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Impact of COVID-19 on HR practices in manufacturing unit in India (with special reference to second wave of pandemic)

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Abstract

Coronavirus (COVID-19) pandemic affected the global economy severely. Workplace also been affected the same. For this affection of workplace is being transformed to an online place. This tends to the researcher to study on impact of COVID-19 on selected manufacturing HRM in India. This study includes the changing face of human resource planning, recruitment and selection, training and development and at last performance appraisal during the pandemic period COVID-19 in selected HRM. This study is based on the 100 respondents of selected HRM in Uttarakhand State. 20 statements were used in 5 point likert scale in questionnaire. The data was examined through validity and reliability tests. And results were analysed through regression and ANOVA in SPSS 21. The study found that the second wave of COVID-19 in Uttarakhand has impacted severely in manufacturing sector. As result suggests that during this period the HR Practices of Manufacturing sector has been impacted badly.

Keywords: Human resource planning, recruitment and selection, training and development, performance appraisal, COVID-19, second wave of COVID-19, Uttarakhand

Introduction

COVID-19, which is the current crisis for every economy in the world, is identified as the "Grand Challenge" as it involves the problem of individuals, communities, organisations and nations, are encountering the around the world (Howard *et al.*, 2016). Considerable challenges stemmed from the outbreak of the new corona virus COVID-19 and have created threats to organisational survival around the globe. Due to COVID-19 it is becoming very difficult to manage the casualties caused by this virus. Various policies and measures are being taken by national government, including border closer, mandatory quarantine, restrictions of moments, prohibition of large gathering and lockdown of cities or entire country resulting in widespread changes to ordinary life and business activity (ILO, 2020)^[9]. During the first wave of Corona, the central government of India imposed a nationwide lockdown on March 25, 2020. The result revealed a well-controlled infection rate and Indian policy was appreciated internationally. Surprisingly, in the second wave several national movements, elections in several states were going on and many other things which increased the risk of transmission of COVID-19. That caused the India as the highest case load in the world. The second wave of COVID-19 highly impacted the health of individuals which also influenced directly or indirectly the work of organisations who relates their functions to HR practices. That is why HR Practices are influenced by the pandemic COVID-19 and this is the main focus of this paper to study the impact of COVID-19 on HR practices.

The pandemic has to lead the emergence of a complex and challenging environment for managers and HRM Practitioners who needed to find ingenious solutions to sustain their company's business and to help their employees to cope with the challenges of the unprecedented situation. In fact, organisations are generally not sufficiently prepared to deal with crises when they occur (Wang *et al.*, 2009)^[20]. Whence the importance, for the scientific community, to support organisations by providing relevant information related to this new pandemic.

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Literature review

Cheng *et al.* (2020) ^[3] stated that the employment activities have increased after the companies' reopening in some US states mainly due to the return to work of employees, after lockdown to their physical workplace.

Nevertheless, the reemployment probabilities diminish significantly for employees who stayed longer away from their workplace. Laying off employees is not an easy decision for organisations, but it might be inevitable in times of crisis such as COVID-19. The main challenge of HRM practitioners 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. Actually, all over the world, no one knows when this pandemic will end and if consequences on organisations will be temporary or permanent (Bartik *et al.*, 2020) ^[2]. The new corona virus is seen as a great accelerator for workplace transformation to remote working (Meister, 2020) ^[13]. Remote work may become permanent for many positions. The number of telecommuters in the USA increased by 159 per cent between 2005 and 2017 (Lews, 2020) ^[11]. Consequently companies have been providing pieces of training and coaching sessions to teach the staff how to work from home (Meister, 2020) ^[13]. During the pandemic, labour demand declined and organisations have been thinking to modify their hiring processes accentuating digital recruitment (Hancock & Schaninger, 2020) ^[8].

H1: There is not significant impact of COVID-19 on HR Planning.

Recruitment and Selection

In the wake of COVID-19, companies are operating remotely and allowing their employees to work from home. The whole idea is to avoid physical contact and practice social distancing in order to prevent the virus from spreading further. Even in the case of recruitment, one cannot meet candidates in person as the office is shut. Job interviews are now being scheduled through video calls, resulting in a rapid change in the recruitment funnel. More and more organisations are opting to integrate with virtual interview apps that enable them to effortlessly continue recruitment operations remotely.

