TRANSFORMATIONS IN HR POLICY DUE TO COVID-19

By

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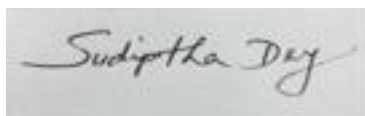
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Declaration

It is hereby declared that

1. The thesis submitted is my own original work while completing degree at Brac University.

2. The thesis does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.

3. The thesis does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.

4. I have acknowledged all main sources of help.

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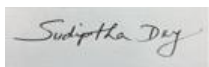BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of thesis report on "Transformations in HR policy due to Covid-19."

Dear Madam,

With due respect and humble submission, I want to inform you that I have prepared a thesis report named "*Transformations in HR policy due to Covid-19*" as per your given instructions. I did my hardest to be sincere and presented as much information as possible while keeping it as thorough as feasible. This paper has assisted me in gaining a realistic understanding of the changes in global HR policy because of the covid epidemic. I accumulated all the data from Google Scholar, EBSCO, and Semantic Scholar as well as other sources. This report would have been incomplete without your kind assistance.

I hope that this report will meet your expectations and will be able to enlighten you with enough information regarding my work.

Sincerely yours,

Sudiptha Dey

Sudiptha Dey
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Non-Disclosure Agreement

This agreement is made and entered into by and between "Transformations in HR policy due to Covid-19" and the undersigned student at BRAC University, Sudiptha Dey, ID: 18364035.

Acknowledgement

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Executive Summary

The COVID-19 has profoundly shaken all worldwide organizations and created challenging environment for managers and human resource management (HRM) practitioners who must prepare advanced solutions to ensure the continuity of their businesses and assist their employees in dealing with this pandemic or unexpected crisis. In this research, I tried to focus on what are the complications management facing with their existing policies due to this uncertainty, what kind of changes they brought, how their employee taking these changes, impacts on the organizations and global busines, sustainability of these changes as well as the preparation for any upcoming uncertainty. This research is a comprehensive literature review that attempts to extend the area of management research by investigating the influence of the COVID-19 on human resource management. It highlights the major problems and possibilities that have developed because of this new pandemic, and it provides managers and HRM practitioners with insights into possible future organizational orientations that may evolve as a result of these opportunities.

As a result, this article sheds light on the various issues created by the COVID-19 pandemic, such as rising unemployment, wage reductions, the psychological impact of COVID-19 on employees, managing remote work, working hours, employee conflicts, and social distance.

Keywords: "Covid-19", "Management", "Changes", "Challenges",

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List of Acronyms:

HR : Human Resources

IHRM: International Human Resource Management

WHO : World Health Organization

ILO: International Labour Organization

MNE: Multinational Enterprise

Chapter 1

1.1 Introduction

Covid-19 crisis began in the Chinese city of Wuhan, which experienced an epidemic of severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) in December 2019, which has since expanded rapidly, prompting the World Health Organization to declare it a worldwide pandemic on March 11, 2020. (WHO, 2020b). Since then, COVID-19 has become a worldwide health problem and an international economic danger. The worldwide lockdown of businesses and industries that was imposed and ordered to stop the spread of the virus created a wide range of unique and fundamental problems for both employees and employers worldwide. Its widespread has forced the whole globe to comply with quarantine orders. Government recommendations to avoid physical contact with other people, issued at the right time, have infused fear in all humans. The novel Covid-19 has had an influence on every industry on the planet. It put a negative impact on every industry, domestically as well as internationally. Through absolute fast transmission of the COVID-19 virus, these nations have adopted several non-pharmaceutical measures, such as social distance, to slow its spread. Lockdowns have been implemented; individuals have been quarantined; schools, universities, non-essential companies, and non-governmental organizations have been temporarily shuttered; travel has been limited; flights have been cancelled and public gatherings and social activities have been outlawed. In addition to these measures, the COVID-19 epidemic caused a substantial slowdown in global economic activity, resulting in furloughs and layoffs, which contributed to a rise in the unemployment rate in several nations. At the same time, governments, businesses, and individuals respond to the present epidemic is influencing HR management and policy.

