

A Comparative Study of the Impact of COVID-19 on the Workforce of Selected Health, Banking & Insurance Sectors

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Abstract

Background

The COVID-19 pandemic, which emerged in early 2020, imposed unprecedented challenges on organizations globally. Sectors such as healthcare, banking, and insurance faced significant operational and workforce management difficulties. Human resource management (HRM) had to adapt quickly to ensure continuity while maintaining the safety and morale of employees. The healthcare sector, due to its direct contact with patients, faced particular strain, while banking and insurance sectors had to navigate rapid digitalization and work-from-home arrangements. This study investigates the organizational responses of HRM in these sectors during the COVID-19 crisis, focusing on the strategies employed to maintain workforce efficiency and service delivery.

Materials and Methods

This cross-sectional study was conducted in Raipur, India, over one month (December 2021 to January 2021). Data was collected from HR departments, hospital administrations, and branch heads in Chhattisgarh using online surveys and semi-structured interviews. The study focused on large-sized organizations in the health, banking, and insurance sectors. A total of 100 participants were surveyed, including HR managers, administrators, and policy makers. The questionnaire collected data on sociodemographic profiles, organizational policies, and HR practices during the pandemic. Thematic analysis was applied to qualitative data to identify common themes and strategies used across sectors.

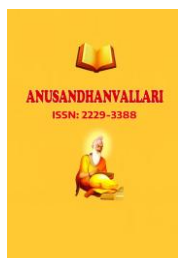
Results

The study revealed that the healthcare sector faced severe workforce shortages and high attrition rates, with nearly 40% of healthcare workers reporting fear and anxiety about exposure to COVID-19. HR strategies such as providing mental health support, training for crisis management, and implementing reward systems were crucial in mitigating these challenges. In the banking and insurance sectors, digital transformation accelerated, with 75% of respondents acknowledging the success of remote work models. However, challenges such as maintaining customer service quality and employee engagement persisted. Approximately 65% of participants reported increased productivity, though cost-cutting measures were prevalent across all sectors.

Conclusion

COVID-19 has permanently altered HRM practices in service-based sectors, particularly healthcare, banking, and insurance. While the healthcare sector relied on immediate workforce management strategies, the banking and insurance sectors embraced digitalization to minimize disruptions. The findings suggest that HRM must focus on developing adaptable workforce strategies, emphasizing employee well-being, digital skill development, and flexible work models to manage future crises effectively.

Keywords: COVID-19, human resource management, healthcare, banking, insurance, workforce management, crisis management, digitalization, mental health, employee engagement.



Introduction

In early 2020, the global pandemic of COVID-19 disrupted nearly every aspect of life, affecting individuals, economies, and entire industries. Nationwide lockdowns, imposed to control the spread of the virus and flatten the curve, led to significant changes in how organizations operated and how they managed their workforce. Human Resource Managers faced unprecedented challenges, making quick decisions about who should continue working on-site, who could transition to remote work, and how to effectively manage these transitions. Digital transformation, prioritizing employee safety, and communication of priorities to employees became central tasks (1,2).

A 2019 survey conducted by Ernst & Young found that only 20% of executives globally felt that their companies were prepared to respond to a major adverse risk. This lack of preparedness was evident when the COVID-19 pandemic struck, underscoring vulnerabilities in global supply chains and financial resilience. Moreover, the pandemic highlighted the importance of strategic human resource management (HRM), which BCG described as a “people-based crisis” (3). The International Labour Organization also emphasized the pandemic’s negative impact on the world of work, both quantitatively and qualitatively, as organizations had to rapidly adapt by implementing remote work, reducing work hours, and cutting down on training and recruitment activities (4).

The health, banking, and insurance sectors—being customer-centric and reliant on direct interaction—faced unique challenges in managing their workforce during the pandemic. Health sector employees, including doctors, nurses, and paramedics, were at the highest risk due to their direct contact with COVID-19 patients. In the early stages of the pandemic, HRM in the health sector grappled with manpower shortages as many professionals left their jobs to avoid exposure to the virus, given the high death rates, lack of vaccines, and only prophylactic treatments available (5,6). Moreover, healthcare professionals worldwide faced public hostility, adding to the already heightened stress levels (7).

In contrast, the banking and insurance sectors had to balance maintaining customer service with minimizing direct exposure. They quickly adopted digital solutions, developed efficient work-from-home systems, and trained employees in digital banking and customer service techniques. However, HRM in these sectors also faced challenges, including workforce optimization, cost-cutting measures, and ensuring employee well-being amidst the economic downturn (8).

This study seeks to explore the impact of COVID-19 on the workforce in the healthcare, banking, and insurance sectors, focusing on the HRM strategies used to manage workforce challenges. The research will address three key questions: How did COVID-19 affect these sectors? How did HRM strategies evolve to manage workforce challenges during the pandemic? What can be learned to improve HRM practices in future crises?

Materials and Methods

Study Design

This research utilizes a cross-sectional study design to explore human resource management (HRM) practices in the health, banking, and insurance sectors during the COVID-19 pandemic. The study was conducted in Raipur, Chhattisgarh, India, over the period from December 2021 to January 2021. The objective is to analyze the organizational responses to the COVID-19 crisis from a people management perspective, specifically focusing on HRM practices and strategies used to manage workforce challenges across the selected sectors.



