

Technical Report: Impact of COVID-19 and Human Resource Management Agility Practices

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The COVID-19 pandemic forced many organizations in the United States to adapt in ways they never had to before. Organizational leaders across levels developed new strategies to pivot their use of human capital in this unprecedented context. For instance, leaders relied on their human resource departments to redeploy their onsite workforce to remote work or to modify how work was accomplished to maintain productivity. In this article, we present research on how organizations have implemented what we call *Human Resource Management Agility Practices* (HRMAP) in response to COVID-19. We also provide a snapshot of the extent to which COVID has disrupted organizational functions in our sample and also the efforts made by those in our sample to recover and return to work. Our hope is to inform *TIP* readers with actual data on the impact of COVID-19 (positive and negative) and discuss how implementing HRMAPs has helped organizations cope with the changes.

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The Society of Human Resource Management (SHRM) sponsored the study, and SHRM members were recruited to participate in this study in exchange for continuing education credits. We conducted a pilot study between May and June of 2020, 2 months after the pandemic took root in the US ($N = 795$) to gather qualitative information on how organizations were responding to the pandemic across several HR functions (e.g., job assignments, compensation, benefits, EAPs). We content analyzed the responses and developed a measure of HRMAP to use in a four-wave longitudinal study. In what follows, we describe results from the first of the four waves, which was conducted in September 2020 ($N = 1,858$).

The sample included a range of HR jobs, industries, and sectors. A majority of participants were female (85.34%) and White (82.48%), and had spent an average of 15.1 years ($SD = 8.7$) in HR. About 60% occupied HR leadership positions (e.g., director, manager, vice president of HR). Nearly half (48.2%) of participants were in small organizations (499 employees or fewer).

We organized the findings into three topics beginning with the extent to which COVID-19 disrupted their organization. We then discuss the HRMAPs they implemented. Finally, we discuss their recovery and return-to-workplace processes.

Disruption From COVID

What percent of workers and processes were disrupted by COVID-19? On average, more than three-fourths of workers experienced some sort of major work changes, such as having to wear masks and social distance, and nearly 60% moved to remote work. About one-fourth of the workers had tasks that were meaningfully changed, and nearly 10% lost their jobs altogether. In all, more than one-third were negatively impacted in some way.

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| What percentage of workers in your (organization/unit) were terminated, (regardless of if the [organization/unit] intended to rehire them or not)? | 9.6% |
| What percentage of workers in your (organization/unit) moved to remote work? | 58.5% |
| What percentage of workers in your (organization/unit) experienced major work changes (e.g., must work with mask on, maintain social distancing at work, etc.)? | 77.4% |
| What percentage of workers in your (organization/unit) had job tasks that were meaningfully changed? | 28.3% |
| What percentage of the work processes in your (organization/unit) were negatively impacted in some way (e.g., work flow, supply chain, communication, coordination, etc.)? | 37.0% |

What was the impact of COVID-19 on employees? The HR managers felt that employee morale and engagement were down slightly, but willingness to cooperate with others and adaptability improved. The quality of relationships with coworkers and leadership did not appear to be influenced.

| | Mean scores |
|---|-------------|
| Employee morale | 2.6 |
| Employee engagement | 2.8 |
| Employee willingness to cooperate with others | 3.5 |
| Employee adaptability | 3.9 |
| Quality of employee relationships with coworkers | 3.1 |
| Quality of employee relationships with their leadership | 3.1 |
| <i>Note.</i> Scale of measure is 1 = strongly decreased, 2 = slightly decreased, 3 = not changed, 4 = slightly increased, 5 = strongly increased. | |

What was the impact of COVID-19 on product/service demand? More than three-fourths indicated a negative impact on the product/service demand and profitability. About one in six organizations were hugely impacted, and nearly another third reported a moderate impact. However, COVID did not uniformly impact all organizations: Some reported no impact, and 11.4% reported a *positive* impact where the demand for the products/services of a small number of companies *actually increased* due to

the shutdown.

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| Huge negative impact (50% or more) | 16.3% |
| Moderate negative impact (20–50%) | 29.1% |
| Small negative impact (5–20%) | 29.4% |
| No impact | 13.8% |
| Positive impact | 11.4% |

Overall, what impact did COVID-19 have on the organizations? When asked to consider all things, about two-thirds reported a negative impact on their organizations, but about one-fifth reported a positive impact. Perhaps many anticipated that product/service demand would rebound or the crisis would be short lived, and they could survive it without a permanent loss.

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| A large negative impact | 14.8% |
| A negative impact | 50.3% |
| No impact | 14.6% |
| A positive impact | 17.7% |
| A large positive impact | 2.5% |

What was the productivity impact? Given the number of employees working from home and other influences on employee jobs, we asked what percentage of employees are more or less productive. To our surprise, only about one-fifth reported that employees were less productive and one-fourth reported more productive. Although HR employees seem like good informants on this topic, the results are hard to believe given the impact on the business as reported in the above questions. Perhaps the HR informants were describing their perspective on employee time and effort rather than actual productivity. This is an important topic for future research.