COVID-19 has imposed both global health crisis and international economic threat. When compared to other resources such as financial or intangible resources, human capital is the true

asset in every business since it is the beating heart that drives success. So, although all other resources make things conceivable, only human capital makes things happen. The global lockdown of businesses and sectors enacted and required to stop the virus from spreading created a slew of new and fundamental difficulties for both HR management and employees throughout the world. Several measures have been taken against employees and were overnight transformed into (a) "work from home" employees, (b) "essential" or "life-sustaining" workers (e.g., emergency room medical personnel and supermarket employees), or (c) furloughed employees seeking the nation's equivalent of redundancy profits. In a global study of 500 board members and chief executive officers (CEOs) conducted in 2019, Ernst & Young discovered that just 20% of the executives polled thought their firms were prepared to respond to a major adverse risk (EY, 2020). The COVID-19 pandemic catastrophe occurred a few months later, proving their fears to be well-founded. During the COVID-19 pandemic, concerns about global supply chain vulnerabilities and financial resilience, as well as substantial strategic human talent issues, have risen to the fore. Managers and HRM practitioners must pertinent knowledge in order to navigate this crisis successfully and efficiently, assist their employees, and keep their firm afloat. Few research have been conducted on COVID-19's influence on HRM, its difficulties, and possible possibilities. The goal of this research is to examine the impact of COVID-19 on HR policy, to identify major challenges and opportunities, and to provide insight into HRM's future directions.

Chapter 2: Literature Review

2.1 Employees and human resources professionals HR Department's Biggest Challenges (Covid-19)

Josh Bersin, MIT Sloan Management Review, and CultureX conducted a poll to learn about the top issues that workers and HR departments have. The highest concern for HR chiefs, according to the study, is employee health and wellbeing, with 41%, followed by managing remote work with 39%. Employees' main concern, according to the survey, is financial stability, with 81 percent, followed by health and wellbeing with 56 percent. Due of the world's unpredictable economy, uncertainty, and rising unemployment rate, employees are more concerned about their financial security than their personal and family health. As a result, the HR strategy should prioritize the concerns of employees, as well as their health, which is equally essential.

2.1.1 Psychological health of Employees

According to a survey by Josh, Sloan, and CultureX, the priority of HR professionals since the beginning of the Coronavirus pandemic has been the health and wellbeing of employees, and the mental health of employees is a very important aspect because it affects the performance and achievement of the employee's contribution to the organization's goals. Because of employment uncertainty and financial loss, as well as Infobesity and the Unknown, the Covid-19 epidemic may have an impact on employee's mental health. Consequently, the many effects of the pandemic have a highly severe impact on employees, particularly in terms of financial loss of income, which leads to a mental health issue, as employees who stopped working due to the Coronavirus epidemic had worse health indicators and unhappiness.

2.1.2 Employee protection

Employee protection is a critical consideration when developing a human resources strategy, and many businesses prioritize it since people are the most valuable asset and the backbone of any organization. According to the Analytical Study of Psychological Contract and its Impact on Employees Retention published in 2016, the results show that the increasing complexity of the organization has forced management to focus on employee retention, as well as the importance of the relationship between employees' psychological contracts and the length of time they spend with the company. To maintain employees, an appropriate HR Strategy need to be applied in accordance with the new phases of Covid-19, with a severe concern for the employees' emotional contracts and taking into justification the affected employees' mental health, also reducing the complication of the HR practices by being more adaptable in its place.

