

Implications of COVID-19 on Human Resource Practices: A Case of the Ghanaian Formal Sector

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To cite this article:

Delali Adonu, Yaa Amankwaa Opuni, Cedric Bobson Dorkenoo. Implications of COVID-19 on Human Resource Practices: A Case of the Ghanaian Formal Sector. *Journal of Human Resource Management*. Vol. 8, No. 4, 2020, pp. 209-214. doi: 10.11648/j.jhrm.201200804.11

Received: November 4, 2020; **Accepted:** November 19, 2020; **Published:** November 27, 2020

Abstract: Organizations and their human resources have to navigate through the harsh impacts of the novel coronavirus disease (COVID-19). Such external crisis requires dynamism of HR systems to deal with the growing concern of all sectors across the world and specifically, the Ghanaian formal sector and its employees. HR department serve as liaison between organizations and their human resources. As such, HR Officers need to ensure a balance between the gains of the parties in the employment contract. As the employer aims at maximizing profit the employee aims at maximizing satisfaction from the job. In attempts to guarantee that both parties are well served beyond the COVID-19 crises period, there is the need to reintegrate existing human resource practices and procedures. Moving beyond the crisis would require learning, innovation and adaptation. HR practices need to be modified, reestablished and practiced. In this article, we discuss challenges faced by employers and employees in the face of the pandemic and how these challenges can be mitigated through readjustment of HR practices taking into consideration the local Ghanaian context. The evidence calls for a quick response for HR departments to adjust HR practices to align with the crisis. We advocate for an empirical research in this area to aid long-term HR policy.

Keywords: COVID-19, Human Resource, Formal Sector, Ghana, MEP-Adjustment Model of HRM

1. Introduction

The coronavirus disease (COVID-19) caused by severe acute respiratory syndrome with a global spread, was first detected in Wuhan, China in December 19, 2019. The virus which spreads through contact with small droplets from an infected person has high mortality rate and has infected over 15.5 million people with more than 623,000 deaths worldwide [1]. In Africa, the virus has infected 770,258 with 16,446 deaths and in Ghana; 29,672 positive cases and 153 deaths as of July 2020 [2]. World leaders in response to the outbreak of the virus have established restrictions on travels, declared stay-home orders, shutdown, lockdown, facility closures and workplace hazard controls. The COVID-19 outbreak has resulted in the suspension and re-organization of a lot of economic and human resource activities, worldwide including recreation, manufacturing and education [3]. The pandemic has impacted key HR practices in the Ghanaian

formal sector. Both parties in the employment contract, the employee and the employer have been affected in jobs with regular hours of work and pay. The implications for employees and employers are espoused in further details.

2. Implications for the Employee

Employee productivity measured as the physical and mental presence and efficiency of a worker affects the employee's overall working conditions. Low employee productivity has disadvantages for the organization and the employee [4]. As Ghana suspended and re-structured services of a number of formal sector institutions in response to the COVID-19 pandemic, employee productivity was invariably affected. Employees were rationalized in some sectors while others including higher educational institutions have resorted

to telecommuting. The question then is what implication has staff rationalization and telecommuting got on employee productivity? Staff rationalization leads to widespread stress, increased pressure and reduced employee productivity as the same volume of work is performed by fewer workforce [5]. Benefits of telework evaporate when extended to every employee [6]. High productivity in remote work is situational. It requires the right workers, right state of mind and favourable external conditions. Many workers in the Ghanaian formal sector do not occupy roles well-suited for remote work while others who are not familiar with the effective use of information technology have challenges engaging in telework. High-stress and low-control associated with telework erode worker motivation and productivity. Slow internet connectivity makes normal task become cumbersome [7]. Mountainous areas in Ghana such as Amedzope in the Volta Region, Aburi in the Eastern Region, parts of Cape Coast with challenges in internet services experience slow pace of online work. Evidence in the Ghanaian setting has shown that the initial three-week lockdown period in Accra and Kumasi where public services and government agencies though remained opened had non-essential staff telecommuting lead to a 20% average decline in productivity [19].

