

Changing Human Resource (HR) Practices for Effective Management of Businesses during Covid 19: A Quantitative Investigation

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Abstract

Different types of organisations throughout the world have been functioning in the landscape that is uncertain, volatile, ambiguous and complex. This notion (Volatile, Uncertain, Complex and Ambiguous) or VUCA was first induced and used by the army in 1980s (united state) for portraying an erratic climate which came about because of end of the cold war. It's with us since that time. This acronym is being used since times immemorial by different business leaders and different organisations for describing a dynamic landscape of business which might happen because of different crisis situations. One of the most recent examples of VUCA is COVID-19 pandemic. Employees and organisations at the domestic and the global level are witnessing high level of uncertainties because of this pandemic and its effect is just unprecedented. There are a number of factors related to VUCA which have emerged because of the pandemic. It's created some deep and serious implications for the business leaders throughout the globe. The main aim of any organisation is survival in the current scenario Thus, HR, the one which revolves around the management of people and environment of the workplace has an important role to play in the pandemic.

Keywords: Pandemic, COVID-19, HR management, HR management during COVID

Introduction

VUCA means volatility, uncertainty, complexity and ambiguity. It's been extensively used by different business circles for representing constantly and rapidly changing environment of business. The phenomena originated during cold war and it's been prevailing since then. Forecasts state that VUCA attributes have been affecting the economies throughout the globe and different industries. One example is this pandemic. It's one of the biggest global health challenges that the world has ever faced. The economy of the world has been impacted by it. Similarly, the economy of India is also witnessing one of the steepest downturns since independence (**David et al., 2021**).

According to **Singh et al., 2016** "The organizations success, failure and long-term survival depends upon its performance. The Business Performance is dependent upon the role or orientations of key decision makers and implementation units. Various types of orientations of organisations have been studied and found to be related to business performance".

As per **Rajni et al., 2017**, HRM practices is a system that attract, develops, motivates, and retain employees to ensure the effective implementation and the survival of organization and its members. Besides HRM practices are also conceptualized as set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contribute to the development of competencies that are firm's specific, produce complex social relation, and generate organization knowledge to sustain competitive advantage. Against this backdrop, it is concluded that HRM practices relate to specific practices, formal policies, and philosophies that are designed to attract, develop, motivate, and retain employees who ensure the effective functioning and survival of the organization. A review of the literature demonstrates five common practices that have been consistently associated with innovation, encompassing performance appraisal, career management, reward system, training, and recruitment".

As defined by **WHO in 2019** "COVID-19 is a disease caused by a new strain of coronavirus. 'CO' stands for corona, 'VI' for virus, and 'D' for disease. Formerly, this disease was referred to as '2019 novel coronavirus' or '2019-nCoV. Covid sickness (COVID-19) is an irresistible illness brought about by a newfound Covid. The vast majority tainted with the COVID-19 infection will encounter gentle to direct respiratory ailment and recuperate without requiring exceptional

treatment. More established individuals, and those with basic clinical issues like cardiovascular infection, diabetes and constant respiratory sickness are bound to foster genuine ailment. The most ideal approach to deal with this virus is to stop further spreading/transmission by educating the people about this infection and ways of spreading the same.. The best way is to shield yourself as well as other people from contamination by cleaning up or utilizing a liquor based rub every now and again and not contacting your face".

India has been operating in an environment which is extremely unstable because of this pandemic. The lockdown throughout the nation has triggered a number of factors affecting the economy in India. CII or the Confederation of the Indian Industries conducted a survey of about 200 CEOs throughout India. Out of these about 52% of respondents anticipated job loss in the respective areas. They even anticipated a reduction in the revenue by about 10% and even a reduction in the profits by about 5%. The other challenges which have been arising because of the pandemic include low motivation amongst the employees, continuity of business, layoffs, working remotely, etc. (**Boon, Hartog and Lepak, 2019**). The main aim of an organisation in the current scenario has been survival, efficient management, and well-being of humans. Thus, human resource management has an important role to play in the pandemic. It has also forced the organisations and the different segments of the industry across the world to completely revamp their human resource strategies for sustaining through these tough times.

