



OUTBREAK OF COVID-19 AND ITS IMPACT ON HUMAN RESOURCES

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Abstract: Wuhan (China), December 2019 origin of COVID-19 pandemic has spread across the globe by now and will continue to proliferate in the foreseeable future. Apart from panic and uncertainty in the public that who will be the next victim, the pandemic has also significantly disrupted the way business works. The International Organisation (ILO) estimated that globally more than 25 million jobs would be threatened due to the spread of the corona virus and the CMIE report says India's urban unemployment rate soars to 30.9% even as the overall rate rises to 23.4%, indicating covid-19's impact on the economy. Based on a rough calculation, about 50 million people might have lost jobs in just two weeks of the lockdown, said Pronab Sen, a former chief statistician of India. After going through the article, journals, reports, statements of big organisations (RBI, ILO, CMIE, WHO and other related authorities), analysis that huge loss of human resources and most of the companies do not have a post lockdown strategy to manage people and work. Businesses need to think about the future not just medium or long term, but also the next few weeks and months. Returning businesses to operational health after a severe shutdown is extremely challenging. We need an exit strategy or post-shutdown plan that protects our wellbeing even as it bolsters our economy. In this paper, we try to discuss the plan and strategies that how we come on the track again, how companies deal with human resources problems post lockdown etc.

Keywords: COVID-19, Human resource, Employment, Organisation

INTRODUCTION

A novel strain of coronavirus — SARS-CoV-2 — was first detected in December 2019 in Wuhan, a city in China's Hubei province with a population of 11 million, after an outbreak of pneumonia without an obvious cause. The virus has now spread to over 200 countries and territories across the globe and was characterised as a pandemic by the World Health Organisation (WHO) on 11 March 2020. ^[1], ^[2] The corona virus is a family of viruses that can cause a range of illnesses in humans including the common cold and more severe forms like SARS and MERS which are life-threatening. The virus is named after its shape which takes the form of a crown with protrusions around it and hence is known as corona virus. ^[3] Corona virus becomes a challenge for the high population countries and India is the second most populated country after China. India is a point of talk in the world because of its progress and international relation with other countries in recent years. Human resources describe the people who make up the workforce of an organisation, industry, business sector, or economy. In other words, Human resources are used to describe both the people who work for a company or organisation and the department responsible for managing resources related to employees.

COVID-19 AND HUMAN RESOURCE

India is labour based country and has a high percentage of young labour. The COVID-19 pandemic that originated from China has spread across the globe by now and will continue to proliferate in the foreseeable future. Apart from inducing panic and uncertainty amidst the general population about who the next victim will be, the pandemic has also significantly disrupted the way business works. New norms about working from home are changing the way employees and managers interact – which, for many, is a source of potential concern about what 'business as usual' will look like in the future. This is particularly relevant for the Human Resources Department, which is directly involved in recruiting and managing talent.

The chief concern that HR officials have is about communicating the company's stance on the COVID-19 situation to its employees. Several unreliable news sources are spreading false or unverified information about the pandemic online, which is heightening the sense of panic and fear among employees. Given the fact that offices around the world are now working remotely, the company cannot communicate face-to-face with its employees, which could increase the sense of distance from the top management and thus from what the company actually thinks. The chief concern that HR officials have is about communicating the company's stance on the COVID-19 situation to its employees. Several unreliable news sources are spreading false or unverified information about the pandemic online, which is heightening the sense of panic and fear among employees. Given the fact that offices around the world are now working remotely, the company cannot communicate face-to-face with its employees, which could increase the sense of distance from the top management and thus from what the company actually thinks.

LITERATURE REVIEW

According to a statement of United Nation (2020), About 400 million people working in the informal economy in India are at risk of falling deeper into poverty due to the coronavirus crisis which is having "catastrophic consequences", and is expected to wipe out 195 million full-time jobs or 6.7 percent of working hours globally in the second quarter of this year, the United Nation's labour body has warned. ^[4]

University of Oxford (2020) Covid-19 Government Response Stringency Index "In India, with a share of almost 90 percent of people working in the informal economy, about 400 million workers in the informal economy are at risk of falling deeper into poverty during the crisis.covid-19 enforce the worker to return to their rural area.^[5]

In an interview with The Economic Times, Kaushik Basu (Chief Economist of the World Bank from 2012 to 2016) said that Government needs to do equal importance to both virus and economy there is no chance of ignorance. If the government ignores corona virus then lives will be cost and ignore the economy then the pandemic situation automatically created. ^[8]

