
Svetlana V. Makar
Financial University under the Government of the Russian Federation, Moscow, Russia.

Irada Talyatovna Rustamova
Russian University of Transport, Moscow, Russia.
Russian New University, Moscow, Russia.

Elvira N. Iamalova
Bashkir State University, Ufa, Russia.

Yulia Zufarovna Bogdanova
Northern Trans-Ural State Agricultural University, Tyumen, Russia.

Ilya P. Minakov
Bashkir State University, Ufa, Russia.

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Abstract

The purpose of this study is to analyze changes in human resource management practices in a pandemic using the example of insurance companies.

The study presents approaches to the main differences in the concepts “personnel management” and “human resource management”. Based on the analysis of secondary sources, the problems of human resource management in insurance companies in a pandemic were identified, and options for solving them were provided.

In the conclusion, the authors determined that in the context of the COVID-19 pandemic, the HR function in an insurance company should be implemented by leveling the problems that arise during the transition to teleworking, developing digital skills of employees and moral and psychological support and maintaining stable relationships, as well as applying measures to maintain and increase the level of staff involvement, strengthening control measures and changing internal communications.

Keywords

Introduction

With the spread of COVID-19, restrictive anti-epidemic measures are being introduced in the world. The introduction, cancellation, and any change of the conditions of anti-epidemic restrictions significantly affect the market situation in which enterprises are located. In particular, they are forced to change the mode of operation and internal regulations, which entails, among other things, economic losses.

As a result, in the field of personnel management, new problems arise and expand, associated with the hiring, remuneration, transition to teleworking, distribution of work tasks and control over their implementation, compliance with anti-epidemic rules in the process of work, and preservation of employee loyalty to the organization. Therefore, there is a need for new practices of personnel management (Bukhteeva et al., 2019; Rabadanova et al., 2020; Sekerin et al., 2018).

These problems do not remain “invisible”. The impact of the pandemic on the labor market and HR strategies is being actively discussed among researchers and practitioners (Akkermans et al., 2020; Caligiuri et al., 2020; Elsafy & Ragheb, 2020).

Consulting company Deloitte has conducted research on HR strategies for recovering from COVID-19 (Deloitte, 2020). The Aarhus University (Denmark) has conducted research on expectations regarding the impact of the pandemic on business and, as part of the release of the report (University, 2020), assessed new human resource (HR) management practices during the COVID-19 pandemic. The SHRM (Society for Human Resource Management) has conducted a study of the impact of the COVID-19 pandemic on employer behavior (SHRM, 2020).

Various researchers in the field of sociology, economics, and management (Gigauri, 2020; Hite & McDonald, 2020; Vnoučková, 2020) argue that the existing practices of personnel management do not consider all the challenges faced by enterprises in the current situation, whereas a successful response to these challenges will ensure stability in the functioning of enterprises and mitigate the consequences of anti-epidemic restrictions for organizations and workers.

Now, developments concerning the transformation of personnel management practices in a pandemic are just beginning to appear (Arora & Suri, 2020; Yawson, 2020). Due to the short period that has passed since the problem arose, they are limited by the experience of certain companies or industries, have an overview character, or are aimed at purely applied purposes. However, successful adaptation to new conditions of labor organization requires
a systematic approach. Thus, there is a growing need for research that will provide a scientific basis for changes in HR management practices.

According to researchers (Costa Dias et al., 2020; Gurinovich, Smirnikova, 2021), the epidemic threat and the need to comply with anti-epidemic restrictions can last up to two years. Ineffective labor management during such a period will cause significant damage to enterprises and also have negative economic, social, and psychological consequences for workers. Thus, the issue of changes in the practices of personnel management is acutely relevant in modern conditions.

**Literature Review**

Today, the term “HR management” is more popular than “personnel management”. This is due to the awareness of the economic feasibility of investing in a person, and focus on the development of their abilities and skills. In the developed countries, the concept “staff” was gradually replaced by the term “personnel”, and at the end of the 1970s, the concept “HR management” became widespread in management theory, which aroused great interest among both management theorists and practitioners (Dudin et al., 2019).

The main differences in the concepts of “personnel management” and “HR management” include the following (Table 1).