2.2 Responsibility of Human Resources Management in Workforce Adjustment

The recent Covid-19 epidemic has put human resource managers under a lot of pressure. In the face of major changes throughout the world as a result of the epidemic, businesses must respond and adapt, as well as manage their staff properly. Companies need to prepare for further changes and volatility in the future. HRM plays a critical role in assisting employees in overcoming the challenges posed by unanticipated changes in the workplace and in society They should use platform-based technology and create new business models. Furthermore, rising unemployment because of the crisis adds to people's stress levels. According to the

International Labour Organization (ILO) (2020), 195 million full-time employees would lose their employment throughout the world this year (ILO, 2020). As a result, employees must learn new skills in order to improve their employability in the digital world (Sheppard, 2020). HR managers should develop strategies that enable employees to exploit modern technology and refresh their digital skills in this respect. Moreover, lifetime learning, and skill development are still vital, but training sessions are now conducted online. Strategic agility is necessary to ensure the attainment of corporate goals in a moment of crisis (Liu, Lee, & Lee, 2020). Organizations must be able to plan and distribute their resources, as well as coordinate the necessary mechanisms and make appropriate use of their resources and knowledge (Liu, Lee, & Lee, 2020). In this context, the COVID-19's uniqueness and complexity provide a substantial obstacle that might jeopardize the fulfilment of corporate objectives.

However, most of these policies and practices were created for managing people at work, not at home, as states that HR is all about managing people at work using policies, procedures, systems, and rules, and states that HRM is the leadership of people within an organization using various systems, methods, and procedures that can enable employees to achieve their own goals. As a result, HR policies and practices should be adjusted to accommodate new needs such as working from home, social distance, and more than ever, helping workers to retain positive contributions and get through the critical phase of the Covid-19 epidemic.

2.2.1 Selection

International Human Resource Management (IHRM) has shown us that certain individuals are just inherently better at dealing with anxiety and insecurity than others, allowing them to make enhanced judgements and collaborate more successfully across nations and cultures. Employees who have a better tolerance for ambiguity are less likely to suffer from the negative consequences of stress associated with working in an uncertain environment. Employees that

are resilient not only recover from difficult events, but also find purpose in them. Employees with a natural curiosity can also adapt better to new settings, flourish in stressful and unpredictable situations, and be more creative and open-minded. Companies need to choose for these essential cultural responsiveness skills, patience for uncertainty, flexibility, and interest for all workers operating multiculturally during this moment of global anxiety and uncertainty. Employees dealing with clients or co-workers from other cultures, whether in person or digitally, will require these skills today more than ever. Companies may also utilize this period to analyse their culturally flexible talent bench strength to determine who will be most effective in conditions of increasing novelty and unpredictability.

2.2.2 Training

According to research (Sarnoff & Zimbardo, 1961; Schachter, 1959), anxiety promotes a natural need for connection, especially among people who are going through the same anxiety-inducing experience (Gump & Kulik, 1997; Schachter, 1959). Because health-related stress is prevalent everywhere in the globe, the COVID-19 pandemic provides an opportune moment to develop cross-cultural team cohesiveness and confirm expectations of reliability for global teams in MNEs with existing familiarity. At a time when every team member, regardless of nation, is facing a comparable stressor, training to assist connection building would be very appreciated.

As team members already have a common adversary in COVID-19, any lessons acquired via training would land on fertile ground for the many team members who have not yet undergone cross-cultural training on relationship development across boundaries. This cross-cultural training in MNEs would help to reduce ambiguity for cross-cultural differences by providing skill-building in areas such as how to collaborate across cultures, how to actively seek

similarities with colleagues from different cultures, how to use technology inclusively, how to set team-level ground rules for communication and workflow, and so on. This training might also assist co-workers from other cultures become more aware of instances when they may be jumping to judgment due to their limited bandwidth. It might also educate them how to include polite inquiry into cross-cultural work groups to counter stereotypes harmful effects. The absence of professional stimulation when working from home during the COVID-19 epidemic is encouraging greater self-directed knowledge-seeking to meet the desire to learn, grow, and exhibit competence. Since the commencement of stay-at-home orders, for example, LinkedIn Learning courses have experienced a threefold rise in utilization (Forbes, 2020). Companies should aggressively utilize this opportunity to engage in employee skill development, given the rising interest in self-directed learning.