In time of crisis an organisation may find itself losing key staff by either dismissing them or they decide to leave the company due to the panic they are in (Vardarher, 2016). This may affect performance of an organisation in terms of quality and quantity of its productivity due to loss of talent it had. The study of Vasa (2010) ^[19] shows that employee recruitment during crisis poses a significant challenge due to inability of companies to recruit new staff. On the other hand, organisation may enjoy an advantage of having a larger pool of experienced job candidate due to presence of laid-off employees in the labour market. Employers also found themselves in a better position for bargaining salaries due higher labour supply. According to some authors, employee retention might represent another major challenge for organisations in the current context of this pandemic (Elsafty & Ragheb, 2020; Ngoc Su *et al.*, 2021) ^[6]. Elsafty and Ragheb (2020) ^[6] pointed out that during these hard times characterised by drastic and sudden changes, employment relationship might be damaged, leading to the possible dramatic decrease of employees' morale and an increase in turnover. Furthermore according to (Ngoc Su *et al.*, 2021) retaining and attracting qualified individuals

represent a challenge for companies in the COVID-19 era, mainly because these individuals are often looking for job opportunities in sectors that were not negatively affected by this pandemic. In the same vein, Przytula, Strzelec and Krysinka-Koscianska (2020) highlighted the importance to increase the engagement and the sense of belonging among employees, mainly the remote workforce during this period and beyond, to ensure organisational success, and prevent recruitment costs (Lund *et al.*, 2021) ^[12].

H2: There is not significant impact of COVID-19 on Recruitment & Selection.

Training and Development

Training and development plays an important role in a period of crisis, such as pandemic (Devyania, Jewanc, Bansal & Denge, 2020; Hamouche, 2020) ^[5]. It helps to develop the needed skills for employees (Akkermnans, Richardson & Kramer, 2020); to increase the COVID-19 awareness, to reduce the risk of the virus spread, and to prevent mental health issues (Quaedackers *et al.*, 2020) ^[16]. It also helps to support employees in the process of transition toward remote working. In fact not all employees have the proper digital skills to cope with these changes generated by the use of ICT, whence the necessity to train them on the utilisation of ICT, which will help to facilitate their work and communication with their manager and peers while they are away from their workplace (Greer & Payne, 2014) ^[7]. According to Przytula, Strzelec and Krysinska-Koscianska (2020) ^[15], organisation face the challenge of reskilling and upskilling their workplace to be able deal to deal with the requirement of new context of 'distance economy'. In this case main challenge for HRM practitioners need to go beyond the traditional training methods. Devyania *et al.* (2020) ^[5] recommended, in the case to change employees' training programs in a way that ensures a long term transitions toward the new working practices.

COVID-19 being unique kind of crisis, strategies to deal with it should also be different from other types of crisis. For instances, organisations tend to regularly train their employees for enhancing their capabilities to successfully perform their jobs (Rodriguez & Walters, 2018). However, traditional face-to-face mode of training is discouraged in this outbreak as a way of protecting employees from contracting the virus. Organisations are currently forced to shift to outline training which can be affordable to some organisations. There is also an argument that online training programmes cannot be as effective as traditional face-to-face training programmes (Rana, Rajiv & Lal, 2014). It is evident that cannot opt for online training programmes are more likely to reduce number of training programmes or decide not to train their employees at all.

H3: There is not significant impact of COVID-19 on Training and Development.

Performance Appraisal

Individual and organisational performance is one of top priorities of any organisation. Firms design and put in place mechanisms to ensure employees put their efforts towards achievement of individual and organisational goals through performance management. When a successful performance management system is implemented, it helps in evaluating and improving both individual and company performance against pre-defined business strategies and objectives

(Kumar, 2019) ^[10]. Armstrong (2009) defined performance management as a systematic process for improving organisational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within and agreed framework of planned goals. Avoiding performance evaluations during crisis may seem to be beneficial to individuals because generally people do not prefer being evaluated. However Wilken (2020) suggests that abandoning evaluations during COVID-19 could result in managers losing critical business performance data in a moment in which leaders are expected to make tough decisions on where to focus resources. Ultimately, this could lead to poor business decisions and an increase in aggregate turnover where high performing employees fail to receive the recognition and opportunities they deserve. It should be noted that, crisis can negatively affect employees' performance due to stress it is capable of causing (Balkos & Bousinakis, 2016). This implies that performance management during this time should be more *strategic* and humane for the purpose of maintaining and improving individual and organisational performance.