**Table 1 Approaches to the main differences in the concepts “personnel management” and “HR management”**

<table>
<thead>
<tr>
<th>Source</th>
<th>Differences</th>
</tr>
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</table>
| (Albrecht et al., 2015) | • HR management is focused not on the needs for personnel in general but the needs for a specific workforce  
                            • Personnel management considers the potential of the organization involved, while HR management considers personnel in terms of existing and new jobs |
| (Mariappanadar, 2003)  | • In personnel management, passive is applied, and in HR management – an active personnel policy  
                            • Under HR management, an integrated personnel management system is created, and personnel management involves the implementation of personnel policy by the personnel management service |
| (Vardarlıer, 2016)     | • Personnel management, unlike HR management, is not interested in long-term investments in human capital  
                            • The personnel management system is focused on collective values, HR management – on individual work with personnel |

The main differences between the concepts “personnel management” and “HR management” are in relation to various management concepts to such issues as the role in
the management of the organization, the emphasis in implementation, the subject of focusing efforts, conflict resolution, attitudes towards change, and the like. The main goal of the HR management function, regardless of the interpretation of the term, remains to ensure the success of the company through the development of its employees – HR (Clarke, 2011).

Today, the recognition of HR as key factors of enterprise competitiveness presupposes the use of a strategic approach to their management, which increases the management function from the administrative level to the level of a strategic business partner, defining strategic partnership as the central factor (core) of the formation of the enterprise’s HR system (Macke & Genari, 2019).

The analysis of scientific research indicates that certain issues related to modern trends in HR in the context of the COVID-19 pandemic have not been sufficiently studied.

The hypothesis of the study: in the context of the COVID-19 pandemic, the HR function in an insurance company should be implemented by leveling the problems that arise during the transition to telecommuting, developing employees’ digital skills and moral and psychological support, and maintaining stable relationships, as well as applying measures to maintain and increase the level of involvement personnel, strengthening control measures and changing internal communications.

The objectives of the study:

- To identify the problems of HR management in insurance companies in a pandemic;
- To provide options for solving the problems faced by the HR management system in insurance companies in a pandemic.

The study consists of an introduction, literature review, methods, results, discussion, and conclusion.

**Methods**

Data for this study was taken from a review of secondary sources. The source base was analytical reviews, as well as research by scientists on changes in HR management practices in a pandemic.

The source base of the study was represented by two bodies of literature.
The first is the studies aimed at studying the problems of HR management in a pandemic.

The second consists of studies aimed at analyzing options for solving the problems faced by the HR management system in a pandemic.

Results

Based on the analysis of foreign practices (Chawla et al., 2020; Dirani et al., 2020; Savić, 2020), we identified the problems faced by the HR management system in insurance companies in a pandemic (Table 2).

<table>
<thead>
<tr>
<th>№</th>
<th>Problem</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td>1</td>
<td>Transition to teleworking</td>
<td>Among the reasons for the transfer of employees to teleworking are orders from the authorities and/or top management, the desire to prevent the spread of the disease, the inability to get to the workplace due to traffic restrictions, and the internal logic of the organization’s development. Some companies implemented it partially or completely even before the start of the pandemic, while others were faced with the complication and increase in the time to complete their work duties or the complete impossibility of remotely performing certain tasks (Savić, 2020). At the same time, company leaders did not notice significant changes in employee productivity, and temporary reductions in the speed or quality of work tasks were associated with psychological state or technical difficulties and were overcome without serious consequences. Interestingly, at the same time, half of the workers who were transferred to teleworking reported a decrease in their own labor productivity (Savić, 2020). This marked difference in ratings is due to different perceptions of the situation by workers and managers, and here we notice an important problem for further research in this area.</td>
</tr>
<tr>
<td>2</td>
<td>Technical difficulties of introducing teleworking</td>
<td>A separate problem associated with the need to provide workers with a workspace outside the office, appropriate devices and software products, high-quality communication, and maintaining the confidentiality of business information and communication. Company leaders sought to take responsibility for resolving this issue by providing employees with a specially equipped workplace at home or in the office in compliance with anti-epidemic measures. If the physical presence of workers at the workplace was necessary, they were provided with personal protective equipment and disinfectants. The principle of spatial placement or work schedule was changed in such a way as to reduce contacts. Thus, the provision of personal protective equipment and the delivery of the necessary equipment from the office were also included in the list of the most frequent measures taken by the management in the Bugugu company, and similar principles for organizing the physical presence of workers at the workplace were applied in the Gugubu company (Dirani et al., 2020).</td>
</tr>
</tbody>
</table>
3 Unpredictability of actions of the authorities

