

Challenges Faced by the Organization in Managing Overseas Employees during Covid 19

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ABSTRACT

Sudden outbreak of COVID 19 and subsequent lockdown over around two years changed drastically the way corporate world worked till then. It brought with itself both opportunities and challenges that no one expected before. Virtual work which was once thought of as a fantasy became the reality. Employers and employees both were confined to their homes and worked from their using digital platforms. Work from Home (WFH) became a new norm. Though both employers and employees gave their best in adjusting themselves to the new way of working, it was challenging especially in case of the employees who were working for their organizations on the foreign lands. It was equally challenging for their organizations to ensure the safety, physical and mental well-being of these employees, especially with the limited access to mobilize the employees and the constraints put up by COVID 19. This research paper tries to understand the challenges faced by the organization while managing their overseas employees during COVID 19 and the ways adopted by them to handle these challenges.

Keywords: Overseas employees, COVID 19, Pandemic, Onsite Employees, Virtual work

INTRODUCTION

One of the most challenging and costliest functions for HR to handle successfully is undoubtedly managing the overseas employees. Sudden outbreak of COVID 19 and subsequent lockdown over around two years changed drastically the way corporate world worked till then. It brought with itself both opportunities and challenges that no one expected before. Organizations were required to make crucial decisions in a very short span of time that included decisions about who would continue working and who would be required to leave; how, when and where employees could be shifted into digital workplace. They were required to prioritize about their commitments to the business and employees at the same time; and also decide how these priorities be best communicated to the staff. (Caligiuri et al, 2020)

HR professionals as strategic business partners, especially in the organizations that had/ have presence in multiple countries had to undertake cautious yet major decisions to alleviate the adverse impact of COVID 19 on the business and the employees working overseas.. In most instances these decisions were related to managing distance as well as to rethinking boundaries. This became the primary focus of the HRs of such organizations. (Caligiuri et al, 2020)

A survey conducted by Ernst and Young in 2019 of 500 top management executives revealed that only 20% of their organizations were prepared to handle large adverse risk effectively. (EY, 2020). COVID-19 pandemic that arrived only a few months later confirmed the concerns strongly. The pandemic did not only bring concerns related to global supply chain management and financial resilience to the fore, but also concerns related to crucial strategic human resource talent. COVID-19 pandemic has become a "people-based crisis." It started emphasizing the role and importance of Human Resource function in successfully allowing their organizations to sail through the pandemic. (Caligiuri et al, 2020)

Anderze'n et al (1997), Richards (1996), Stahl et al (2005) discussed how employees when they face novel and/or uncertain situations, experience stress and anxiety. They respond to such anxiety and stress by leveraging their dispositional traits and defence mechanisms. This kind of anxiety and stress affects the emotional well-being of the employee and also their emotional intelligence. (Caligiuri et al, 2020)

Research shows that when an individual experiences periods of anxiety and stress, he/she reaches out to seek and find comfort in people, places, and even food that they are familiar with. This explains why there are expat communities, demographic fault-lines, and comfort food in every culture around the globe. When employees are facing high levels of anxiety and stress and they are emotionally vulnerable, they find it difficult working effectively in foreign land and with colleagues coming from diverse cultures. This has been a case with most of the employees working overseas for their organizations since the pandemic began.

Organizations and especially their HR teams are constantly trying to manage and to provide necessary support to their overseas employees during this crucial period. They are putting emphasis on three competencies while

selecting their employees for the overseas assignments: 1. tolerance for ambiguity, 2. resilience, 3. curiosity. Employees who are working virtually and interact with clients, vendors, or colleagues from diverse cultures too need these competencies to be effective. Selecting the right candidate for such overseas assignments is a key. Organizations are trying to assess their bench strength for culturally agile talent in order to understand who will be most effective in situations of growing novelty and uncertainty. (Caligiuri et al, 2020)

When one is in the state of anxiety, one experiences a natural desire for affiliation. In order to address this issue, the organizations are especially trying to involve their overseas employees into the activities that foster cross-cultural cohesiveness and validate expectations of reliability since the health-related stress is prevalent all over the world. Training to support relationship formation is being conducted by the organizations at this crucial time when every overseas employee, irrespective of their geographical boundary, is going through a similar stressor.