Employee wellbeing has been argued by organizational psychologists as a mediator between working conditions and performance [9]. According to [10], employee wellbeing is a function of the work environment made up of job demands, workloads and complex tasks and job resources which constitute motivational potentials. Job demands more likely to result in stress and reduced performance [11]. The future of the Ghanaian formal sector lies in the health and wellbeing of workers. In an attempt to migrate to a digital economy in the face of the COVID-19 crisis, former sector workers resort to "always work" way of work in a remote fashion in the absence of informal chats and discussions, workplace ceremonies and coffee breaks. Meetings are fixed with an anytime-anywhere syndrome characterized by short deadlines with work extending beyond 14 hours [5]. The sudden proliferation of webinar makes employees restless with multiple tasks in isolations. Consequently, the absence of the usual social interactions could lead to depression, anxiety, insomnia, stress and some other psychosocial challenges [12], complications of work-life balance, weight gains, headaches, backaches and exhaustion [13].

In addition to the above, deferment of medical check-ups in scare of possible infections at health facilities, restrictions on religious and recreational activities are likely to affect employees' physical, emotional, spiritual and psychological wellbeing [6]. Infection risks at jobsites and facemask discomforts compromise the welfare and safety of the Ghanaian worker. Employee wellbeing also relates to their experiences outside the organization. Balancing work with social responsibilities at home, finding safe childcare and coping with livelihood pressures are added challenges to employees in Ghana, especially in the face of closure of schools for employees with children who they have to take

care of throughout the day. These experiences are likely to affect employee concentration and willingness to do overtime. Most affected groups are female employees who spend an average of 9 hours per day in unpaid care services [14].

Another important area of the impact of COVID-19 on the employee is career shock. A career shock is a disruptive event which is outside the control of the employee but affect his/her career with positive or negative impacts and at various intensities, frequencies and predictability is experienced by employees in pandemics [15]. Crises including COVID-19 pandemic can disrupt organizations and their human resources [16]. Organizations work under stress due to situational novelty, unclear shifting goals, unreliable information and ill-structured situations [17] which can cause sharp increases in employee layoffs. Employees in the Ghanaian formal sector experienced career shocks, promotions deferments, pay cuts and job losses. A survey conducted in selected state enterprises in Ghana indicates that 50% of employee have their promotions deferred in 2020 [9]. Also, comparing the service and the manufacturing sub-sectors, the service sector has 6% rate of promotions than manufacturing [19]. Some institutions offer promotions with retrospective effects, but this has loss-salary implications for the employee. Employees in this crisis are focused on retaining their jobs and may therefore cope with promotion deferments. The declaration of partial restriction in the Greater Accra Metropolitan Area saw many businesses in the formal sector closed down some branches with reduced hours of operation [19]. Export-led companies were compelled to close production lines due to bother closures. Job losses and salary reduction were experienced by 42, 000 and 770,000 workers in the formal sector respectively from March to August 2020. Wage reduction accounts for 25.7% of the total workforce in the country [8]. When employers experience the shocks of the pandemic, they click termination buttons [20]. Ill-fated to the employee, the Ghana Labour Act 651 (2003) is silent on how employment contracts should be severed in pandemics and the procedures for such layoffs.

Annual leaves which constitute longer breaks from work make employees manage a fit between work and beyond work activities as employees prefer paid leave than pay increases. Paid sick leave is an integral policy for protecting workers. Regulations on leave are stipulated by the International Labour Organization and national bodies [26]. The Labour Law of Ghana has provisions on leave. However, the law is silent on paid sick leave and the duration of such leaves. Various conditions of service and collective agreements of public services have provisions for sick leave but limited definition for non-unionized workers and private firms in Ghana. As government of Ghana did not declare closure of corporate institutions [9], employees could not stay out of work when they feel unsafe or unwell as the decision would affect their salaries. Without a medical report on the employee which qualifies him for sick leave, the employer has the discretion to administer leaves. Employers in consideration of revenue losses mostly limit leave

administration to the lockdown periods [22]. As infection rate for the coronavirus increases in Ghana, employees are rather obliged to be at work with their health and safety at risk.

3. Implications for the Employer

Supply shocks experienced in pandemics reduce employments and outputs, [3] conducted time series survey of historical pandemics on the rates of return and found out that pandemics reduce real rates of interest on capital. The contract between the employee and the employer requires that the employee contributes to return on investment and receive income. As employee productivity drastically fell in the COVID 19 pandemic, government revenue on direct production, service delivery and taxation are limited, revealing a domestic revenue loss of \$1 billion for Ghana in the mid-year 2020 [9]. Low productivity of labour has implications for both government and private employers. Restrictions on non-essential manufacturing operations caused an 84% average decline in domestic supply and revenue [19].