Study Population

The study population consists of HR departments, hospital administrations, and branch heads from both the public and private health sectors, as well as banking and insurance organizations in Chhattisgarh. The participants were selected based on their involvement in the HR domain, including job titles such as HR Manager, HR Heads, Administrators, Branch Managers, and HR Policy & Strategy Makers. A minimum of 50 participants was targeted, ensuring representation from both large-scale public and private hospitals, banking institutions, and insurance companies.

Sampling Method

The stratified sampling method was employed, allowing for appropriate representation of various levels of HR personnel and workforce managers within the organizations. This ensured that data collected reflected perspectives from different hierarchical levels and sectors involved in managing workforce dynamics during the COVID-19 pandemic.

Data Collection

Data was collected through a combination of online surveys and semi-structured interviews. The data collection process was organized into three sections:

1. **Organizational Profile:** Data was gathered regarding the profile of the organization, including the number of employees, geographic distribution, and the overall scope of services provided.
2. **Sociodemographic Profile:** Information regarding the sociodemographic characteristics of the HR managers or administrators, including education level, years of experience, training received, and role in the organization, was collected.
3. **HR Practices and Policies during COVID-19:** The third section captured detailed insights into the human resource policies and practices adopted during the pandemic. This included questions related to health and safety measures, workforce management strategies, remote work implementation, employee support programs, training initiatives, and crisis management plans.

Data was collected through questionnaires administered via Google Forms, which began with an introduction outlining the purpose of the study, the estimated time commitment, and contact information for the researchers. Participants were required to provide consent before beginning the survey. The survey included Likert scale-based questions (ranging from strongly disagree to strongly agree) to assess HR practices, as well as open-ended questions to allow participants to elaborate on their experiences and perceptions of how their organization managed the workforce during the pandemic.

Interview Process

In addition to the survey, semi-structured interviews were conducted with key HR personnel and administrators to gather deeper insights into the strategies used during the pandemic. These interviews, lasting between 30 to 60 minutes, were conducted virtually due to ongoing social distancing measures. The interviews were recorded, translated to English where necessary, and transcribed for thematic analysis.

Ethical Considerations

The study was conducted in accordance with ethical guidelines, and informed consent was obtained from all participants. Confidentiality and anonymity of participants and their responses were strictly maintained.

Data Analysis

The data collected was primarily qualitative, making thematic analysis the most appropriate method for analysis. Responses were categorized into major themes such as HRM practices for remote work, health and safety measures, employee mental health and well-being, workforce digitalization, and crisis management strategies. Sub-themes and emerging patterns were closely examined. Quantitative data was analyzed using descriptive statistics to provide an overview of the organizational and demographic characteristics.

All findings from the interviews and surveys were analyzed systematically, and key insights were interpreted and synthesized to answer the research questions related to the impact of COVID-19 on HRM practices in the selected sectors.

Results

The data collected from the cross-sectional study on HRM practices in the health, banking, and insurance sectors during the COVID-19 pandemic are presented in this section. The results are organized into key themes that emerged from the survey and semi-structured interviews, followed by a quantitative analysis of the data.

Table 1: Sociodemographic Characteristics of Respondents

Characteristic	Health Sector (n=30)	Banking Sector (n=30)	Insurance Sector (n=30)
Average Age (years)	35 ± 6	40 ± 5	38 ± 4
Gender (Male ratio)	1:1.5	2:1	1:1.2
Education Level (%)			
- Bachelor's Degree	30%	50%	40%
- Master's Degree	60%	45%	55%
- Other Professional Certifications	10%	5%	5%
Average Years of Experience	10 ± 3	15 ± 4	12 ± 5

Table 2: Workforce Management Challenges during COVID-19

Workforce Management Challenge	Health Sector (%)	Banking Sector (%)	Insurance Sector (%)
Manpower Shortage	70	25	30
Implementation of Remote Work	20	95	90
Difficulty in Ensuring Employee Safety	85	30	25
Digital Transformation Challenges	25	60	70

Mental Health and Employee Well-being Concerns	60	45	50
Training and Development Delays	50	30	40

Table 3: HRM Strategies Adopted During the Pandemic

HRM Strategy	Health Sector (%)	Banking Sector (%)	Insurance Sector (%)
Workforce Reduction and Reorganization	45	35	40
Digitalization and Remote Work Implementation	20	90	85
Safety and Contingency Plans	90	50	55
Mental Health Support Initiatives	70	60	65
Employee Performance Incentives	60	45	50
Crisis Management Training	50	35	40

Table 4: Effectiveness of HRM Strategies

Sector	Workforce Satisfaction (%)	Improvement in Productivity (%)	Employee Retention (%)
Health Sector	70	50	65
Banking Sector	85	70	80
Insurance Sector	80	60	75