Nobel laureates Abhijit Banerjee and Esther Duflo (Noble Prize winner in Economics) (2020) in their talk with The Economics Times mention that the government of India had taken the right step by timely lockdown the economy but there is an urgent need to put money in the hands of people who need it the most. Millions of People had lost their job in lockdown in such time food assistance alone will not suffice, they need a bigger incentive to stay at home. ^[9]

Growth projections for India (%) according to top organisation

Agencies	2020-21	2020-21 (Revised)
IMF	7.5	1.9
World Bank	7.5	1.5-2.8
ADB	7.3	Below 2
RBI	7.4	1.9
Fitch	7.1	0.8
Moody's	5.8	0.2

Source: The Hindu Business Line

All the organisation revises India's growth rate because of the COVID-19 pandemic. According to IMF projection, India's growth rate is 7.5% in 2020-21 and the revised rate is 1.9%. World Bank growth rate estimates 7.5% and the revised rate is 1.5%-2.8%. ADB (Asian Development Bank) projected below 2% from 7.3%. India's central bank RBI projected 1.9% from 7.4% earlier projection. Top rating agency Fitch and Moody's diminished India's growth rate projection 0.8% and 0.2% from 7.1% and 5.8%.^[11]

OBJECTIVES OF THE STUDY

The main objective of this study is outbreak of covid-19 and its impact on human resources and there are other objectives of this study which are directly and indirectly related to this study:

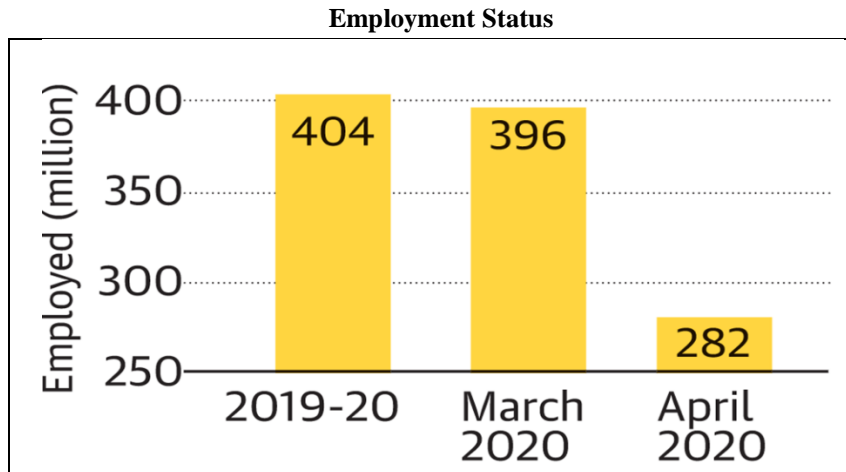
- I. To understand the impact of COVID-19 on the Indian Economy
- II. To study the impact of the current pandemic situation on human resources and employability.
- III. To provide suggestions for diminishing the negative effect on Indian Economy

RESEARCH METHODOLOGY

The descriptive and analytical study is used in this paper. The study is based on secondary sources of data like published articles in reputed journals, newspapers, e-sources and the relevant organisation publications (ICMR, CMIE, AIIMS, IMF, RBI, WHO etc.) relevant organisations provide a regular update, monetary help, strategy formulation, awareness and shows prospects of India post COVID-19.

IMPACT OF COVID-19 ON HUMAN RESOURCES

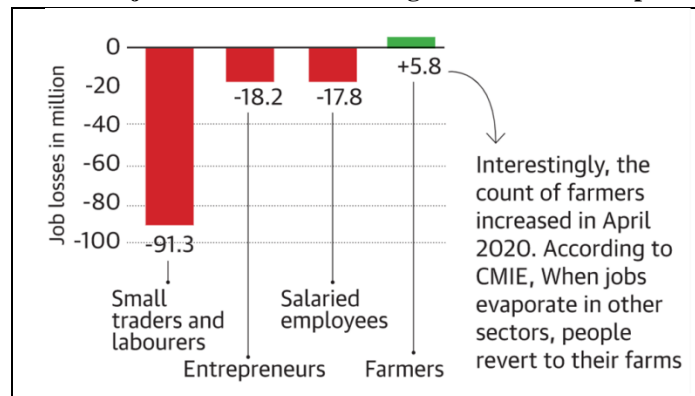
Covid-19 directly links up to human resources because due to Covid-19 number of people loses their job because everything is in lockdown all over the world.