Decision making being a key responsibility of employers is challenged in crisis that acts as change triggers to the organization. Situational theories of leadership suggest that most rewarding style of leadership is one which changes with situations in the job environment [23]. Employers and agents are confronted with myriad of decisions that can guarantee business continuity in the midst of the novel coronavirus disease (COVID-19). As the pandemic has interrupted workflow in most sectors especially in education and health, managements and employers are challenged with decisions on dealing with service backlog and exigencies [19]. For example, as schools have closed down, educational authorities are confronted with volume of work that needs to be completed in the academic year. Online leaning options were engaged in the higher education sector to complete school curricular. The limitations in learning management systems still sustained service workload for education employers' deliberation [14]. Managements of the health facilities are overwhelmed with the increased patient care and testing capacity. There is much strain on the health sector to clear the service backlog brought by the crisis. Evidence has shown high prevalence of mental health problems (e.g depression, anxiety and insomnia) and stress among health workers [24] and employers are challenged to determine staff scheduling plans that can enable the welfare of the workers at the same time meet the exigencies of the health centres.

Management structures are not rigid and must be adaptable to changing environment and circumstances. The COVID- 19 pandemic has brought a new way for workplace management. The skepticism associated with the lag period of the pandemic and the disruption of human resource activities may require firms to restructure for business continuity [25]. Organizations restructure in response to economic downturns and changing nature of business to maximize profit. Best practices in restructuring offers better containment of the human resource through re-deployment, re-skilling and

attrition. The key challenge for employers is concerned with careful examination of how to make the organization stronger and recover without downsizing and reduced morale among employees [26]. Implementation of new technologies, recruitment and selection, remote working, staff rationalization, downsizing and its cost implications are key decisions that employers are challenged with as the COVID-19 has altered the structure of formal sector work.

The labour law is determined by juridical culture, unique to every state legal tradition. The physical world is branded with discrete conceptions of employment relationships that form in certain national systems and that reflects distinctions in economic conditions and legal cultures [22]. Working within the framework of Ghana's Laws, employers are enjoined to comply with contract of employment requirements on hours of work, remuneration and overtime payments, leaves and rest periods, health and safety. The labour laws impose restrictions on the employer to provide safe working condition for the employee. An employer who defaults is liable to a fine not exceeding GHc 12,000 (\$2,077.91) an imprisonment of not more than three years or both. These requirements constrain the employer in the crisis period [20]. The employer bears cost of procurement, utilities and operations to provide safety measures and is limited by legal requirements in taking decision on the contract in response to the pandemic.

4. The Way Forward for Effective Human Resource Practices in the Face of COVID-19

COVID-19 has moved the discussion about the future of work into the present emphasizing a long-term opinion that does not just rebuild from past models, but develops strategies that create resilience for future crises [26]. As the COVID- 19 pandemic has implications for the employer and the employee [18], it is necessary that working policies are modified to lessen the impact on both parties and how production or services can be sustained in the pandemic. Such policies should integrate existing work processes with innovative ones, amend operational strategies, redefine employee and customer safety, compliance with social distance, workplace COVID- 19 infection compensation and excepted employee productivity requirements.

Employers may temporarily amend the provisions of employment contracts for economic reasons or in an event of public nature, assigning different work scope where contracts contain force majeure clauses. Force majeure clauses permit parties in the employment contracts to consider alternative adjustments or termination of the contract were necessary [22]. Such clauses prevent the parties from being liable for failure to perform the obligations under the contract. In the event of the COVID- 19 pandemic, employers need to invoke force majeure clauses where applicable in the employment contracts. Necessary adjustments may be made to leaves, pays and other conditions in the contract to favour both parties.

Alternative approaches to reducing the effect of the COVID-19 pandemic is the movement from job specialization to generalized jobs. As employees attempt to diversify their skills, they are protected against high shocks that may result from job losses as options are available to consider alternative sources of employment if their skills are generalized than specific [27]. This perspective was experienced in the Atlantic in 2019 as the author described a technologically advanced naval ship with multitasked sailors rather than specialists [28]. The concept would require human resource managers to implement learning-focused activities that would be organizations- or task-specific and suitable for generalist work environment. Cross-training, job sharing, consulting, coaching and facilitation of a culture that encourages agile learning environment are also warranted.

