



# COVID-19 Crisis: Challenges to Human Resource Management (HRM)

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**Abstract:** The pandemic COVID-19 crisis have affected globally in every areas of economic businesses as well as the management of human resource in organization. This studies aims to explore in the challenges faced by Human Resource Management (HRM) functions during the COVID-19 crisis. The method used for this study is by reviewing literature of previous study by exploring how COVID -19 impacted HRM and how HRM cope with the situation. The standard method consists of four fundamental steps: search, appraisal, synthesis, and analysis. It is revealed that the pandemic COVID -19 crisis have impacted and give challenges to the HRM function in an organization. In conclusion, the challenges arise from these pandemic has disrupted human resource strategies in managing the workforce.

**Keywords:** COVID-19, Human Resource Management (HRM)

## 1. Introduction

Pandemic COVID-19 is a global disease that have been impacted overall world. The COVID-19 pandemic has produced tremendous novelty and uncertainty which is affecting the mental health of many people around the world (World Health Organization, 2020). Most of the work is done physically and has to shift to online. These sudden changes trigger significant shifts especially in terms of work, social, attitude and daily activities. This forces employees to be mentally and physically prepared. The most critical issues faced in this pandemic condition are climate change, a declining economy, and political inconstancy, which have a direct impact on our daily basis life (Dayal, Thakur & Asamoah-Appiah, 2021).

As these pandemic have a major impact on every aspect, it also give difficulties toward organization management especially to the human resource management (HRM). It is because this global disease has make a drastic change towards working environment. Due to the rapid transmission of the COVID-19 virus, these countries have implemented a number of non-pharmaceutical measures, such as social distancing, to slow its spread and break the COVID-19 chain. In the study of Brodeur, Gray, Islam and Bhuiyan (2020), the implementation of pandemic lockdown that imposed by the national government have lead to the temporary close of non-essential and non-governmental organization and restricted of travel and mass gathering such as social events are not allowed to organize.

COVID-19 has led to a situation in which 50 percent or more of the workforce may be unable to work for a short length of time. As stated by Carnevale (2020), COVID-19 has changed the environment for all employees as well as the organization. The change of work environment from physical to remote work have affected many organizational setting especially towards human resource management (HRM). Previously, employees worked from their organization,

however, now they work remotely from home. Accordance to Wang (2009), in fact, most businesses are not well equipped to deal with crises when they arise. In this context, employees faced with various challenges in adapting to new working environment. The industries most impacted by COVID-19 work system changes are hospitality and tourism, medical and healthcare, also education and training. They need drastic change in performing their works as this change is unpredictable and uncertainty that nobody planned. Therefore, organization especially HRM are responsible in managing the employees in adapting to this new work environment. As a result, the primary purpose of this study is to look into the impact of COVID-19 on HRM, to identify the main obstacles, and to offer insight into HRM's future directions.

## **1.1 Human Resource Management (HRM) During COVID-19 Pandemic**

HRM plays a vital role in organization as it plays a proactive role to an organization's employment, development, and well-being of employees. Therefore, during this pandemic situation, HRM have to make a drastic plan of managing the workforce. HRM is the process of effectively and efficiently managing people in an organization. It includes in hiring (recruitment), employee retention, salary and compensation management, performance management, change management, and managing exits from the organization to complete operations. In addition, HRM is a management function that assists managers in assigning, selecting, training, and developing employees for a business. HRM emphasizes the importance of people in the workplace. Therefore, HRM give major impact towards its function.

HRM has to plays a vital role in managing their employees with the need of changing in the working environment changing. Practitioner and manager of HRM has obviously faced with the emergence of a complex and challenging environment as they need to find a solution and immediate plan to sustain the employees well-being. Strategic HRM are needed to ensure that they achieve the organizational goals in a time of crisis. In this context, HRM practitioners faced significant challenges to manage the HRM function effectively especially in staffing, training and development, performance management, compensation and benefits management as well as safety and health management.

