PERSPECTIVES FOR EMPLOYEES IN COMPANIES THROUGH STRATEGIC COVID-19 CRISIS MANAGEMENT

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Abstract: *The COVID-19 pandemic has quickly developed into a crisis that has now assumed considerable proportions. All companies find themselves in an exceptional situation in which management is challenged to maintain business operations on the one hand and to conduct effective and efficient crisis management on the other. Against this backdrop, successful crisis management is indispensable for the leadership of employees, because it is only through efficient human capital that a company can be led safely through crisis situations and remain efficient. Only successful human resources crisis management will determine how quickly companies and their employees will recover after the crisis.*

Keywords: *crisis management, human resource management strategies, employee retention*

1.INTRODUCTION

In December 2019, the COVID-19 virus broke out for the first time in Wuhan in China and subsequently developed into a global pandemic (World Health Organization 2021). Because of its intensity, this crisis is often referred to in the media as the "crisis of the century" (Mayer 2020). The COVID-19 pandemic poses significant challenges for companies. Companies often react to unexpected

financial losses as a first step by reducing their workforce. For example, MAN cut about 3000 jobs in 2020 (ZEIT 2020) or Lufthansa cut about 22000 jobs (ZEIT 2020a).

With this knowledge, the employees of companies also encounter a corporate crisis and react either with dismissal or resignation. Both are equally detrimental to the company in addition, as the company thereby lacks valuable human capital and know-how during the crisis and especially the upswing expected after the crisis. Therefore, companies should always pursue long-term instead of short-term goals in order to be able to survive crises like the COVID-19 pandemic at all. Against this backdrop, it is essential to have a qualified human resources management system that succeeds in motivating employees in times of crisis and retaining them in the company. In most companies, times of crisis come to an end at some point, but by then the best employees are already missing, so that recruiting and training new employees is ultimately more cost-intensive than the supposed potential savings from staff reductions or strategies for employee retention.

The objective of this research article is to identify strategies and tools for companies to retain employees during the COVID-19 crisis. From the formulation of the objective, the following research question can be generated:

-What management strategies and associated retention tools can be used as helpful approaches to weather the COVID-19 crisis?

Based on the research question, the following hypothesis can be formulated:

- Management strategies and associated tools can help prevent employee downsizing during the COVID-19 crisis.

To answer the research question as well as the hypothesis posed, the research article follows the procedure below: Initially, the behavior of managers and employees during the COVID-19 crisis is analyzed. In the continuation, management strategies and related tools are highlighted, where ethics, values and

corporate communication are also examined as possible success factors to overcome the COVID-19 crisis. The research article concludes with a final consideration that answers the research question as well as the hypothesis posed.

2. CRISES AND CORPORATE CRISES

The term "crisis" originally meant a break in a continuous development (Plankert 2009). In today's linguistic usage, the term is predominantly associated with negative connotations, so that crisis situations are generally seen as a threat rather than an opportunity. This is particularly true of corporate crises. The term "corporate crisis" is used to describe unplanned and unwanted processes of limited duration that are capable of substantially jeopardizing the continued existence of the company or even making it impossible (Gabler Wirtschaftslexikon 2021). Characteristic features of corporate crises are the usually one-sided negative perception of the situation, a strong interest in and need for information, high complexity and an immediate, strong pressure to make decisions and take action while at the same time having little room for maneuver. This is primarily related to the threat of loss of image for companies in times of crisis, because image gains attention especially in times of crisis and its value is only noticed when it is lost. Crises can therefore call into question trust and credibility built up over many years within a very short time and thus permanently damage a company's image (Plankert 2009).

3. BEHAVIORAL ANALYSIS OF MANAGERS AND EMPLOYEES IN CRISIS SITUATIONS

Managers and employees initially react very similarly in acute crisis situations, because both groups face the uncertainty and threatening nature of such situations with fear. The central fear is that of losing one's job and thus one's

income. Employees who have lost their jobs due to a company closure, for example, often have to reckon not only with a severe drop in income when they start a new job, but also with additional costs arising from relocations and other changes connected with the new job. In addition, there is skepticism about corporate development during the crisis. Job cuts, the closure of production facilities and sites, and changes in ownership are generally viewed critically, as these are usually associated with further job losses. Reductions in employee benefits in the form of lower voluntary benefits or restrictions on travel expenses can also lead to demotivation, internal resignation and ultimately unwanted fluctuation. This is because high-performing employees in particular are likely to be anxious to look for alternatives before their company's image has been damaged and, as a result, their own value on the labor market may decline. This then increasingly results in tensions and conflicts between management and employees, because on the one hand the company is to be led out of the crisis and on the other hand the employees - especially the high-performing employees - are to be kept in the company (Buschmann 2006).

