identify the organizations' current challenges due to the pandemic and provide effective strategies that the organizations can implement especially when managing the human resources to face the pandemic situation.

## Research Questions and Objectives

Following is the research question of the present study

1. What is the impact of COVID-19 pandemic on the function of human resource management?

Study objectives are,

1. To understand the conceptual idea of COVID 19 pandemic situation and function of HRM
2. To assess the impact of COVID 19 pandemic on HRM Function

## Significance of the study

Humans are the lifeblood in any organization that energizes the company to perform productively. However, it is apparent that, in front of the uncertain or threatening situations, humans get stressed in nature. This will affect adversely to the business organization's overall performance. COVID-19 pandemic has created many adversarial effects on every human being around the world by letting them withdrawing all of their plans they make for the future. It let them live in a very uncertain environment. As mentioned, every business organization experiences the negative outcomes of the prevailing pandemic situation where the burden for the most part has been shifted towards the workers at work. Hence, identifying the effective ways of managing people at work especially during this situation is critical. The present study can be identified as extremely significant as it has brought together many different viewpoints with valuable insights for the business organizations especially by focusing on new ways of managing employees in relation to the challenges that have been created. The strategies that have been revealed in the literature view will be crucial for the

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Submitted: Feb 10, 2021; Revised: Feb 26, 2021; Accepted: Mar 2, 2021

scholars, business organizations, and to the nations to rethink about the current strategies they use in managing people.

## Literature Review

### Introduction

According to Opatha (2009), when the other resources at work make things possible, the human resources possess that exceptional ability of make things happen and hence as mentioned by Opatha & Uresha (2020), because of its unique nature, managing people at work is considered being critical compared to the other resources (Opatha, H. H., 2020). Unfortunately, the World Health Organization (2020) revealed the COVID-19 as an infectious disease which began in Hubei Province, China in 2019 where, in this second, the same has been identified as a pandemic which is spreading all around the world where it has created a large number of challenges for every human in the world (Opatha, H. H., 2020). Furthermore, it has seriously impacted on the organizations and the employees while profoundly changing the working modalities (Manuti, et al., 2020).

### Challenges face by the organizations

Human resources in any organization are considered being the real assets (Mala, 2020). The lifeblood of any organization that brings life to other non-living employees is its human resource or employees since other resources make things possible, but only human resources make things happen (Opatha, 2009, as cited in Opatha, H. H., 2020). As explained by Armstrong & Taylor, (2014), human Resource Management is an aspect of how people are employed and managed in organizations where according to Marescaux, De Winne, and Forrier (2019), a proper HRM function is an antecedent for employees to determine that organization values and cares about their well-being, development, and contribution (as cited in Opatha, 2020).

Most of the organizations face a large number of challenges with this recent outbreak of the COVID-19 pandemic including increased uncertainty with relates to maintain consistent customer base productively and controlling organizational human resources since it compelled organizations to adopt and cope with drastic changes happening in the work and social environment as employees who formerly spent most of their time in workplace are now have to quickly adapt to remote working environments (Khudhair, Alsaud, Alsharm, & Alkaabi, 2020). Managing human resources is a critical function compared with other organizational functions due to its unique traits, which are entirely different from other resources (Opatha & Uresha, 2020 as cited in Opatha, 2020). Thus, in times of crisis like COVID-19, a greater responsibility lies in Human Resource Management department's hands to protect its employees' health and safety, making it a critical activity (Opatha., 2020). This criticalness increased when the Epidemiology Unit: Ministry of Health & Indigenous Medical Services (2020) in Sri Lanka requested businesses to keep workplaces safe to curb the spread of the corona virus (as cited in Opatha, 2020). Thus, the Human Resources division has to perform a dual role in balancing the business and the staff in this process. Because, without making profits, they cannot take care of its staff members, and on the other hand, without having healthy and potential staff, the company cannot execute their daily operations. Hence, at present, uplifting the business is a struggle for many organizations as they need to run their businesses while managing their expenses and keeping a nominal profit margin. Thus, this brings the question to the minds of people, i.e., "Who is responsible to take care of the staff during the pandemic? Is it the HR division?" The answer to this question is no, as it is the responsibility of the entire management team of a company to join their hands together to manage the crisis. Each manager within the company has to play a critical HR role. Here, the HR division can help the managers and staff as a staff or advisory function while driving people through implementing new normal policies and procedures. In present, the challenge is how HR can look after its business and the staff as in case if the business is no going up, there are a few things for concern such as increasing the productivity while reducing the cost. Obviously, the cost can be reduced up to a certain extent. From an HR perspective, most organizations facing the challenge of managing employee costs.

Moreover, this global pandemic educates the society and the business world on VUCA (Volatility, Uncertainty, Complexity, Ambiguity) concept as well. Understanding the factors in the VUCA concept helps business leaders to make effective decisions considering the future. This is because if a leader knows that there is uncertainty in the environment, they can navigate through their decision making and avoid risks to protect their organizations and employees. Hence, it

is now high time to think about this concept and make the necessary strategies to comply with it to overcome the environmental challenges. Apart from that, another key HR challenge that keeps on evolving in the current business context with this pandemic is, "What does the future of work look like?" In answering this question, HR has a huge responsibility to prepare their staff for the future since many companies did not imagine this kind of adverse situation before the crisis. Accordingly, it is apparent that this crisis has become a real shock to many organizations urging them to have contingent management plans for their businesses.