To sustain the company amid a crisis like COVID-19, employees still required to maintain good performance (Sembiring, Fatihudin, Mochklas & Holisin, 2020) ^[18]. However, it seems that COVID-19 outbreak has also altered performance management in organisations. According to some authors most of the organisations were overwhelmed by the challenges resulting from COVID-19, such as measuring employees' performance and disruption in performance-based pay, that they have reduced or even abandoned performance management, due to the complexity and the novelty of this pandemic (Aguinis & Burgi-Tian, 2020) ^[11]. In fact, measuring employee's performance during

the crisis can be challenging, considering the modification of the working conditions. Furthermore, there are many factors related to the COVID-19 outbreak that may influence employees' performance. In this context, the study by Prasad and Vaidya (2020) ^[14] reported that workplace isolation, lack of communication, family distractions, role over-load and occupational stress factors, which have merged

H4: There is not significant impact of COVID-19 on Performance Appraisal.

Objectives

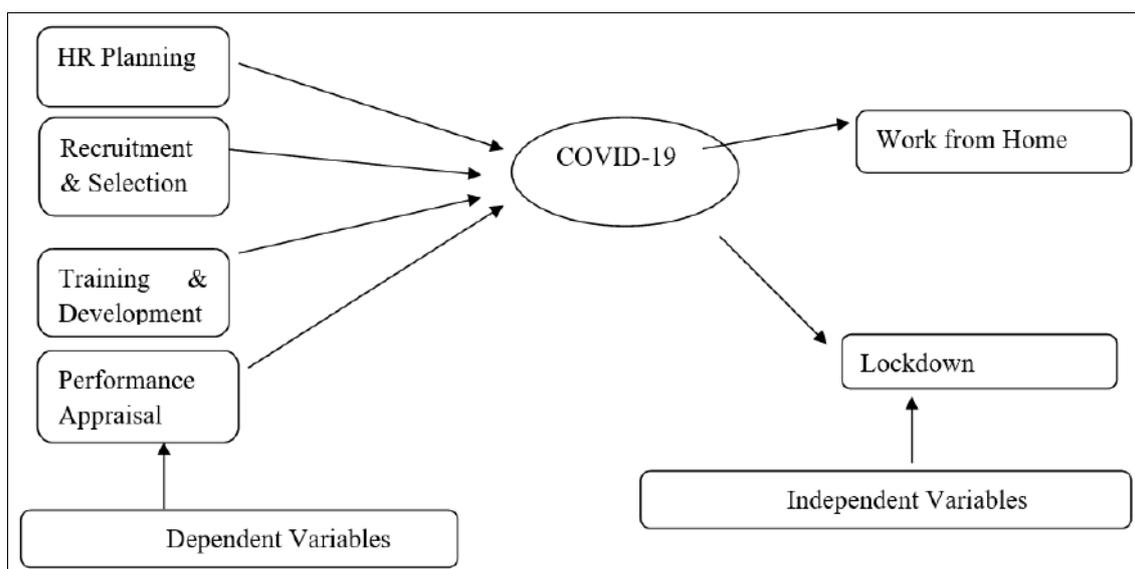
1. To access the theoretical significance of COVID-19 and Human Resource Management Practices.
2. To examine the impact of COVID-19 on Human Resource Management Practices.

Research questions

1. Does HR Planning positively relate to COVID-19?
2. Does Recruitment and Selection positively relate to COVID-19?
3. Does Training and Development positively relate to COVID-19?
4. Does Performance Appraisal positively relate to COVID-19?

Research model

The paper demonstrates the hypothesized research model which proposes the COVID-19 on Human Resource Management Practices has significant influence on HR Practices i.e. Human Resource Planning, Recruitment & Selection, Training & Development and Performance Appraisal.