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| Employees were much less productive than pre-COVID (March 2020) | 3.3% |
| Employees were less productive than pre-COVID (March 2020) | 15.2% |
| Employees were about as productive as pre-COVID (March 2020) | 54.6% |
| Employees were more productive than pre-COVID (March 2020) | 24.2% |
| Employees were much more productive than pre-COVID (March 2020) | 2.7% |

What was the impact on employee jobs? Finally, as a bottom-line indicator, we asked what percentage of employees experienced a loss of their job or pay. We also asked respondents to verify how they obtained accurate information on these outcomes (e.g., looked it up, asked someone, have personal knowledge) and to provide documentation if possible. They reported about 15% were laid off or furloughed and also filed unemployment. A similar number experienced reduced or deferred pay. Another 10% of temporary workers and contractors lost their jobs. More than 40% experienced expense controls of some sort. However, about 13% reported having hired during this time, probably representing those organizations that benefited from the crisis as well as filling critical positions.

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| Filed unemployment | 14.9% |
| Laid off or terminated | 6.8% |
| Furloughed | 8.4% |
| Reduced hours | 10.6% |
| Deferred pay | 3.8% |
| Discontinued temp/contract workers | 9.6% |
| Controlled expenses | 43.9% |
| Hired employees | 9.9% |
| Hired contractors | 2.9% |

HRMAP

The pilot study in May and June gathered narrative responses of 800 HR managers as to the HR practices their organizations implemented in response to COVID. We sorted the most common responses into categories and converted the categories into a comprehensive measure of HR practices that we used in the current survey. We

label these as HRMAP because they have enabled organizations to quickly adapt (or pivot) their management of employees in response to external shocks like COVID. In this section, we describe the HRMAP and the percentage of employees being managed by such practices.

Practices Regarding Remote Work Accommodation

As noted in the first question, participants reported that, on average, 60% of employees in their organization shifted to working from home (reported in May–June 2020). As of September, across organizations, more than 80% utilized this practice. For those jobs that necessitated on-site work, many organizations implemented hybrid or staggered scheduling.

Practices Regarding Enhancing Technology

Given that so many people are working at home, most needed computers and other technology to work remotely. As such, more than 80% of organizations purchased or made existing hardware and software available to use at home for at least some if not most employees. Another 40% allowed or required employees to use their personal computers. This latter practice saves cost for the organization, which is especially important when business is down, but it depends on employees having their own computers at home and on security concerns that may limit the use of personal computers.

Practices Regarding Enhancing Communication

With most workers being remote, maintaining communication is a critical concern for HR management. Agile HR practices used by more than half of organizations included more employee–manager and employee–employee check-in meetings. Moreover, 75% increased communication from senior management or HR in the form of email messages with updates or useful information, newsletters, all-hands meetings, and so on.

Practices Regarding Employee Relations

Maintaining morale and positive employee relations is a central concern for HR managers, and they adopted many HR practices to maintain or improve engagement. More than half of organizations used virtual non-work-related activities (e.g., happy hours, lunches, kid friendly activities, daily joke emails). About half of organizations gathered information from employees through surveys and focus groups to monitor morale through such means. More than 70% provided extra resources and information for working from home such as intranet pages, team-building tools, remote-work best practices, and others. More than 60% increased employee recognition of various types (e.g., awards, bonuses, gift cards, personal time off, care packages) to maintain morale. Finally, virtually all organizations provided personal protection equipment, such as masks and hand sanitizer, and emphasized safety.

Practices Regarding Work Management

Remote work has made the management of work much more challenging, and organizations have responded in a variety of ways. More than half increased supervision by increasing communication for the purpose of work management, and more than half created other virtual performance and coordination practices (e.g., virtual evaluations, file sharing, meetings to coordinate work). However, about half of organizations also revised policies to accommodate the changed situation, such as delayed, canceled, or revised performance evaluations, or revised procedures or standards of performance. Almost 30% increased monitoring and reporting on worker productivity. Finally, more than half of organizations increased planning and management meetings to coordinate work.

Practices Regarding Job Assignments

The disruption of work operations also required agile HR practices to ensure that employees could still be utilized to perform work that was important to the organization. About 40% had to reassign some workers to other jobs, and about 70% had to change the tasks of some jobs. Job sharing was utilized much less. Almost 60% of organizations cancelled or delayed projects. Finally, almost 90% had to change the way that work was accomplished for at least some employees due to social distancing and other COVID restrictions, and the need for work coordination among employees increased for most.

Practices Regarding Training and Development

As expected, training went virtual for both formal and informal types of training, and there were new training requirements for COVID, such as for cleaning and safety, which applied to most employees. In-person training often had to reduce the number of people present, which is also a common practice in educational institutions as they adapt to COVID. We also asked respondents if they were attending more, the same, or fewer trainings, and they responded with about a third each.