## **2. Challenges to HRM function**

Every business and every job role will face challenges as well as the HRM in organization. It is well exemplified by HR challenges, which make it one of the most demanding corporate positions. However, it is also necessary because it motivates us to learn more and improve skills. Therefore, HR professional have to amplified the challenges arise and immediately implement strategic HRM. The rapid change of working environment during this pandemic have challenge the HRM professional in managing HRM function such as hiring process, safety and health management, performance management, compensation management also in training and development.

### **2.1 Hiring or Recruitment**

The hiring process is the process of searching, selecting, and hiring new employees to achieve organizational goals. However, during this pandemic COVID-19, hiring process have greatly been impacted and have reshape the dynamic of hiring in organization (Campello, Kankanhalli, & Muthukrishnan, 2020). It is because some of businesses are also affected financially which make some of their business did not run smoothly. In addition, it also leads to temporary close of their businesses and some businesses thriving during this pandemic (Giupponi & Landais, 2020). Therefore, the challenges faced in hiring process depends on the businesses.

For businesses that faced with financial issues during this pandemic, they will insist to temporary stop the process of hiring as they want to cut cost in order to sustain the businesses. On the contrary, the business that thriving as the demands of their products or businesses become high, these organizations have risen the number of their recruitment. It is because they faced with a shortage of work force as current number of workforce did not enough to meet with the demand. For example, jobs in the hotel and tourist industries are notorious for having irregular and lengthy working hours, however workers in this area often only receive minimum pay. As a result, it is hardly unexpected that some hospitality employees who were laid off or furloughed during the epidemic have shifted to other industries. However, numerous industries, such as sawmills and wood preservation, textile mills, and others, are in severe need of personnel (Linchi Kwok, 2021).

The process of hiring during pandemic also create new challenges toward HRM practitioners. Based on previous study conducted by Carnevale and Hatak (2020), the process of hiring has shifted where they are forced to use online platform in recruiting and selection process, which might develop other significant challenges to HRM practitioners as hiring is a process that need strategic and pragmatic thinking.

### **2.2 Safety and Health Management**

Safety and health are an important aspect for every organization as it covering welfare and well-being of the employees. The changing of working environment have gives rise to another new category of occupational safety and health. Employees that working from home also might face with accidents and injuries, which can develop a major source of stress for employees (Shaw et al., 2020) As working from home continued to be the trend for most workers, it

is important for employers ensure that their workers' needs and support were taken care. Therefore, it is a challenging issue for managers and human resource professionals (Hamouche, 2020).

As the working environment have change, HR professional need to proposed new strategies in developing safety awareness among the employees especially awareness on how to control and prevent from COVID-19 virus as well as proposed initiative to sustain employees mental health and well-being. HR professional had to implement self-assessment in monitoring employees' safety and health during work from home is imposed. It is challenging for HR professional to monitor employees well-being remotely as lack in face-to-face supervision. Therefore, if the workplace has a Safety and Health Officer (SHO), HR needs to work with the SHO to ensure the safety and health of employees in good conditions. Generally, SHO's responsibilities include ensuring compliance and promoting safe work practises

## 2.3 Performance Management

Performance management is a way to verify that a set of activities and outcomes fulfils an organisation's objectives in an efficient and effective manner. In this context, effective performance management is required to maximize employee engagement, performance, and productivity. However, COVID-19 has compelled businesses to adapt to constant and rapid changes in the way of do business.

Organizations that have clung traditional performance management processes based on annual or bi-annual reviews have been forced their HRM professional to make a quick transition to a more flexible system that provides constant support, encouragement, and development. In fact, HRM professional faced challenges in measuring employees' performance during this crisis as it can be difficult (Hamouche, 2021) It is challenges as there are numerous factors associated with the COVID-19 outbreak that may have an impact on employee performance such as the lack of communication, lack of technology skills which might lead to stress and affected performance as employers did not provide sufficient assistance or training in developing their skills.