Presentism considered as employees being physically present at the workplace but with limited productivity is common in the Ghanaian public sector [29]. In the outbreak, employers need to shift to the management of work processes to deliver results than motivating presentism. Human resource departments need to establish result monitoring systems to manage employees out of the office space. Employees can work remotely but deliver results than being monitored to be present in a brick-and-mortar office with attendance infection risks. This would keep track of employee productivity as much as possible and would ease the stress on the employee, employer and work facilities.

As employees log in remotely, HR function steps up to transform from the traditional work process to digital space. Employees should be supported with digital work platforms and infrastructure, software, data cards and laptops. Guidelines on management of remote workforce should be developed and circulated to employees. HR processes such as recruitment and selection, onboarding, training and development need electronic modifications. Also, appointments should be focused on tech-savvy talents who can perform in a digital workplace [5]. Existing staff should be trained on the usage of online work platforms. Existing evidence suggests adoption of flexible working from home options, as some jobs can be done from home, saves cost and risk in traveling [27].

Human resource departments need employee welfare and safety units to respond to COVID-19 and related welfare issues [6]. The safety units would ensure regular disinfection of offices, buses and other facilities to keep the employees safe. Procurement of face masks, handwashing kits, sanitizers need to be ensured and their usage enforced by the safety teams. The welfare units would respond to employees on variety of welfare issues within and outside the workplace; childcare, sleep time, timely meals, water therapy, workout and other tips for personnel wellbeing and offer necessary advice. Organizations need to consider stand-up meetings or make meetings brief, reports at meeting summarized and interesting to read. These efforts would ease stress on

employees and enhance their general wellbeing in the pandemic [12]. Human Resource departments can develop prosocial work practices which will promote employee social, physical and spiritual well-being to lessen the effects of burnout [29].

A crucial component of addressing the effects of the pandemic on the sector requires a critical assessment of the individual impacts on employees. Employees have experienced the pandemic differently. Whiles some workers have a career shock, livelihood shutters, others may experience little effect on their career but an avenue for spending time with family except for health implications [9]. Employee specific interventions are required to manage anxieties experienced by employees rather than generalized approaches.

Employee engagement which is a two-way communication between the employer and the employee [6] is key in making decisions on the way forward for both parties. When morale is low and jobs gets threatened in crises, leaders can boost employee motivation by frequently engaging employees [30]. Employee engagement should include accounting for their emotions and listening to their opinions. When employees are listened to and engaged in making decision that affect them, they turn to cope with the results of such decisions. Employee engagement is one key way formal sector organizations can manage their employees in this crisis. Crisis communication which refers to frequent discussions with employees on crises management options is important in response to the pandemic. Regular communication with team leaders and perspective taking should be a key consideration for employers. Employers and employees should demonstrate mutual empathy in the employment contract [23].

The outbreak of major pandemics noted in literature provide new face of communication and lessons. The COVID-19 challenges workplace safety and ability to communicate developments on the pandemic to employees can be disruptive to the organization. The objective of saving lives and the organization brings to the fore the need to provide timely information and feedback to employees on arrangements being made in response to the pandemic. Information update and feedbacks eliminate misrepresentations that could trigger a further spread of the virus. Employees are entitled to information on risk exposure [1]. Human resource departments or public affairs need to provide timely communication and feedback to employees on COVID-19 related issues in the workplace.

As human resource activities continue to adapt in the COVID-19 pandemic [5], we propose a MEP-Adjustment Model which contain strategies to support HR adjustments to the "New Normal". The model was developed on the assessment of the Ghanaian formal sector and human resource needs in the crisis. The proposed model is based on nine recommendations and classified into three chain of actions shown in Figure 1.

