

**CONCEPTUALIZING INNOVATIVE HR PRACTICES OF ABC COMPANY PVT LTD AS
PRACTICED DURING THE COVID-19 PANDEMIC PERIOD**SMRK Ilangarathne¹ and DU Mohan²**Abstract**

The pandemic has created a challenging work environment for the HR teams of organizations, leading HR practitioners to find solutions to sustain performance. One of the leading players in the apparel industry has practiced a bunch of innovative HR practices during the pandemic. In Sri Lanka, the best case related to HR innovations is in ABC Company where we aim to study their HR innovations. So, to resolve the research problem, the following are addressed: the change in the Performance of the behavior of ABC Company, the innovative HR practices, and the Challenges and issues that arose with the pandemic. As a study related to the innovative practices implemented by ABC Company during the pandemic, the researcher needs to remain contextual **rather** than deducing from literature, whereby a qualitative approach is undertaken. The research paradigm is a constructivist study where a single case and general qualitative data analysis are used. Findings of the study highlight the innovative HRM practices of ABC Company and the impact of these practices on business operations. Eventually, it concluded that unique and innovative HR practices have been practiced by ABC Company during the pandemic.

Keywords: Challenges, and Issues, COVID-19, HR Innovative Practices, Human Resource Management, Performance Behavior

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Received date: 10.04.2025

Print Publishing Date: 31.10.2025

Accepted date: 17/07/2025

Web Publishing Date: 31.10.2025

Introduction

The hit of the COVID-19 pandemic on the industry is most identifiable in areas like **business continuity, employee motivation, distance working, business profitability, production costs, productivity, and unemployment**. In summary, the pandemic has created a highly challenging work environment for the HR teams of the organizations, leading the HR practitioners to find solutions and methods to sustain performance and help the employees cope with the production activities at ABC Company despite the critical situation.

Impact of COVID-19 on the global economy.

The global apparel and textile industry is known to be worth USD 3,000 billion and accounts for 2% of the world's gross domestic product. The impact on the global apparel industry is a nightmare where sales dropped heavily, irrespective of big or small brands. The apparel industry was also impacted by the **Darwinian shakeout**, which involved shaking out the less powerful and emboldening the strong, pulling down the infant companies that were trying hard in the market before the pandemic (McKinsey, 2020). Globally, the industry has suffered a lot with sales, resulting in a subsequent drop in profitability, and employment. Paying attention to the latest figures released by the U.S. Census Bureau, the strong hit by COVID-19 has led the value of U.S. clothing sales down by 50.5% in March 2020, when compared to the previous year's records of sales (COVID-19 and the fashion apparel industry, 2020). Moreover, the world's largest second-position-bearing exporter, none other than

Bangladesh, has reported a loss of a million garment workers' jobs with the emergence of the COVID-19 pandemic. The surveys conducted between March 21st and 25th 2020, indicate that 72.4% of workers were fired with no pay due to the company's inability to settle salaries with the lack of income due to the drop in sales with the pandemic. As per the statistics, the CEC held on March 6th reveals a revenue drop of over 95% among the 299 large manufacturers that were surveyed in China.

Impact of COVID-19 on the Sri Lankan economy

The gigantic effect of the COVID-19 pandemic on the Sri Lankan apparel industry is unparalleled. Like the global impact the Sri Lankan companies also had to face a lot of problems, like a drop in sales, a rise in factory maintenance costs, salaries, and wage expenses. The highest cost among all the costs is salary and wage expenses. The most prominent reason for increasing manufacturing costs for Sri Lankan apparel companies was that the main source of raw material suppliers in China was infected at the beginning by the virus. After the lockdown was announced in China, the apparel industry's whole supply chain, which is entirely dependent on China, was disrupted. The COVID-19 crisis also affected the shipment and receiving of products at the proper time due to shortages and logistics bottlenecks resulting in the failure of supplies and uncertainty in the supply of raw material supplies. Along with that, the transportation of raw materials at low prices from China prompted Sri Lankan apparel companies to search for new suppliers within Sri Lanka. As a result, the new supplier's raw material costs were much higher. That is one major reason for the rise in manufacturing costs for apparel. Furthermore, the higher batch sizes of products ordered and the reduction in batch sizes of the orders have also backed up the rise in manufacturing costs. " The most significant changes are seen in a drop in order volume compared to previous orders or seasons, with smaller volumes at the same price.