Source: The Hindu (7 May 2020)

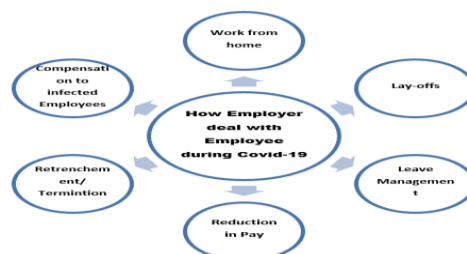
The world has been facing the biggest disaster of humanity since World War II. Almost every country has been affected by Coronavirus disease (COVID-19). The average employment has reduced from an estimated 404 million during 2019-20 to 396 million in March 2020. In April, it has come down to 282 million (122 million estimated job losses). The small traders and wage-labourers category have lost more than 90 million jobs in April 2020 compared to the 2019-20 average.

Sector wise job losses in India during the lockdown in April 2020



Source: The Hindu (7 May 2020)

Loss of human resources (job losses) is shown in the above figure in the different sectors. A significant number of salaried workers have too lost their jobs. According to the Centre for Monitoring Indian Economy (CMIE), around 90 million small traders and laborers have lost their jobs in the month of April 2020 and around 18 million salaried workers have lost their jobs in COVID -19. While the small traders who include hawkers may return to their work after the lockdown, but the salaried workers has found it difficult to get their jobs back. 18 million traders are estimated to have loose employment in April 2020. The average count of entrepreneurs was 78 million in 2019-20. This fell to 60 million in April 2020. CMIE report shows that large-scale loss of employment among business persons is an indication that the loss during the lockdown is not limited to just jobs but also enterprises. [12]



It is nearly impossible to estimate the global burden of chronic pain due to contraction in demand and supply. Generally, on the one hand, business houses are more worried about how to continue the business in Break-Even Point (BEP) immediately after this pandemic situation. If business downward swinging goes on, the business world is forced to lay off their employee, which ultimately harms society as a whole.

Work from home, layoffs, leave management, reduction in pay, retrenchment and termination, compensation to infected employees are some common ways in the relationship between employer-employee during lockdown, but work from home had been adopted by most of the businesses. The limitation of working from home is that it is not possible in every type of business. Some business has needed physical availability of employee.

SUGGESTED STEPS POST-COVID -19

There are some suggestions for post covid-19 situation such as:

- I. The government must loosen its fiscal restraint to help the economy stabilize, recover, and grow continuously because post lockdown economy will be a major concern.
- II. The employment rate in any country defines their growth rate, developing country like India's employment rate is not satisfactory, when lockdown lifted the government must foster investments in infrastructure – this is one of the fastest and most direct ways to create jobs.
- III. Reducing the tax compliance burden is critical; especially for small businesses, this is a good time to simplify payments and expand the net.
- IV. Governments can support businesses through digital payments by providing wage subsidies directly to workers' accounts. This will ensure that the workforce is recorded and registered, enabling the government to reach out to them, now and in the future. It will assist businesses to retain workers at a time of stressed cash flow.
- V. The government must enable universal access to social safety nets, including healthcare, maternity, and disability and pension benefits for all workers. Crises like this one not only underscore the need for healthcare, but such benefits can also help smooth consumption during times of distress and demand shocks.
- VI. Government should be given more liberty to states. All states take decisions independently according to their strength and weakness.

CONCLUSION

COVID-19 teaches us some lessons that we must make changes in our life for a better tomorrow. After going through the article, journals, reports, statements of big organisations (RBI, ILO, CMIE, WHO and other related authorities), it is concluded that huge loss of human resources and most of the companies do not have a post lockdown strategy to manage people and work. Returning to businesses operational health is extremely challenging, after a severe shutdown. We need an exit strategy or post-shutdown plan that protects our wellbeing even as it bolsters our economy. This research paper is concluded that a huge amount of human resources loss in India during the lockdown. We all know that human capital is the strength of our country, but in the last three months, the loss of human resources show a major impact on our economy. Growth rate prediction and data of related organisations tell us that we are 10 to 20 years back. Some suggestions are discussed in this research paper, now the government needs to think about how our economy gets back on track in upcoming years post-COVID -19.

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