Practices Regarding Staffing

Unfortunately, the financial impact of the reduced product/service demand and ability to work caused by COVID required cutting payroll expenses. Previously, we reported the percentage of workers impacted by staffing changes. Here we examine the percentage of organizations using each HR practice. About one-third had layoffs or furloughs, and nearly half instituted a hiring freeze. Nevertheless, half of organizations maintained recruiting and hiring at some level. However, the changes to the jobs described earlier also resulted in changes to the formal job descriptions or hiring strategies in one-third of organizations. Finally, about a third of organizations utilized temporary workers as a hedge against the long-term uncertainty of the COVID crisis.

Practices Regarding Compensation and Benefits

The need for cost containment also included pay, in addition to jobs. Nearly half of organizations in our sample canceled, delayed, or froze raises and bonuses for some employees, and one-third reduced them. One-third reduced hours for at least some workers. About 75% of organizations implemented expense control of various sorts. However, about one-third of organizations increased some type of pay for at least some employees, such as hazard pay, overtime, or special bonuses, and half of organizations increased some type of benefits, such as time off, paid leave, and modified health benefits.

Practices Regarding Employee Assistance

Given the increased stress experienced by some workers due to the changes caused by the COVID crisis, HR responded by updating or promoting employee assistance programs in 60% of organizations and offering more mental health and wellness benefits in 40% of organizations. Virtually no organizations decreased emphasis on employee assistance.

Recovery and Return to Work

What percent of organizations have already recovered from the disruptions? As of the time of this survey in September 2020, virtually no one had recovered, and only a few percent had started. Almost 60% said that things were still getting worse or much worse. However, nearly 20% reported a minimal impact or need for recovery.

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| Substantially recovered | 0.4% |
| Started to recover | 3.9% |

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| No recovery yet | 19.8% |
| Impact of COVID-19 was minimal | 18.4% |
| Still getting worse | 44.2% |
| Still getting much worse | 13.1% |

What percent of organizations have developed a recovery plan? We anticipated that few would have recovered, so we also asked whether they had at least developed plans to do so. Only a small number had a formal plan (6%) or a plan for some parts of the organization (another 13%). The remaining 80% had only informal plans, were still working on them, or had no plans yet.

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| Comprehensive (formal) plans developed | 6.4% |
| Plans developed for some parts of organization or aspects of recovery | 12.9% |
| Plans are in place but informal | 21.2% |
| Plans are still being formulated | 34.1% |
| No plans yet | 25.4% |

What is the nature of the recovery plans? We focused on the return-to-work plan as opposed to all potential recovery plans because we suspected that remote work was the primary disruption. Only 20% said that their companies would return to in-person work immediately or would implement a phased approach. Nearly 50% indicated that they would allow employees to decide or would decide on a case-by-case basis. The potential health implications appear to make organizations reluctant about requiring employees to return to work involuntarily. More than 25% had no plan or were doing something different to recover.

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| All employees working from home will return to work in-person, full time | 10.7% |
| We will implement a phased return to work strategy | 10.0% |
| Some employees will return to the worksite while others will work remotely indefinitely | 3.7% |
| We will allow employees to determine when they will return to work | 18.1% |
| We will determine return to work on an individual or case-by-case basis | 30.3% |
| We do not have a concrete plan for return to work yet | 11.9% |
| Other | 15.2% |

How much progress have organizations made on their recovery plans? Only about 9% have fully implemented and another 27% have partially or have at least started to implement their recovery plans. More than 40% are waiting, and 20% have no plan yet.

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| Fully implemented | 9.3% |
| Partially implemented | 11.3% |
| Just starting to implement | 16.2% |
| Waiting to implement | 42.6% |
| No plans developed | 20.6% |

How long did it take employees to develop a work routine at home? Given that most organizations went to remote work, we asked how long it took employees to develop a work routine. The HR managers reported that more than two-thirds of employees took a couple weeks. Another 10% took a couple of months, and only 5% are still struggling.

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| A couple weeks | 66.3% |
| A month | 17.7% |
| A couple months | 10.7% |
| They continue to struggle | 5.2% |

Do employees actually prefer to work at home? Given the many benefits of working at home for employees, such as informal attire, no commute, less supervision, and so on, we wondered whether employees might actually prefer to work at home. A majority of the HR managers reported that half or more of employees actually prefer to work at home. This may make recovery more difficult given that many organizations will rely in part on employee willingness to come back to work as part of their plan as described above. Yet, it is important to note that not all employees prefer to work from home.

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| No employees prefer to work from home | 8.9% |
| About 25% prefer to work from home | 34.3% |
| About 50% prefer to work from home | 28.8% |
| About 75% prefer to work from home | 23.7% |
| All employees prefer to work from home | 4.3% |

Will organizations use more remote work after COVID? Given that many employees have learned how to work at home and prefer it, we asked whether organizations might allow more remote working in the future. About 75% said yes.

Conclusion

In conclusion, we found that although most organizations have faced notable disruptions, they have also found ways to pivot their talent to accommodate this novel landscape. Although some organizations in our sample have developed and begun to implement their plans to recover and return to work, most are still developing plans, which makes these HRMAPs all the more important.