Currently, the Sri Lankan apparel industry is providing employment opportunities for approximately 400,000 employees, with a recorded export income of USD 5.6 billion within the past fiscal year. However, the pandemic has backed the cancellation of orders that are in current production as well as those that have already been manufactured. Also, the situation has been worsening with discounts and a lack of prompt payments, leading the Sri Lankan apparel manufacturers to face a lot of issues related to working capital while also leading to delays in new orders due to supply chain issues. Moreover, the local apparel market was also subjected to a value of USD 2.5 billion, and 50% of the expected turnover in March and April (festival season) was completely lost. The decreased demands in the USA, UK, and European markets and the termination of Sri Lankan employees by Middle Eastern countries have put tremendous pressure on Sri Lanka's macroeconomic stability.

The effect of COVID-19 on the apparel industry of Sri Lanka is well known for having a worldclass apparel manufacturing industry in operation with a few giant players who have already established themselves across Asia, Europe, and North America, with 60–65% of consumer accounting coming from the US and Canada and 20–25% from the EU. The main consumer markets' downfall due to the COVID-19 pandemic has led the industry to experience approximately a \$1.5 billion loss in apparel exports during the 3-month period that ended in June. So, mainly, the impact of the pandemic can be studied in aspects like profitability, productivity, and cost of production.

Statement of the Problem

The unexpected COVID-19 pandemic caused severe global economic disruptions, critically affecting the fashion and apparel industry through store closures, reduced orders, and declining exports — with Sri Lanka's apparel sector suffering significant setbacks. This crisis underscored the urgent need for innovative human resource practices that go beyond traditional hierarchical systems, instead emphasizing employee well-being, adaptability, and resilience. Although global and local research has explored how organizations have adapted HRM during the pandemic, there is a clear gap in understanding how these practices have evolved within leading Sri Lankan apparel companies. Notably, ABC Company — a major apparel manufacturer with over 99,000 employees and annual revenues exceeding USD 2 billion — implemented unique and novel HR strategies to navigate the crisis. However, these innovative practices remain unexplored in scholarly research. Therefore, this study aims to address this gap by investigating the innovative HR practices adopted by ABC Company during the COVID-19 pandemic, their impact on organizational performance, and the challenges faced in their implementation.

Research Questions:

1. How did the performance of ABC Company change during the COVID-19 pandemic?
2. What innovative HR practices did ABC Company implement in response to the pandemic?
3. What challenges and issues emerged in managing HR during this period?

Purpose of the study

The purpose of the study is to explore the different innovative HR practices that were implemented by the ABC Company during the pandemic in order to conduct production activities through a qualitative approach.

Significance of the study

ABC Company has successfully faced the peak of the COVID-19 crisis through strategic, tactful, and novel HRM practices. The significance of the study comes into play with the ability to use these innovative practices as a backup tool for the future to play a central role in determining how to create competitive advantages in any unexpected situation like this, that would arise in the future.

Practice wise significance: this implies the significance of the HR innovations to be applied during a burden situation.

Policy Wise significance: emphasizes the knowledge of how to build up policies and procedures in crisis situations.

Theory-wise significance: ability to be used as a knowledge bridge, as the literature is lacking in relation to this area.

Literature Review**COVID – 19**

According to (Macksoud et al., 2020) COVID–19 Coronavirus disease is a new infectious disease that is caused by a new virus and can be easily transmitted from person to person.

HR Practices

According to human resource practices include the selection of human resource needs, screening, recruiting, training, rewarding, appraising, and attending to labor relations, safety and health, and fairness concerns. The very past few years have shown a growing interest in the management of knowledge-based organizations. As per, the effective implementation of HR practices in organizations is a very vital source of competitive advantage and possesses a positive relationship with organizational performance.

Innovations

Innovation is an important factor in the success of modern companies. Some global changes in the currently prevailing business, like the accelerating importance of services, knowledge, creativity, and digitalization, are creating a new kind of the to the economy. In this new type of economy, resources such as knowledge, creativity, company reputation, and innovation gain importance. Some researchers depict the changes that have been made, emphasizing that the requirements for modern organizations are to be very novel and innovative in the work process. Innovative solutions always lead to higher efficiency and competitiveness. The vitality of novel and innovative human resource management cannot be rejected or avoided. Workplace innovation, on the other hand, requires sufficient knowledge, skills, and attitudes. As per, the level of employee innovation and creative thinking is the key to organizational effectiveness. What is implied by the innovations here is the new and highly environmental change-adaptive novelties introduced and implemented by the ABC Company.

HR innovations are practiced at the ABC Company.

With the emergence of the pandemic, working conditions have totally changed in the workplace (ILO, 2020). What is implied through the working conditions is the very depth of the paid work and employment relationship’. Basically, the working conditions include the working hours, rest periods, schedules of work, remunerations, and a whole lot more. The most crucial fact at ABC Company during the pandemic was that the employees had to physically visit the workplace since it is a manufacturing company, so remote working was not very practically applicable at ABC Company. As a result, the proportion of employees working from home was significantly lower. That was mainly because remote working is not suitable for manufacturing industries. Thus, the ABC Company has taken respective measures for the employees to present themselves physically to the workplace by making it compulsory for them to adhere to the measures of physical distancing and the bubble concept, practices like physical distancing, wearing masks, and following up on rigorous protection measures.