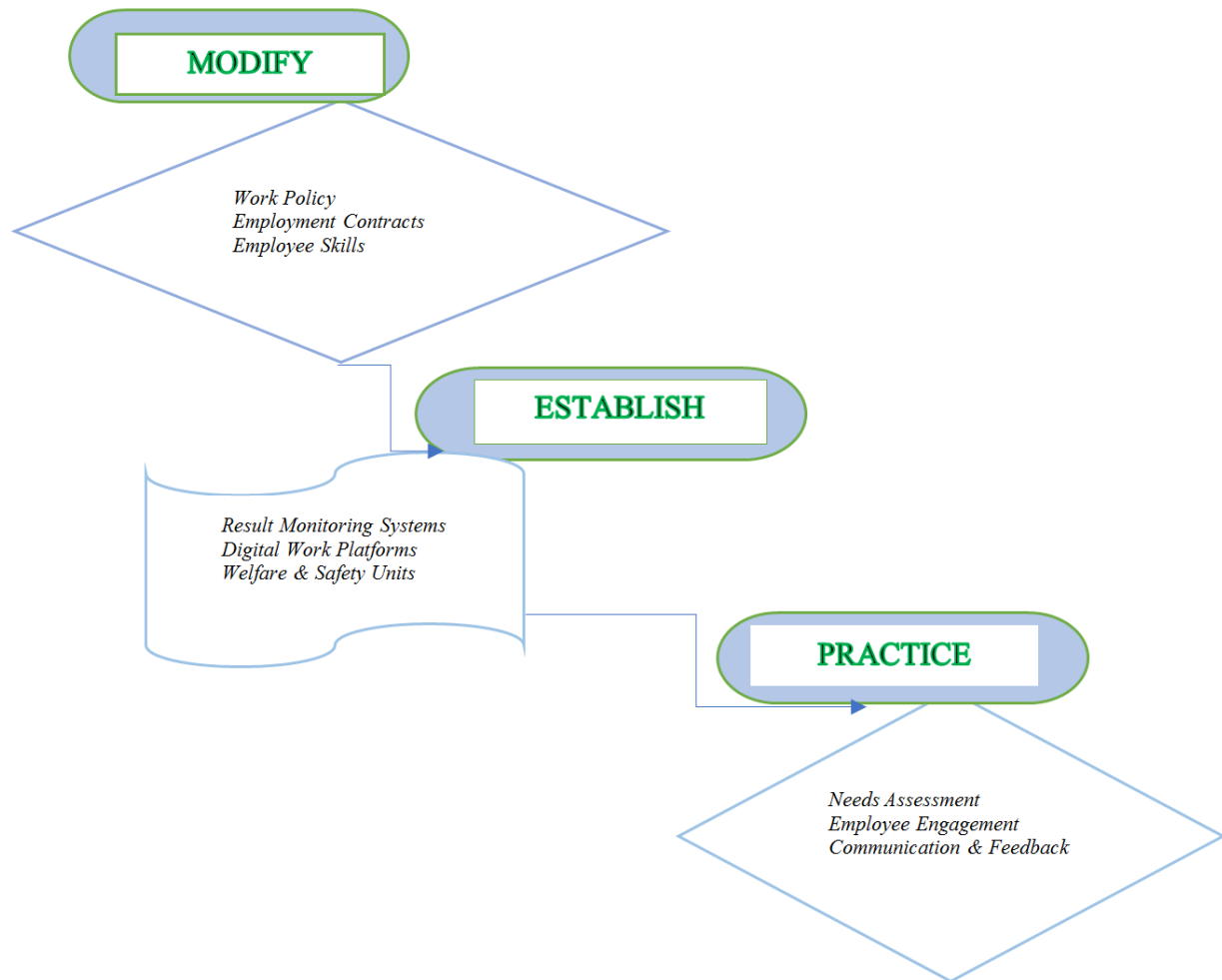


Figure 1. Proposed MEP-Adjustment Model of HRM.

The framework suggests update of existing HR practices and processes to guide HRM in various sectors in the midst of the pandemic.

5. Conclusion

The role of human resource departments is to serve as a mediator between the organization, the employer and the employee. HR managers are to perform their functions without being employee or employer prone but to ensure the welfare of both parties in the contract. Moving beyond the crisis would require learning, innovation and adaptation. As the impacts of the COVID-19 are not short-lived [31], it is necessary to adjust existing human resource practices to ensure a balanced share of the burden between the employer and the employee. Empirical research needs to be focused on the impact of COVID-19 on key HR policies, procedures and interventions across industries in Ghana to appropriately respond, cope and develop guidelines for policy and practice.

Disclosure Statement

No potential conflict of interest was reported by the author (s).

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