Research Methodology

Research Design, Sampling and Data Collection

Quantitative design was used in this research. Quantitative design is suitable to testing the hypotheses between dependent and independent variables (Sekaran & Bougie, 2013) ^[17]. The aim of this quantitative design is to determine the influence of COVID-19 on HR Practices in the organization. Survey method was adopted to collect the primary data. Creswell (2013) ^[4] also suggested that scholars

and researchers should adopt quantitative research for employ survey method because this type of research is considered on economical and efficient method to gather quantitative data from a given population, which may be generalize the result. While adopting survey method questionnaire is often used. Among 122 questionnaires were distributed, out of which 100 were obtained, which response rate of 81.97%. Table 1 demonstrates demographic data of the respondents-

Items		Frequency	%
Gender	Male	78	78%
	Female	22	22%
Age	25-35 years	22	22%
	36-45 years	34	34%
	46-55 years	29	29%
	More than 56 years	15	15%
Marital Status	Married	59	59%
	Unmarried	41	41%
Educational qualification	Under Graduation	34	34%
	Post-Graduation	55	55%
	Other technical Degree	11	11%
Experience	1-5 Years	39	39%
	6-10 Years	36	36%
	More than 10 years	25	25%

Statistical analysis

Questionnaire comprises with two sections demographic profile and statistical analysis. The demographic profile collected the gender, age, marital status, educational qualifications and experience in the organization, while statistical analysis was designed to measure the variables of the study using 5 points likert scale ranging from 1-5, in which 1=strongly agree, 5=strongly disagree.

Data Analysis Procedure

Data were analysed for conducting to address the research questions, objectives and hypotheses. SPSS version 21 was used to analyse the data. Before conducting the analysis of data, the data preparation was done on the completed questionnaire by editing, coding, entering and cleaning the data. Descriptive statistics such as frequency, mean, median, standard deviation were also used. Karl Pearson coefficient of correlation was used to describe the correction among the variables. First of all, validity and reliability of the data were performed.

Table 1: Exploratory Factor Analysis

S.N	Factor	Extraction
HR Planning		
1.	Are you laying off and/or furloughing employees?	0.852
2.	HR Planning strategies have been impacted due to COVID-19?	0.896
3.	Through WFH employees have been productive?	0.841
4.	WFH brings less absenteeism?	0.940
Recruitment & Selection		
5.	For recruitment you are interviewed through video call?	0.902
6.	Virtual on boarding program were organized?	0.722
7.	Technical skills become a major skill to appoint an employee?	0.848
8.	Companies are transitioning their recruitment through digital platforms?	0.904
Training & Development		
9.	Your organization provided training during the time of pandemic?	0.837
10.	During pandemic your organization adopted new technologies for training?	0.860
11.	Virtual training was provided during COVID-19?	0.875
12.	New technology of training enables you to receive and feedback?	0.85
Performance Appraisal		
13.	During COVID-19 it became difficult to set the practical targets?	0.952
14.	You achieved your target easily during COVID-19?	0.854
15.	Your performance evaluated without any problem?	0.94
16.	COVID-19 brought new skill to complete your work?	0.797
COVID-19		
17.	COVID-19 impacted negatively your organization?	0.922
18.	Work From Home brought the remote work?	0.841
19.	Your organization handled the situation of COVID-19 in better way?	0.90
20.	Your organization begins to follow the protocol of social distancing during COVID-19?	0.880

Table 1 describes the validity of the items which states that the factor loading of each item is 0.722 to 0.952, which is > 0.6, which describes the convergent validity of the factors.

Reliability tests was performed after EFA, for reliability test Cronbach's alpha was measured in table no.2.

Table 2: Reliability Test (Cronbach Alpha Value)

Scale	No. of Items	Cronbach's Alpha
1.HR Planning	4	0.921
2.Recruitment & Selection	4	0.894
3.Training & Development	4	0.905
4.Performance Appraisal	4	0.844
COVID-19	4	0.911

Table 2 shows that reliability test of the variables. The Cronbach value of HR Planning, Recruitment and Selection, Training and Development, Performance Appraisal and COVID 19 were 0.921, 0.894, .905, 0.844 and 0.911

respectively. Cronbach suggested 0.6 of standard value alpha and if we compare the present value of variables, than study found highly reliable value of alpha.