On a company basis, fluctuation can have different meanings, depending on whether the fluctuation has a natural cause (such as the death of an employee) or is company-related (such as job cuts, job changes within the company or termination by the employee himself). In the context of this research article, therefore, the term "fluctuation" is understood as the transfer of an employee from one company to another. In this context, fluctuation is regularly higher in phases of economic boom than in phases of employment decline (Gabler Wirtschaftslexikon 2021a). Frequently, so-called internal termination is a preliminary stage and trigger for changing jobs. In this respect, fluctuation does not necessarily have to be negative, since in economically difficult times employees' own resignations can be quite

welcome - provided that those employees whom one would like to keep in the company do not resign (Kolb 2008).

The trigger for employees' desire to change jobs is regularly job dissatisfaction, which is usually exacerbated in times of crisis. Various empirical studies show a positive correlation between job satisfaction and the fluctuation rate: the higher the job satisfaction, the lower the fluctuation. Dissatisfaction with the employer and/or the workplace can have multi-layered reasons such as salary, working hours, poor working atmosphere, mobbing, lack of opportunities for further training and promotion, etc. Dissatisfied employees perform less well, unfilled positions cause a higher workload for other employees, and new hires require additional effort to rebuild knowledge potential. In this respect, a well-thought-out human resources strategy is required, especially in times of crisis, in order to avoid unwanted staff turnover (Schröder 2020).

4. STRATEGIC HUMAN RESOURCES MANAGEMENT IN THE COVID-19 CRISIS

4.1 General staff retention measures

Almost every corporate crisis is associated with a loss of trust: Trust that lenders, customers and also employees had in the company. Restoring this trust is an essential requirement of crisis management. Trust is thus the essential factor in a sustainable human resources strategy. After all, qualified, hard-working and loyal employees are a basic prerequisite for corporate success, both in the short and long term. However, sustainability also includes crisis management that begins at the time a crisis objectively arises and not just from the time it is subjectively perceived (Keuper/Sommerlatte 2016). A crisis-adapted human resources strategy must consequently aim to retain employees in the company. If the most important employees are lost in times of crisis, this also weakens the competitiveness of the

company after the crisis. The trust needed to keep employees in the company is built primarily through communication and open discussion of the company's difficulties. The leadership style that has proven to be effective here is what is known as problem-oriented leadership. Problem-oriented leadership means that leaders can consciously adopt a loss perspective and engage in meaning management by interpreting a threat and thus a negative vision (Bruch / Kunz 2010). The promise of wanting to avert the threat from the company and prevent worse proves to be just as capable and relevant for action as a positive vision. What is essential is the responsibility of managers toward employees, which is also communicated and demonstrated to the outside world. Employees who are well informed and believe in corporate values are not only more willing to work to save the company, but may even be able to contribute to solving the problem (Schumacher 2014).

Companies that are characterized by a high level of trust and credibility and in which an open, productive communication culture prevails are then also more likely to succeed in motivating their employees to show solidarity in the crisis. Trust reduces uncertainty, so that employees who believe in their company are also prepared to cut benefits if they realize that the company wants to avoid job cuts. Possible instruments for avoiding job cuts are

- Short-time work and use of surplus time for further training or reduction of overtime.
- Reduction of special benefits such as vacation and Christmas bonuses.
- Waiver of wage and salary claims or overtime without wage compensation.

Measures of this kind can bring about a decisive improvement in the company's liquidity situation. And the willingness to provide support is likely to be high, especially in uncertain times. It is of central importance to prevent employees from resigning internally, for example if the company's image is severely damaged,

there is a threat of salary losses due to insolvency or there are hardly any development opportunities. This has an even greater impact if employees have a strong corporate bond due to specialized know-how, because there are no alternatives or the costs of a change would be too high. At the same time, employee commitment is significant for the company's success, especially in times of crisis. Consequently, motivating employees, and especially top performers, is at the forefront of human resources strategy, which is geared not only to the interests of the company, but also to the personal needs of employees. Even tight salary budgets offer the possibility of attractive compensation for special achievements, whereby non-monetary incentive systems such as personnel development measures can also increase the attractiveness of compensation and thus exert retention power (Thießen 2014).