A factor that significantly complicates management in general and, in particular, HR management, is the unpredictability of the authorities’ actions in relation to the introduction, cancellation, and change of the conditions of anti-epidemic restrictions, namely the associated uncertainty of the conditions for the functioning of companies in the near future. It is noted (Chawla et al., 2020) that the lack of reliable information about anti-epidemic restrictions, state and management plans, about a unified and integral strategy of state policy complicates the planning of work tasks and the schedule of subordinates, interaction with clients and partners, the development of management strategies, etc.

4 Situation of uncertainty

The lack of a clear understanding of the further deployment of both the pandemic itself and anti-epidemic measures is another serious challenge in HR management. The situation of uncertainty reduces the prospect of strategic planning and limits the motivation of decisions only to the present moment.

5 Need to adapt to new conditions

It contributes to the emergence among employees of a feeling of insecurity in their work and distrust of management and, therefore, has a high potential for conflict, which can lead to additional complications. It is a possible incentive for professional development, search, and discovery of new methods of work. Among the positive consequences are improving the technical support of the company, increasing the digital literacy of employees and mastering new skills, and establishing contacts with colleagues from other cities and countries. Due to these effects, company leaders are ready to use some new practices even after the anti-epidemic restrictions are lifted (Chawla et al., 2020).

Discussion

Let us consider options for solving the problems faced by the HR management system in insurance companies in a pandemic.

Leveling the Problems Arising During the Transition to Teleworking

When transferring employees to teleworking, the employer must provide the necessary technological solutions, implement the following measures:

- Implement a program in the field, with the help of which each employee can work remotely.
- Prepare in advance service notes on the work of all key corporate systems and applications that help employees to effectively organize their work.
- Guarantee the flexibility of IT resources, which makes the new format more efficient.
- Provide remote management of IT resources (servers, IT support line, copy commands).
- Corporate mail is installed on each work computer and in the employee’s mobile phone, which guarantees secure connection of all company systems and information resources.
- Corporate mobile Internet with unlimited traffic allows to provide high-quality communication outside the office.
- Use of the resources of Google, Skype, and Zoom, providing teleworking.

Development of Digital Skills of Employees

To ensure the development of digital skills of employees:

- Opportunities are provided to develop the technological skills of employees through corporate initiatives such as Digital Upskilling.
- “Be Well, Work Well” programs are involved, which support a healthy lifestyle of employees and their balanced development, available on the Internet. In particular, a hotline of psychological support is being introduced for employees, as well as virtual yoga classes twice a week.
- Free access to the corporate library is provided.

Moral and Psychological Support and Maintaining Stable Relationships

The heads of insurance companies (Spurk & Straub, 2020) note that anti-epidemic restrictions either did not affect informal relations in any way or contributed to team building. Habitual relationships with colleagues, psychological and practical support helped to adapt to changes, and overcome fears of uncertainty or illness, depriving managers of the need to take additional measures to manage personnel during the adaptation period. Some sources (McGuire et al., 2021) emphasize the importance of the psychological state of workers for their ability to perform work duties in the long term. In their opinion, the disruption of the balance of work and free time due to work at home, changes in the workload and the vacation schedule in the near future can cause exhaustion and professional burnout of workers.

Measures to Maintain and Increase the Level of Staff Involvement

Among them, the most common can be: regular polls and online meetings – this allows the company to better assess the emotional state of the employee and better understand their problems. At the same time, the HR manager needs to monitor the entire life cycle of the
employee, understand what happens to them daily and weekly, and at what stage of the
execution of orders they are. Push polls and focus groups can be used to establish this. It is
also possible to get feedback and evaluate the efficiency of employees’ work in the process
of adaptation to variable conditions (Bierema, 2020).