For the process, human resource management is of main importance since a lot of organisations are finding it difficult to implement efficient talent management practice for sustaining through the environment. Several studies give insights into IT industry or Information Technology Industry in India in context to the pandemic. While it has caused a huge struggle in the industries, business in the tech industry is quite steady. Reports indicate that IT industry in India is a rapidly growing one. It has an important role to play in enhancing the visibility of India in global market. This sector has contributed about 7% of GDP of India. Thus, it generates the need for understanding the fact, although IT sector is operating even during the pandemic and as per the landscape of VUCA, the practices of talent management which have been utilized by this area and has helped the associations inside this industry to thrive through these difficult occasions and the way it could help the other industries (**Shepherd, Ployhart and Kautz, 2020**).

Figure 1: Leading through VUCA

Leading Through VUCA



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Source: *Thin Difference*, Mertz (2014)

Literature Review

Leaders and organisations throughout the world have been working within an environment that's extremely unstable. Consequence of this could be adverse. The organisations are making

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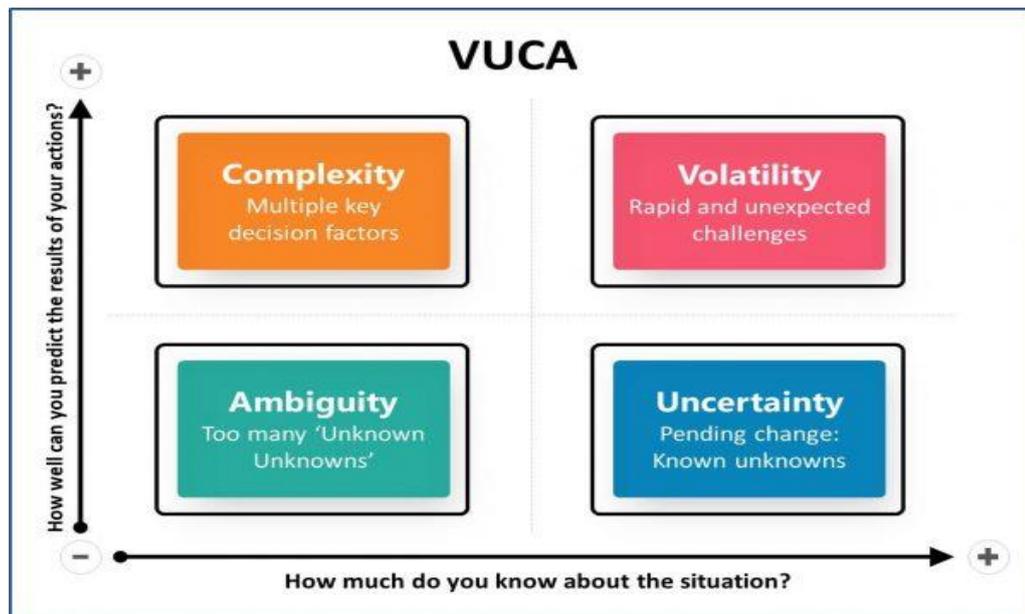
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efforts for being proactive in the constantly unpredictable and changing world. According to a report, the effect of COVID-19 on world economy has been mentioned. There's also been a huge demand and supply and shock in the market, with production being curtailed across the globe and organisations suffering a shortage of the inputs and raw material (**Nangia and Mohsin, 2020**). This pandemic has also caused a huge strain on the debt capital market. The challenges that the world is facing due to the pandemic mentioned in this report are spending pattern, social behaviour, supply chain shocks, travelling habits, country interdependence, and a shift in the delivery models of service and the impact on the lifestyle of the people as a result. When COVID-19 started spreading, the perception was that it would remain restricted to China only. But, later it spread across the globe resulting in global pandemic. It posed a number of challenges like economic shocks and social distancing. The severity of the pandemic was even felt in different sectors of global economy when travel was banned and it affected the tourism and the airlines industry, different sports activities were cancelled which affected sports industry (**Caligiuri, Cieri and Minbaeva, 2020**).