## 2.4 Training and Development

Employee training and development programmes are an important part of workforce development. It also plays an important role especially in a period of crisis, such as pandemics (Devyania, Jewanc, Bansal, & Denge, 2020; Hamouche, 2020). According to Akkermans, Richardson and Kraimer (2020), training and development in today's environment really helps to develop the needed skills for employees as well as to increase the COVID-19 awareness, to reduce the risk of the virus spread, and to prevent mental health issues (Quaedackers et al., 2020). However, HRM professional plays a crucial role in developing training and development program for employees as most of organization management are forced to used virtual platform.

In this context, the major challenge for HR practitioner in training and development is to provide and choose an effective training method for employees improve their skills in order to fits with the environment changing. In is also supported by Przytuła, Strzelec, and Krysińska-Kościańska (2020), organizations face challenges of workforce development in reskilling and upskilling their workforce in order to meet the demands of the new context of distance working.

## 2.5 Compensation Management

Compensation management has become an important HR profession that involves arranging and administering of financial that a business pays to employee as a compensation. It covers not just their salary, but also their benefits, bonuses, and incentives. However, this pandemic COVID-19 also give an implication towards compensation management. Most of businesses faced with huge losses when the government adopts pandemic lockdown as businesses temporarily stop their production. There are no production and the company cannot collect profits that cause the company to have financial problems.

In this case, HRM professional faced with hardness in managing compensation of employees as most of businesses are trying to cut cost of the operation in order to sustain their businesses. There also HRM professional that need to face with losses of employee as the organization is not capable to pay their employees salary. Therefore, the challenges faced in compensation process depends on the well-being of businesses operation. It is a major challenge for HRM professional to think an effective way of retain their employees. Generally, according to Patnaik and Suar (2019) stated that employees are attracted, retained, and motivated by compensation. Employees harness their abilities, knowledge, and unleash effort in lieu of money. Employees are more likely to be satisfied and motivated to contribute to organisational goals if the compensation system is well administered. When employees believe their pay is inadequate, their performance, motivation, and satisfaction are likely to decrease badly (Matino, 2018). As a result, compensation is linked to employee engagement.

## 3. HRM Future Role

Based on the challenges faced by HR practitioner in managing HRM function during the drastic change of working environment, it gives a great opportunities for the organization and HRM practitioners develop new intervention to

response to the challenges of HRM. Moreover, it gives them the opportunities to learn, developing crisis management plan, elaborate new policies for remote working environment and improve the use of technology skills. Therefore, HRM practitioners can use various plans of programs and strategies using various virtual methods to manage the HRM function effectively such as developing online learning to increase employees' work-related knowledge.

The crisis demonstrated that, despite many years of experience in this field, many HR professionals lack of skills and knowledge, particularly in crisis management. Even though people are usually flexible and adaptive, the workforce will require more skills and multidisciplinary knowledge in the future as competition increases. Jobs will be drastically altered. As a result, employees are considering the development of competencies required to work in a digital environment, such as digital sales, digital channel development, digital services, and so on. As HRM professional plays a vital role in managing workforce, it is necessary for them to be well trained in managing crisis. It may help HRM practitioner in facing any sudden change in the future.

Managing crisis is not only the responsibility of HRM practitioner, it is also a responsibility for top management in organization to devise crisis-response strategies that emphasize in flexibility and adaptability. Creating a "what if" scenario can help the organization but also prepare for future uncertainties. Besides that, organizational culture was critical during this epidemic. As a result, HRM should always communicate and maintain close contact with employees. Organizations can have encountered crisis-related problems more effectively when HR practitioners and organization top management motivates, engages, informs, and considers employees' opinions.

#### 4. Conclusion

In a nutshell, the major changes due to this new COVID-19 coronavirus have more implications for businesses all over the world, and they have a significant impact on human resource management (HRM). The entire COVID-19 pandemic situation has taught HRM practitioner a lot of new knowledge that may help all of organization management in the future. It is because this disease is unexpected things, that no one knows how to cope with it and the uncertain lockdown makes things more challenges. However, above all, HRM practitioners gain more knowledge and improve skills which make them aware that every challenges can be cope. It just HRM practitioner need to figure it out the solution. Therefore, the challenges have made HRM practitioners and top level management aware about the sudden crisis might alter overall organization setting and working environment.

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