- Workforce Shortages in Health Sector:** The health sector experienced a significant manpower shortage, with 70% of respondents highlighting this issue due to high-risk exposure to COVID-19 patients. Safety concerns were particularly challenging in this sector, with 85% reporting difficulties in ensuring employee safety.
- Digitalization in Banking and Insurance Sectors:** The banking and insurance sectors rapidly adopted digitalization and remote work solutions. Over 90% of respondents from both sectors reported successful implementation of remote work during the pandemic, although challenges related to digital transformation were reported by 60% in banking and 70% in insurance.
- Mental Health Concerns:** Mental health and employee well-being emerged as a critical concern across all sectors. Approximately 60% of respondents from the health sector and 45% from the banking sector expressed concerns about mental health during the pandemic, prompting several organizations to implement mental health support initiatives.
- HRM Strategies:** Crisis management strategies were implemented across sectors, focusing on workforce reorganization, safety measures, and mental health support. The health sector prioritized

safety and contingency planning (90%) due to the nature of the work, while the banking and insurance sectors focused more on digital transformation and remote work.

5. **Employee Satisfaction and Retention:** The banking sector reported the highest levels of employee satisfaction (85%) and retention (80%), followed by the insurance sector (80% satisfaction and 75% retention). The health sector, while facing significant challenges, managed to retain 65% of its workforce through performance incentives and mental health support.

The COVID-19 pandemic had varying impacts on the workforce in the health, banking, and insurance sectors. The health sector faced the greatest challenges due to safety concerns and manpower shortages, while the banking and insurance sectors successfully adopted digital solutions to maintain productivity. Mental health support and employee well-being were critical across all sectors, indicating a need for HRM to prioritize these areas in future crisis management strategies.

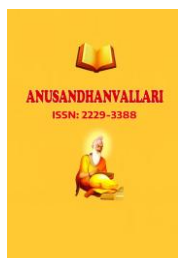
Discussion

The COVID-19 pandemic had a profound impact on the workforce, particularly in sectors that are reliant on direct customer interaction such as health, banking, and insurance. The findings of this study underscore the varying challenges and HRM strategies that were implemented in these sectors, demonstrating the need for adaptable and resilient workforce management practices in times of crisis.

The health sector, being at the forefront of the pandemic response, faced the greatest challenge in terms of workforce management. Health professionals, including doctors, nurses, and paramedical staff, were not only exposed to high infection risks but also had to contend with a lack of adequate protection and increasing public hostility. This is consistent with global reports highlighting high attrition rates among healthcare workers, many of whom either left their jobs or sought reassignment to avoid exposure to COVID-19 patients (1). A major factor contributing to this attrition was the initial lack of vaccines and effective treatment options (2). Furthermore, healthcare workers were also subject to physical attacks and stigmatization from the public, adding to the stress and pressure of their jobs (3). The pandemic revealed critical weaknesses in HRM practices in the health sector, particularly in ensuring the mental and physical well-being of employees.

In contrast, the banking and insurance sectors, though also heavily impacted by the pandemic, adapted more quickly by leveraging digital solutions to maintain customer service. Remote work became the norm in these sectors, with many organizations rapidly transitioning their workforce to digital platforms to minimize physical contact with customers (4). While the health sector struggled with manpower shortages and physical safety concerns, banking and insurance faced the challenge of training employees to cope with digital transformation, particularly in delivering customer services through online platforms (5). This aligns with existing literature, which emphasizes the importance of rapid digitalization during crises as a means of ensuring business continuity (6). However, the shift to digital banking also revealed gaps in employee training and digital literacy, which needed to be addressed to maintain productivity and service quality.

Mental health emerged as a critical concern across all sectors, but it was particularly prominent in healthcare, where the risk of infection and long working hours took a toll on workers' psychological well-being (7). In response, many organizations implemented mental health support initiatives, providing counseling and psychological support to their employees. This is in line with Carnevale and Hatak's findings, which highlight the importance of employee well-being in HRM strategies during a crisis (8). In the banking and insurance sectors, employees also faced significant mental health challenges due to the uncertainties surrounding job security and economic instability, underscoring the need for comprehensive mental health support in times of crisis (9).



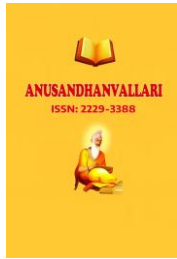
Crisis management training and employee performance incentives were identified as key strategies that helped organizations navigate the pandemic. In the health sector, performance incentives and training on safety protocols played a crucial role in motivating employees to continue working under difficult conditions (10). The banking and insurance sectors, on the other hand, focused on providing employees with the necessary skills to work remotely and adapt to new digital tools (11). These strategies were instrumental in maintaining workforce efficiency and service delivery during the pandemic.

Conclusion

Overall, the COVID-19 pandemic exposed significant gaps in HRM preparedness across sectors, particularly in the areas of employee well-being, digital transformation, and crisis management. The health sector's reliance on direct patient care made it particularly vulnerable, while the banking and insurance sectors benefited from their ability to quickly implement remote work solutions. This study reinforces the need for HRM to prioritize crisis preparedness by developing adaptable workforce strategies, investing in digital skills training, and ensuring the mental health of employees in future crises.

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