Consequently, retaining qualified personnel in the company is a central task of human resources management. After all, staff turnover not only causes costs. In addition, there is an outflow of know-how and possible disruptions to the working atmosphere and operational processes when new employees are being trained. Here, too, trust forms the basis for recognizing employees' working methods and personalities (Schaaf 2010). Strategies for employee retention are therefore equally essential for keeping committed and qualified employees in the company or attracting them to the company. It is therefore not necessary to retain every employee in the company. Rather, employee retention aims to retain the right employees. These are those employees who stand out due to their special performance and potential, and those employees who are particularly difficult to find on the labor market. Commitment, loyalty and job satisfaction are the key target parameters of effective employee retention, whose main task is to obtain valuable performance contributions from employees in the long term (Ickert 2014).

This willingness to perform represents an enormous corporate value that must not only be recognized, but also acknowledged and rewarded. In this context, the question arises as to suitable instruments for employee retention. Studies have shown that top performers who are to be retained in a company for the long term often attach greater importance to the pursuit of personal goals than to better compensation. Human resources policy should be geared to linking employees' personal goals with the company's objectives. Essential for employees are development and training opportunities and thus promotion prospects. Targeted career planning within the company can prevent employees from thinking that these are achievable by changing jobs. Other key factors for the long-term attractiveness of a company are its image and the working atmosphere. If the employee does not feel comfortable, there is a high risk of internal resignation. Important aspects therefore also include a good understanding of leadership on the part of superiors, recognition and appreciation at the workplace, and the work-life balance, which is steadily gaining in importance (Wolf 2020).

4.2 Staff retention measures through ethics-conscious personnel management

Even in the current COVID-19 crisis situation, the social environment is increasingly demanding a willingness on the part of companies to assume moral responsibility and to rethink corporate values from an ethical perspective. Values and standards form the basis of human coexistence – also in companies. Therefore, value management systems as instruments of corporate ethics can steer economic success and long-term development. In terms of material ethics, these tools are commandments and prohibitions; in terms of formal ethics, they are procedural rules that promote self-determination. These normative tools include both the

components of the corporate mission statement and the various company regulations (Girbig 2014).

Of central importance is the implementation of the values in the company's day-to-day operations. This task is largely the responsibility of human resources management. The task of management is to achieve performance-related success. In doing so, however, the personal rights of employees must not be violated, while on the other hand they must be given the greatest possible opportunities to develop their personalities. This means, in particular, that management also influences the quality of life of employees by shaping working conditions and working relationships, so that the management position results not only in a responsibility for success, but also in a human responsibility. Ethical norms in human resource management practice consist, for example, of protection of privacy, safety at work and security of the workplace, humanely designed workplaces, protection against unfair and arbitrary treatment, far-reaching self-determination, participation, further training and personnel development, personal development opportunities and promotion by the supervisor. In this way, ethical standards in personnel management are directed in particular against the technocratic reduction of people to a functioning, profitable production factor (Kunze 2008).

Ethical behavior toward employees can not only make a significant contribution to improving the company's image, but also significantly increase job satisfaction and thus prevent internal resignation or even unwanted staff turnover, which are associated with high costs for the company. Personnel management that is committed to ethics can only be based on a positive image of humanity, mutual respect and mutual acceptance. Finally, the balance between economy and ethics must be found in an ongoing process. A set of values must be created with which employees can identify. For only in those companies where effectiveness and

humanity are equally weighted can people and companies grow together into a community of values (Kneissl 2013).

5. CONCLUSION

The objective of this research article was to identify strategies and tools for companies to retain employees during the COVID-19 crisis. It was shown that crisis communication with employees in the form of problem-oriented leadership is of high importance. In this context, managers must take responsibility for the given situation and demonstrate and convey to employees the certainty that they are capable of averting the threats to the company that have arisen as a result of the COVID-19 crisis. In this context, it is essential to communicate positive and comprehensible visions. Particularly when financial resources are scarce, the personal needs of the key performers in the company should be increasingly taken into account and linked to the company's goals. This can increase commitment, loyalty and job satisfaction.

Another important aspect was ethics-conscious human resources management. Insofar as the company remains true to its corporate values even during the COVID-19 crisis and consistently implements these values in its day-to-day business, this approach gives employees the necessary security. Performance-related pay for success, friendly and modern workplaces, measures in personnel development, a certain amount of freedom for self-determination and the promotion of suitable employees to higher positions can also prevent the number of employees from being reduced.

Based on these findings, the hypothesis formulated at the outset that management strategies and associated tools can help prevent employee downsizing during the COVID-19 crisis can be affirmed.

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