Table 3: Correlation Analysis

	HR Planning	Recruitment & Selection	Training & Development	Performance Appraisal	COVID-19	Sig (2-tailed)
HR Planning	1					0.000
Recruitment & Selection	0.690	1				0.002
Training & Development	0.660	0.678	1			0.000
Performance Appraisal	0.628	0.655	0.652	1		0.001
COVID-19	0.652	0.624	0.651	0.647	1	0.001

Correlation expresses the linear relationship between the variables. It gives the directions of linear relationship between the variables. Table 3 discusses the correlation values of the variables. The correlation value was ranging 0.624 to 0.690, which expresses that variables are free from multicollinearity.

Hypotheses Testing

Hypotheses were tested with the help of multiple regression analysis.

Table 4: Regression Analysis

S.N.	Model	Hypothesis	R	R ² Changed	Adjusted R ²	Sig. F Change	Durbin Watson
1.	1	1	0.657	0.4316	0.4314	0.000	1.610
2.	1	2	0.628	0.3944	0.3941	0.000	1.614
3.	1	3	0.621	0.3856	0.3855	0.001	1.701
4.	1	4	0.712	0.5069	0.5064	0.000	1.699

Table 4 described the impact of COVID-19 on Human resource planning, recruitment & selection, Training and

development and Performance Appraisal. As shown in table 4 large value of R is 0.657, for human resource planning and COVID-19, which indicated the strong relationship between the variables. Value of R² is 0.4316 which states that model explains 43.16% variation. Significance F Change is 0.000, which is less than the value of 0.005. For the second hypothesis which analyses the relationship between recruitment and selection and COVID-19, the value of R is 0.628 and model explains 39.44% variation. Significance value of F change is 0.000 which is less than 0.005. Other third hypothesis states the link between Training and development and COVID-19, for this the value of R is 0.621 and there is variation of 38.56%. Significance value is less than significance F change value. Last hypothesis shows the connection between the performance appraisal and COVID-19. R indicates the value of 0.712 for this fourth hypothesis, R² is 0.5069 and significance value is less than 0.005. All the results concluded that there is strong relationship between impact of COVID-19 and HR planning, Recruitment & Selection and Performance Appraisal. Hence COVID-19 had impacted on HR Practices.

Table 5: Coefficients

Model ^b	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Standard Error	Beta		
1 (constant)	15.845	2.141		7.401	
HRP	0.321	1.047	0.287	0.327	0.000
R&S	0.214	0.124	0.214	1.726	0.001
T&D	0.211	1.015	0.147	0.192	0.000
PA	0.201	0.104	0.142	1.933	0.002

To predict the necessary information of COVID-19 and its impact on HR Practices Coefficient table was constructed. Table 5 suggests that the p value is less than 0.05 for each variable this indicates that COVID-19 negatively impacted on HR Practices.

Discussion and Conclusion

The aim of the research paper is to analysis the latest update of human resource management strategies and practices during the pandemic of COVID-19 and specify the new challenges and the top issues faced not only by HR department but also by employees. The findings of the general literature review and the latest updates show that the financial security is more a concern for the employees that the personal and family health because of the fear of the unstable economy around the world, the uncertainty and the increasing employment rate which leads in results to a mental health issue between employees especially who stopped working due to Coronavirus outbreak which

showed the worst health indicators and distress (Mala Al Wassim, 2020). The study showed how COVID-19 affected HR Practices in India. Most of these effects are beyond control of organisation but in a crisis like this it is a right time for HR department to demonstrate how strategic it can be. As organisation respond to treat of the new Coronavirus crisis, HR Practices has to play a crucial role in facilitating organisations and their workforce to cope with and adjust to their newly altered work environment. The research revealed that the COVID-19 pandemic has brought challenges to the organisations and enforced them to change HR Practices system to adopt the new reality. As a result, organisation's HR policies allowed remote working to their employees. Besides, the organisation introduced the flexible working schedule due to the pandemic lockdown regulation. The research demonstrated that people are ready to use new technologies for online working. However, companies need to protect the wellbeing of their employees and put incentives in place to survive and to demonstrate

organisational values.

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