### Best strategies that can be implemented by the HR managers in the face of this challenging nature

It is visible that most managers have put an immense effort into assisting their workforce to adapt and cope with the changes that occur within the social and work environments (Baert *et al.*, 2020, as cited in Khudhair *et al.*, 2020) and some of the most popular strategies that have been identified by the previous researchers have been identified and revealed by the current researcher as follows.

#### Working from home remote

Companies all around the world encourage or motivate employees to work from home during the corona virus pandemic. This may be a firsthand experience for many of the employees in the world, especially for employees in developing countries like Sri Lanka. Studies have recommended several effective strategies (Opatha, 2020). The "working from home" or "remote working" concept is more popular now. It has now become the new normal practice of many organizations. But this concept is not a practical solution for every organization, especially for manufacturing firms' operational staff. However, since the world is moving towards digitalization every business functions growing their concern to go digital. In this process, the HR functions can be digitalized, adding value to the organization. Digitalizing possible HR functions would add more value to the company as it can be operated from anywhere in the world. In this context, HR could set an example to others (Daily FT, 2020).

Meister (2020) has examined various ways the companies are dealing with remote working, and one way is training employees to work from home. She has identified that many USA organizations provide training for employees working remotely, while in quarantine and training managers to manage the remote workforce successfully. Microsoft has produced a Guide to Working from Home During COVID-19, and this guide was shared with the Microsoft global workforce and for their customers, a version was made as an editable document to use with their own organizational conditions and hence it is recommended that organizations use online or cloud platforms where their employees can work remotely, learn new competencies, ask questions from their supervisors and colleagues, share opinions and ideas etc., while being healthy and productive. As an additional advantage of working from home, employees maintain a proper balance between their work life and family life (as cited in Opatha, 2020).

#### Facilitating for self-development

According to Parry & Battista (2019), the HR professionals have a facilitating and supporting role during this pandemic in new normal transformation. In this process, they also need to take responsibility to retain the employees by upgrading their skills and abilities where apart from that, according to Kirby, (2020), re-skilling or up skilling of the workforce is essential while equally prioritizing the resilience within a company's strategy (as cited in Gigauri, 2020).

#### Enhance employee well-being

It is also essential to give more consideration to worker well-being (Health and Safety Management). Because this COVID-19 virus is spreading worldwide, one of the major considerations or might be the first priority in the organization is the well-being of the workers. If one of the employees contracted this virus, it could indeed be a cause to shut down the whole organization instantly. Therefore, HRM needs to take relevant initiatives to protect worker well-being (Opatha, 2020). Thus, every employee of the organization must be informed to practice good safety practices while maintaining social distance to protect others and themselves. Those employees who do not work according to the organization's safety practices can be punished through disciplinary actions (Opatha, 2020).

#### Productive Pay management

Moreover, pay cuts instead of layoffs (Pay Management) can be identified as another critical aspect. One of the major challenges for organizations during this pandemic is to pay salaries for employees. As usual, paying salaries might not be possible for many organizations as they were shut down at least for a month in many countries. In Sri Lanka, many of the private and public organizations were closed for nearly two to three months, and still, there are some barriers to open some business organizations due to the prevailing quarantine curfew in some areas of the country at the moment. As a result of this, organizations couldn't earn profits as usual, and now, they are struggling with paying salaries to the employees. Hence, some organizations have started to lay off employees. This has also become a cause for many employees' mental stress as they are losing their income source. But it is more suitable for HR to help the company and the organization's employees during this challenging time by proposing salary cuts for a predetermined period instead of layoffs (Jaisinghani, 2020, as cited in Opatha, 2020). Here, proper communication must be held between the HR department and trade union/s of the organization (Jaisinghani, 2020, as cited in Opatha, 2020).

#### ***Restructuring the employee selection process***

Furthermore, conduct medical tests at the selection process (Employee Selection) when selecting a job candidate for a vacant job, it is necessary to conduct some tests to find the most appropriate and qualified person for the job. In a selection process, first, applications are screened, and then selected applicants are called for interviews. Different tests like personality tests, aptitude tests, background investigations, and medical tests are done. Many organizations didn't need to conduct medical tests when selecting employees to the organizations so far. However, from now onwards, it may become an integral task to conduct medical tests to make sure that the newly selected job candidate is not a COVID-19 positive patient who can significantly negatively impact the organization and its employees in the future. PCR (Polymerase Chain Reaction) test or other health measuring tests have to be implemented by the organizations in the future when selecting employees (Opatha, 2020).