Takeuchi et al (2009) found out that an individual's success depends on the comfort level and/ or fit within a given environment. Organizational support is found to be positively related to an employee's capacity to adjust in a novel situation and/ or environment. Organizations with the employees working overseas have started support practices to help ease out stress related to such issues and the ambiguity and uncertainty arising out of COVID 19 pandemic. Such practices are found to be especially useful for overseas employees who face greater stress due to being away from their people. Overseas employees were found to be more vulnerable to social isolation and fear about uncertainty related to their health on the foreign land, employment, and overall future. This made them more susceptible to mental stress and affected their mental well-being. The companies hence started educating these employees vigorously about empathy, emotional intelligence, and many of them started offering practical support for ensuring the health and safety of these overseas employees. "We have leveraged collaboration platforms across geographies for bringing employees together. In addition, we conducted webinars for learning yoga and live cooking sessions. Virtual connect with families of employees and children has also invited tremendous response," says Chief Human Resources Officer of TCS, Milind Lakkad. TCS organized sessions for their overseas employees that were designed to help them handle stress and maintain work-life balance. "We are continuing with our journey to reimagine and transform the HR value chain by leveraging technology," says Lakkad.

While these companies were primarily concerned about safety as well as well-being of their overseas employees, they were facing another major problem. The demand for the onsite employees fell down drastically due to COVID 19 pandemic. This meant that there was either no work for the onsite employees or it was considerably reduced. Moreover the onsite employees were also working from remote places in the foreign countries as they were not allowed to report to their offices physically. This meant an additional and unnecessary expense to the organizations that were having their employees working overseas. This formed a strong business case for bringing back these employees to the home country. "It helps to save or realign the cost also for service providers. If someone who is not required overseas is kept overseas, it adds to the cost for service providers," said a founder of one of the outsourcing advisory firms working with international clients. "This is a proactive measure by service providers to realign their operations and cost without waiting for commercial travel to become normal," he concluded. (ET, 2020)

Companies faced the instances wherein the onsite employee's visa was about to expire and then there were few employees who were sent abroad for short-term assignments. However, many of them got stranded in those foreign countries because the countries closed their boundaries owing to COVID 19 pandemic and the flights thus got cancelled. IT giants in India including TCS arranged chartered flights to get back their employees who were stranded abroad, especially in the US, UK and Europe. Vande Bharat Mission flights were very helpful to these companies in getting their stranded overseas people to India. These organizations indulged in thorough due diligence to decide whom to get back and whom to retain on the foreign land taking into account not just the financial implications, but also issues related to people management. They reduced traveling to onsite locations, especially for initial transitions and knowledge transfer.

However, expansion of the business in other countries also posed a challenge for the organizations as embassies and consulates of the most countries were closed for the operations and so were the flights operating between these countries. Moreover, in the last two years even the lockdown periods of the countries belonging to different continents varied and at many times they clashed with each other, making it nearly impossible for the organizations to facilitate travelling of their employees from the home country to the foreign land, let alone making arrangements for these onsite employees to live there comfortably.

Tax liabilities with respect to onsite employees again posed a major challenge to the organizations as the outbreak of COVID pandemic began around February/ March 2020 which was almost the end of the financial

year and making projections related to the compensation and tax liabilities of the overseas employees in those situations, were difficult tasks to perform.

Measures undertaken by the Organizations to face these Challenges:

Employers adopted various measures including asking onsite employees to avail paid leaves which were either accrued or unused, reduction in the salaries of the employees; deferment of salary increment, paying bonuses and other recognition rewards; and implementation of furloughs.

Those onsite employees who had valid visas to continue their stay in the respective countries, but had no work either because the project was over or it was terminated, were accommodated by placing them in some other project team in the same country, whenever and wherever possible.

The HR teams of these companies were in constant touch with these onsite employees and were checking regularly on their physical and mental health. The counselling sessions were specially organized to help these employees. Some companies including TCS even ensured that these onsite employees had their regular stock of groceries in place during the lockdown.

These organizations prioritize which employees could be sent back to the home country based on the validity of their visas, the status of their current assignments, possibility of shifting these employees to some other projects in the same country overseas, cost of continuing the stay of such employees in the foreign country, etc.

The employees working overseas were also extremely worried about their families in the home country and good employers such as TCS ensured that they took good care of the families of these employees back in India that included the vaccination of the family members, home isolation and/ or hospitalization of the family members who contracted COVID 19, regular follow-up after they were declared COVID negative and counselling facilities for these family members.

CONCLUSION

Though COVID 19 pandemic posed a major challenge to the HR functions with respect to their overseas employees, most of the companies could effectively and efficiently managed handling this challenge by taking proactive and reactive steps that included checking on the mental and physical health of such overseas employees and also their family members back in the home country, providing medical assistance and quarantine facilities whenever and wherever required, getting the employees back to the home country either by arranging the chartered flights and/ or by using Vande Bharat flights, etc. What remains to be explored now is: how these employees will be getting the work allocation after the world starts to stabilize now, as COVID 19 has started becoming “endemic” rather than “pandemic”.

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