The effect of COVID-19 driven environment (VUCA) on the economy in India was also felt. A study states that India was always surviving in a world of VUCA. India is the cosmopolitan nation having a number of complexities and it's become extremely important for the corporates to first learn from their unpredictable nature. A survey suggests that the real growth in GDP in India has reduced to the lowest in past 6 years (**Carnevale and Hatak, 2020**). It has posed new challenges for economy in India. It includes the disruption in the local supply chain, a shock in demand, a reduction in the consumption of customers, shock in supply, factories shutting down, a high dependence on the Chinese cities for raw material and the intermediate material has been quite challenging. The severity of the situation has been affecting different organisations functioning in India and it has caused certain organisational level issues in the economy like working remotely, motivation of the employees, cuts in salary, limited solutions due to working remotely, continuing business in an effective manner, etc. (**Chawla et.al., 2020**). According to another report, it was seen that the 4 primary vectors which may impact the economy in India have also been identified. The first one that has been stated in that survey is disruption in supply. It's mainly because of dependence on the Chinese goods for importing intermediate material and the raw material. The second one is domestic and global demand with consumers spending being badly hit, effect on aviation and hospitality sector, disruption in manufacturing and low profitability have all affected a lot of businesses as well as investments. Next vector which has been highlighted in that report is financial and banking segments that include increase in the default in consumer loans and stress on the banks affecting the growth of credit. The last one is reducing prices of oil (**Chanana and Sangeetaa, 2020**). The effect of pandemic caused VUCA environment for the industries in India has been huge. Even though the Indian technology segment is considered to be the fastest developing industries and plays an important role for increasing the visibility in India at the global level, growth is still not free of several challenges. The VUCA components have been affecting this industry since a very long time. Researchers conducted assessed the features, growth, challenges and reasons for growth of the IT industry (**Ghosh et.al. 2020**).

VUCA stands for "Volatility, Uncertainty, Complexity and Ambiguity". Figure 2 shows that how the VUCA components can be elaborated further and used in strategic decision making.

Figure 2: VUCA Components



Source: *Change and Strategy International*

The VUCA factors which have been arising in the IT sector are export oriented, insufficient attention towards the domestic market, emerging competition, shortage in manpower and high attrition. One of the biggest challenges that the IT sector in India has been facing due to COVID-19 is remotely working. The centres for delivery for a lot of companies are still struggling for adapting to remotely work. Other challenges are fulfilling the requirements of the client like discount of about 20-30% on the fee of the project. The challenges that the IT industry in India has been facing because of the pandemic are inefficiency of the IT organisations in India to deliver output on the site, ramping of the projects in hospitality, airline, retail industry, effect on the growth of revenue, etc. (Tensay & Singh, 2020).

Objectives of the Study:

1. To find the reasons for the changing HR Practices for Effective Management of Businesses during Covid 19
2. To ascertain the significance of the reasons for changing HR Practices for Effective Management of Businesses during Covid 19

Rationale of the Study:

All the nations irrespective of their economic background (underdeveloped, developing and even developed) limit in lockdown because of the COVID-19 pandemic. In this tough and critical tenure, social distancing, sanitization and work from home are the prevalent practices which give rise to a system named as-telecommute system (work from home) is adopted by the greater part of the business entities. However, telecommute system or work from home is a challenging option not only for employees' but also for organizations as well because there are certain type of works that cannot be done from home by employees together with issues like leaking of secrete information stress on employee to complete the assigned task on time with limited access or resources, increase in working hours may be because of networking issues etc. Because of theses issue, organizations need to draw up a new strategy and refined ways of human resource practices that motivate the workers/employees to be committed towards their organizations. This paper is an attempt to study the relevance of different human resource practices adopted and initiated by the organizations to make their worker committed and can undoubtedly take care of job from home and continue to stay submitted, fulfilled, and inspired during this pandemic circumstance.

Research Methodology:

The present study is descriptive in nature in which the reasons for changing HR Practices for Effective Management of Businesses during Covid 19 have been studied. The sample size of the study is 145. The data were collected with the help of a structured questionnaire on a five-point scale and analysed with the help of the mean values and t test.

Table1: Demographic profile of the respondents

Variables	Number of respondents	Per centage
Gender		
Male	75	52 %
Female	70	48 %
Total	145	100 %
Department		
IT	42	29 %
Finance	23	16 %
Marketing	59	41 %
Human Resource	21	14 %
Total	145	100 %
Salary deducted during COVID- 19 Kindly Give answer in (Yes/No)		
Yes	46	32 %
No	99	68 %
Total	145	100 %
Salary (in Rs)		
Below 50,000	54	37 %
50,000- 1,00,000	52	36 %
Above 1,00,000	39	27 %
Total	145	100 %

Source: Primary data collected by author

Table 1 presents demographic profile of the employees. There are 52% males and 48% females in the study. Among the respondents 29% from IT, 16% from finance, 41% from marketing and 14% from Human Resource department. The percentage of respondents whose salary got deducted during COVID 19 are 32% and there was no effect of COVID 19 in the salaries of the rest 68%. The 37% of the respondents have the monthly salary of less than Rs. 50,000, 36% of the respondents have salary of Rs. 50,000- Rs. 1, 00,000 and 27% of the respondents have salary of above Rs. 1, 00,000.