#### ***Learning and development***

It is one of the greatest HR functions today, and it adds more value and color to organizations. In a pandemic situation, it is a normal situation to create a panic situation among employees. Hence, it is essential to educate staff members on working from home/remotely to be productive while maintaining the work-life balance. Also, it is necessary to come up with some criteria to measure the performance of working from home concept and educate the staff, even though some staff members are not able to work from home since their duties are more operational. Accordingly, the HR department has a huge responsibility to educate and train staff on every aspect that may affect their health to ensure their healthiness, safety, and well-being adhering to health regulations. Therefore, HR has an immense responsibility lies in their hands to set up a corona free work environment taking every possible precaution. In this process, while establishing a healthy work setup, maintaining staff discipline also a must. Thus, there should be a protocol to enforce necessary disciplinary actions if anyone breaches the health guidelines.

#### ***Performance management and pay management***

To reduce the adversarial effects of COVID-19 on business organizations and their employees, restructuring the organization's performance management system and linking it to a pay management system with correct performance is necessary. With this pandemic, most of the companies are struggling to manage their cash flow. Hence, the attainment of maximum output from each and every employee is very important. Thus, identifying low performing employees in a remote setting and taking corrective actions to overcome them is required. So employees who are highly motivated, committed, and productive during this difficult situation should be rewarded.

#### ***Leadership Development and Talent management.***

When it comes to organization, identifying potential employees through an effective performance management system is vital for success. During this pandemic, exploring and identifying more opportunities and new business ventures is essential. Thus, every manager should inspire their subordinates to think out of the box. It is now high time to consider more about the uncertainty and make required business continuation and contingency plans. So, HR professionals and every manager within an organization have to play a catalyst leadership role to motivate staff and addressing their emotional aspects and

performance. These catalyst leaders should be energetic, forward-thinking, and supportive mentors who encourage other employees to contribute to the organization.

#### **Culture modification**

On top of all the above-mentioned aspects, imaging a work environment free of corona virus fears is not practical as it might take few more months or a couple of years. But, all the business has to run, tolerating all the difficulties. Thus, modifying the current workplace culture to align with the new normal situation is compulsory. In this process, HR, together with the top management, has to take the necessary steps to adjust the workplace culture while ensuring the achievement of business goals in a crisis.

#### **Methodology**

The current study has basically focused on exploring the challenging situation that has occurred due to the COVID-19 pandemic, especially to the business organizations and their human resources, while contributing through some valuable insights towards the existing body of knowledge of COVID-19 and its impact on the HRM function. The research design basically depend on the researcher's logical observations have also been included apart from the comprehensive literature survey conducted to achieve the above-mentioned research objectives. Specifically, the methodology used for this paper consists of library search and evaluate previous literature review on the subject of covid - 19 and effect on human resource management. The library search encompasses from online and offline materials to article journals. References are based on online databases such as Web of Science, Scopus, Science Direct and Google Scholar. The advance search is limited to covid pandemic and different HRM functions. References are only taken from article from journal, chapters from books and full text document. In a nut shell, by referring a number of research findings by different authors that has been conducted since the beginning of the year 2020 to date and the news paper articles as well to acquire new insights.

#### **Results and Interpretations**

The function of HRM is considered being critical in managing people at work effectively and efficiently. However, it is visible that the prevailing situation has created an extremely challenging nature especially for the HRM function in the organization when managing people productively. It was found that all most every organization and especially the HRM function is moving through a harsh environment with many adversarial effects because of the novel corona virus disease (COVID-19) (Adonu, Opuni, & Dorkenoo, 2020). The sector of HRM has long understood that, especially in front of the novel of uncertain situations or the contexts, the employees experience stress (Anderze'n & Arnetz, 1997; Richards, 1996; Stahl & Caligiuri, 2005, as cited in Caligiuri, Cieri, Minbaeva, Verbeke, & Zimmermann, 2020). Thus, in every organization, the Human Resource division has to perform a significant role in mitigating the adverse effects of COVID-19 while managing their workforce and human resource management functions. Together with the HR division, every single manager has to do an HR role as the entire management team has a key responsibility to look after their subordinates. With these findings, the adversarial impact of the COVID -19 pandemic on the function of HRM can be understood by identifying the conceptual nature between these two aspects and hence it can be stated that the stated two objectives have been achieved successfully by the current researcher.

#### **Limitations of the study**

The time factor can be identified as one of the major limitation to the current researcher. In addition, since the end of 2019 till today, comparatively, very few studies have been conducted focusing on the impact on COVID-19 pandemic on the HRM function in the organization also by focusing on the strategies.

#### **Conclusion**

The ongoing COVID-19 pandemic has profoundly impacted on the organizational performance (Bailey & Breslin, 2021). In a situation in which the world has put its all effort to find some effective long term implications for COVID-19, and even though the productive implications are unknown, it is crucial to believe that the negative impact on the business organizational life will be short-lived. The organization should energize themselves in strengthening their resources, especially human resources, to deliver their maximum on the journey or achieve the organizational goals and objectives. The current study

has explored the effective strategies that can be implemented, and every organization can experience many productive outcomes. To this end, the present study has provided a step in that direction by focusing on the significant challenges and some practical implications that can be used in the face of the COVID-19 pandemic to ensure human resources' health and safety.

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