**Strengthening Control Measures**

The demand for applications for the control of telecommuters is growing rapidly around the
world. According to their principle of work, the employee from time to time takes a camera
on a laptop and sends a photo to the manager. If necessary, the management can
independently connect to the video camera of an employee and find out what they are doing.
To control employees at home, the company began to actively use ZOOM conferences.

**Change of Internal Communications**

The company’s management must regularly make video calls on the network to understand
the current situation, exchange experience, and promptly resolve issues. We need constant
communication for employees with updated recommendations to change the situation. It is
important to be able to provide feedback through a special channel to collect feedback and
suggestions from employees of the organization. One also needs to adhere to the general
recommendations for the prevention of coronavirus. Company employees are introducing
rules of conduct to address the spread of coronavirus infection.

Several important recommendations will help employees overcome the fear of emotional
burnout, help support labor productivity and accelerate their adaptation to variable factors
in their work (Carnevale & Hatak, 2020):

1. Leaders should always know how to best discuss sensitive topics related to the
COVID-19 pandemic, including: alternative ways of doing work, job security and
prospects, changes in headcount, additional workload for each employee.
2. Striving for a two-way constructive dialogue. Leaders should conduct personal
conversations with their subordinates (including online) to learn about their existing
experiences, develop measures to deprive them of negative emotions and make it
clear that the situation that has developed in the company is completely controlled
and there is no need to worry about it.
3. Emphasis on the importance of the work of each employee. Having clear goals and
regularly communicating about changes will help employees focus, maintain energy
and focus. An HR manager can help department managers demonstrate the impact
of each employee’s work on the success of the entire organization. For employees
to work with full dedication, it is necessary to provide them with an understanding of their own role in achieving the effectiveness and success of the company (Cherkesova et al., 2020; Paptsov et al., 2020).

4. Reward the success of each employee. The COVID-19 pandemic negatively affects the quality of employee engagement, so managers need to recognize the success of each employee, which will motivate implementers and serve as an example for others. One can encourage not only in monetary form, but also psychological: providing opportunities for professional development, small bonuses, or public gratitude. Managers can provide employees with the opportunity to upgrade their skills if they need it. This factor will form the staff’s desire for professional growth.

5. The importance of innovative development. During periods of uncertainty in the external environment of influence on the activities of organizations, managers have a feeling of fear and danger before introducing something new, so they try to avoid risks as much as possible. However, these are times when one needs to make the boldest decisions and continue to innovate to improve employee engagement and organizational success in the industry.

Conclusion

The following conclusions can be drawn.

The COVID-19 pandemic is impacting the HR management of insurance companies. Uncertainty of the situation, the possibility of losing a job, switching to a remote mode, and other socioeconomic factors led to deterioration in the emotional state and a decrease in the efficiency of personnel. It is during this period that it is important to inform employees that their activities are stable and the company continues to work as usual. To do this, it is worth engaging an HR manager who will help keep in touch with colleagues and subordinates so that they have the opportunity to share their experiences and difficulties and jointly find the best solution to get out of a difficult situation. Applying technological methods and paying attention to the emotional component, it is possible to provide conditions for increasing the efficiency of personnel at a stable level.

Social responsibility businesses and companies that remain human and consumer-focused and make appropriate digital decisions are well placed to tackle the current coronavirus crisis. Teleworking can develop into new mindsets, habits, and styles that we all have to embrace. Transparency of work, empathy, trust in people, cooperation, caring can also be new skills for it.
At the same time, policy decisions should focus on both health measures and economic support. For example, proactive, integrated, and coordinated policies need to be implemented promptly to ensure employment support by stimulating labor demand. As events move rapidly, close monitoring of the direct and indirect consequences of all interventions is critical to ensure that policy decisions meet current needs.

The results of the study confirmed the hypothesis that in the context of the COVID-19 pandemic, the HR function in an insurance company should be implemented by leveling the problems that arise during the transition to teleworking, developing employees’ digital skills, providing moral and psychological support and maintaining stable relationships, as well as applying measures to maintaining and increasing the level of employee engagement, strengthening control measures and changing internal communications.

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