2.2.3 Support

We know how an individual's comfort or fit within a particular workplace may influence their success, as well as how organizational assistance can aid in adjusting to a new setting in IHRM. MNE employees that work in global cross-national teams suffer health hazards because they must work across time zones, have flexible hours, and be available around the clock. The challenges for which assistance is needed may differ based on the person's work-life concerns, but organizational support remains important in the uncertainty of both global work and the present COVID-19 epidemic. Corporations must provide stress-reduction resources such as resilience seminars, mindfulness tutorials, employee assistance programs, and virtual counselling services. These stress-relieving options would be especially beneficial for employees who do virtual work on a global scale, as they are subjected to added tension. Whatever situations face global, but the global economy will not stop for employees who need

time to prepare to work in other nations and with individuals from diverse cultures. Employers in MNEs must use the selection, training, and support strategies now more than ever to create cohesiveness during this period of uncertainty.

Chapter: 3

3.1 Methodology

This research is an instructive general literature study that attempts to look at recent and relevant studies that investigated the influence of COVID-19 on HRM internationally. There are just a few research that I have examined this outcome. As a result, I started searching by looking for papers that looked at the broad link between COVID-19 and HRM, and then looked for articles that assessed at the impact of the pandemic on each HRM function and practice, such as staffing (recruitment) and pay. Also, ideas from numbers of news reports and journals have been taken to complete my thesis research. Apart from that, search by combination of keywords relating to COVID-19; Human resource policy; pandemic and HRM functions to search for publications in Google Scholar, Ebsco, and Semantic Scholar have been conducted.

3.2 Research subjects:

1. What are the challenges facing due to this transformation?
2. Post impacts of changes of HR policy
3. Sustainability of these changes
4. Experience and implementation in future uncertainty

3.3 Findings

3.3.1 Pandemic-Induced HRM Disruptions

According to the literature study, the unexpectedly arose circumstance elicited an apparently surprising response, exposing firms' lack of crisis management involvement. It took months for them to make the move to online mode. First and foremost, service businesses were severely harmed since they were unable to meet with clients face-to-face, necessitating the cancellation of those operations. Even when service firms were successful in converting their services such as training, consulting, or coaching sessions to online working systems, not all their clients were ready to adopt the digital services and chose to wait until the crisis was passed.

Over-all, I have identified three categories of instances involving employers' attitudes toward employees: (1) Some businesses have closed, and as a result, all employees have been laid off. (2) Many businesses have kept staff by putting them on unpaid leave. (3) Some businesses have kept employees by paying them a salary. However, several businesses were only able to keep their top executives by paying them well.

Furthermore, the hiring of new employees has decreased, with firms stating that they do not aim to add new employees at this time. Companies recruit exclusively on a contract basis to complete current tasks.

3.3.2 Major Barriers in Workforce

According to the findings, the crisis has had a major impact on the business brand and organizational culture. The pandemic crisis demonstrated how the corporate brand correlates to the communicated brand, and it has had either a beneficial or bad influence on management-employee interactions. During the pandemic, the company's reputation may be harmed due to

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the organization's attitude toward employees. Internal business communications also have severe flaws, according to the experts.

Even if no one has been dismissed, the psychological stress, dread, and uncertainty of the remainder of the staff is so high that organizational loyalty suffers. Furthermore, when people leave organizations, knowledge such as experience, skills, and internal communications may be lost, resulting in a loss of organizational culture. Even though many businesses overcame several obstacles during the shutdown, most of them did not have any preventative measures in place.

In terms of the impact on employee development, firms experiencing a recession as a result of the pandemic will be unable or unwilling to invest in the development of human potential. While management is attempting to save costs, personnel cannot be developed without training, consultation, or coaching, posing a difficulty for HRM in achieving their objectives. Furthermore, businesses are attempting to spend less on staff development, which will have an influence on employee engagement, retention, and well-being, as well as the company's performance, future growth, and ultimate market success.

Furthermore, because the HRM function lacks the requisite technological competence, it was unable to take the lead in this process on its own. They also had to deal with administrative issues including firing management, rules, and so on. Many HR professionals, for example, were unwilling to offer training sessions over the Internet and postponed those activities until they could be done directly. Some organizations, however, continue to engage motivational speakers to give online speeches to encourage their staff.