Table: 2 Mean Value of the changing HR practices for effective management of business during Covid-19

Sr. No.	Changing HR practices for effective management of business during Covid-19	Mean Score	M
1	HR department has been the most important department during the pandemic	4.39	4
2	Survival is the only aim of organizations throughout the world	4.12	4
3	HR department across organizations are finding it difficult to sustain the workforce	4.23	4
4	Salary deductions has been one of the easiest ways of surviving the pandemic for businesses	4.21	4
5	The pandemic has severely impacted the purchase power of individuals	4.45	4
6	The pandemic has posed new challenges to the global economy	4.47	4
7	All the economies of the world are fighting the similar fight	4.38	4
8	Getting work done remotely has been the biggest challenge for the organizations during the pandemic	4.41	4
9	Businesses are suffering because of their dependence on China	4.15	4
10	It is next to impossible for the IT sector to work remotely	3.98	3

Source: Primary data collected and analysed by author

Table 2 shows the opinion of respondents on changing HR practices for effective management of business during Covid-19. It is observed that the pandemic has posed new challenges to the global economy is the most important changing HR practices for effective management of business during Covid-19 with the mean value of 4.47. It is followed by The pandemic has severely impacted the purchase power of individuals (4.45), Getting work done remotely has been the biggest challenge for the organisations during the pandemic (4.41), HR department has been the most important department during the pandemic (4.39) and all the economies of the world are fighting the similar fight (4.38). Further, HR department across organizations are finding it difficult to sustain the workforce (4.23), Salary deductions has been one of the easiest ways of surviving the pandemic for businesses (4.21), Businesses are suffering because of their dependence on China (4.15), Survival is the only aim of organisations throughout the world (4.12) and It is next to impossible for the IT sector to work remotely (3.98) were also considered important.

Table 3: Mean score, t-value and value of significance of the changing HR practices for effective management of business during Covid-19

Sr. No.	Changing HR practices for effective management of business during Covid-19	Mean Score	M	t -Value	sig.
1	HR department has been the most important department during the pandemic	4.39	4	1.018	.000
2	Survival is the only aim of organizations throughout the world	4.12	4	.219	.000
3	HR department across organizations are finding it difficult to sustain the workforce	4.23	4	.289	.000

.	Salary deductions has been one of the easiest ways of surviving the pandemic for businesses	.21	4	.886	6	.000
.	The pandemic has severely impacted the purchase power of individuals	.45	4	.669	9	.000
.	The pandemic has posed new challenges to the global economy	.47	4	1.134	1	.000
.	▪ All the economies of the world are fighting the similar fight	.38	4	0.494	1	.000
.	Getting work done remotely has been the biggest challenge for the organizations during the pandemic	.41	4	2.003	1	.000
.	Businesses are suffering because of their dependence on China	.15	4	.792	7	.000
0.	It is next to impossible for the IT sector to work remotely	.98	3	.791	5	.000

Source: Primary data collected and analysed by author

Table 3 shows the results of t-test. It is found from the table that the significance value for all the statements is below 0.05, hence all the statements regarding the changing HR practices for effective management of business during Covid-19.

Conclusion

The role of human resource management has been highlighted in several studies. It has been seen that the role of human resource management is playing strategic success and operational success during this pandemic. Some implications have been illuminated for strategic human resource management research. The first is that the pandemic stresses on the need of expanding an understanding of how work can influence the behaviour as well as actions of the employees. Second, is that it exposes the tension amongst the stakeholders, highlighting a need for considering the inter-alia customers, communities and the employees along with the stakeholders. Last, is the tension between the operational and the strategic role of human resource management have also been exposed.

Further Implications

In today's time it is imperative for all type of organizations that they should adopt the innovative and stimulating HRM Practices to retain and engage their different class of employees with the association and towards their works in this tough time of COVID-19 Pandemic. Work from home that is demand of this pandemic is a basic requirement which can only be successfully done by motivated, stimulated, committed and satisfied workers who are ready to work online. As there is no personal interaction between employer and employee in this time period thus it become somewhat difficult for the bosses and respective organization to engage the employees intact towards the organization's expectations and goals. Thus, it become a necessity of an organization that they together with managerial personnel's plan and execute a blend of HRM strategies that has a positive impact and encouragement on the performance of their employees.

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