My purpose of this research is to analyse the transformations of human resource management strategies and practices during the Covid-19 epidemic and to identify the new difficulties and top concerns encountered not only by HR experts but also by workers. In addition to assessing staff mental health and the employee retention approach.

Because of the panic of the world's unstable economy, uncertainty, and rising unemployment rate, the findings of the general literature study and the most recent updates reveal that financial security is a greater worry for employees than personal and family health. As a result, there is a mental health concern among employees, particularly among those who have stopped working due to the Coronavirus epidemic, which has shown the worst health indicators and suffering.

Chapter 4: Conclusion and discussion

4.1 Research objectives

Research objective 1: Challenges facing due to this transformation

My first research objective was to find the challenges facing HR policy due to this pandemic situation. New challenges like work from home, roaster duty, shifting duty, remote data collection, online meeting, social distancing have been introduced in the HR policy which are not regular strategy to work by. Corporate offices had to face severe difficulties as employees forced to stay and work from home which lags the efficiency of the work. Roaster duty and shifting duty led the employees' physical and mental health in question mark, especially women employees. Other than that, due to social distance and home quarantine people were not allowed to meet each other, caused lack of data collection or inaccurate data collection. Organizations who had to conduct meeting face to face, chose online meeting instead. As a result, employees remain distract in meeting and can't put their concentration in their homely environment.

Research objective 2: Post impacts of changes of HR policy

Second research objective was to find the impacts on employees due to these changes. As, organizations had to take prompt decision to sustain in the market, many organizational HR management had to change policies without informing their employees which led the employees worried. Aside from that, new requisitions have been halted for a long time, and current workers, such as pilots, drivers, traffic cops, cleaners, and others have had to cease working owing to their organization's new policy to conserve money. Newly recruited staff's training taken place into online system, which is lack of practical knowledge and organizations had to face the consequences. Emotional factors remain unseen as well as health issues due to these unexpected changes in policy.

Research objective 3: Sustainability of these changes

Following the previous research objectives, my next objective is to find the sustainability of these changes internationally. For obvious reason, we have adapted numerous changes in past months, so the HR management. The COVID-19 epidemic has sparked far-reaching arguments about a future new normal for organizations and people as a rapid and relatively long-lasting revolutionary shift needing HR to stand up to its crisis management credentials. To integrate them into organizations, HR will need to rethink old rules and workplace thinking, as well as consider how to manage complicated reactions to the changes and how to guarantee consistency in developing expectations and routines. There is always the danger that these good developments could revert, degrade, or rebound in negative directions, so HR has a critical role to play in harnessing the huge momentum for long-term change that has already built up in our economy.

4.2 Strategic recommendation

Though the situation is getting under control with the blessings of vaccines from numbers of developed countries, many organizations are still facing the consequences of covid-19. The present systems in organizations in reaction to the pandemic are complicated, resulting in a variety of negative as well as good consequences. In order to accomplish objectives, employees and organizations are adapting to the new environment. Internal communication should be prioritized in this respect in order to respond rapidly. As a result, in order to thrive in this changing environment, team spirit, camaraderie, teamwork, and cooperation are necessary.

The crisis revealed the need for additional understanding among HR professionals; despite years of experience, many of them lack skills and education, particularly in crisis management. While individuals are typically flexible, the workforce still need additional skills and interdisciplinary education since future competition will be fierce. The nature of work will change dramatically. As a result, employees are considering how to acquire the skills needed to operate in a digital environment, such as digital sales, digital channel development, digital services, and so on. HRM has been forced to shepherd employees through this exceptional scenario because of this change. They have a critical role to play in assisting individuals in accessing their jobs via digital platforms, as well as supporting businesses in their attempts to maintain business operations. Employees in the digital economy must improve their expertise or learn new skills. Virtual labour, as well as job automation and decision-making, are all made possible by digital technology. The epidemic has highlighted the fact that digital, as well as collaborative, abilities are in high demand among employees.

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