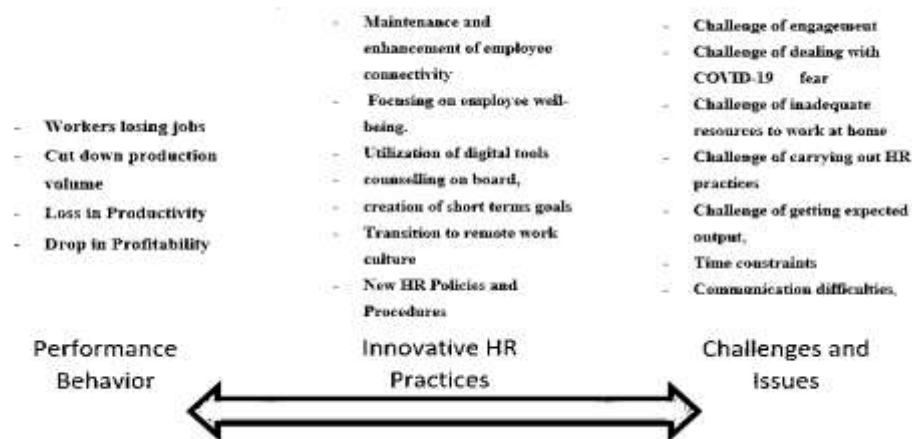


Figure 01: Literature-Based Conceptual Model; *Source: Author (2022)*

Methodology

Research Approach

This study is a qualitative study due to the evaluation of the innovative HR practices at ABC Company, which is simply a study in non-numerical form. Furthermore, as there is a shortage in the literature on the HR practices of leading companies the qualitative research is one of the best options in an instance like that since literature is lacking, where a contextual qualitative approach is used here. As per the information available (“Qualitative Data, Analysis, and Design,” n.d.), since the researcher needs to remain contextual rather than deducing from literature rather than inducing hypotheses from literature, the qualitative approach is undertaken.

Research Paradigm

This study is a **constructivist** study in which a **single case study** is used along with a general qualitative data analysis. Constructivism interprets that the existing reality is built up through thorough human interaction, where knowledge becomes a strong and incomparable human product that is socially and culturally constructed. The reason this study is constructivist is because it considers the prevailing phenomena in a particular practical context and deals with human experiences in an interpretative investigation.

Research Design

Research design can be considered as a framework of research methods and techniques that are chosen by a researcher in order to conduct a particular study. Since the constructivist paradigm is use here, lengthy and deep conversations were conducted with target participants related to the

ABC Company

Unit of analysis/sample

The ABC company provides employment opportunities for 99,000+ employees (IFC, 2020). Being the leader in the apparel industry, ABC Company earns approximately 2 billion USD (2018). With all this, ABC Company, as the leading player in the apparel industry, contributes to the development of HR through innovative HR practices. So, a single case would be the sample since this single case represents 70% of the total income, expenditure, and output of the Sri Lankan apparel industry. Therefore, studying the particular case creates a huge impact on the entire apparel industry. Moreover, how the unit of analysis was identified here was through the non-probabilistic

sampling. Furthermore, in much detail, purposive and subjective sampling are used for this particular research in order to select the participants for the surveys based on their own judgments. The criteria were to purposely select rich data sources or respondents who could talk about the overall HR impact on the company. Hence, methods like focus group discussions and face-to-face interviews were held in order to collect data on the new human resource management practices implemented by the ABC Company during the pandemic (“Interviews and Focus Groups,2021).

Data collection instruments

Since the constructivist approach is applied and used here as the first step in collecting data, the HR Manager of the ABC Company was met, and subsequently, as per his directions, the compliance head of the ABC Company, the Administration Head of the ABC Company, and finally, the Deputy General Manager and General Manager were met. Based on the conceptualized model generated through the literature, probing questions were asked by the resource persons.

Data analysis method

In this study, data analysis was carried out based on the qualitative constructivist protocol guideline. According to, by establishing themes based on the different perspectives of the interview participants, the researcher adds validity to the study. As a summary, three steps would be practiced: data reduction, data display, and data presentation, for the analysis purpose that was suggested by the coding paradigm as suggested in the grounded theory (“How to Do Open, Axial, and Selective Coding in Grounded Theory,” n.d.). Accordingly, as per, data reduction, display, and presentation are to be guided by the coding paradigm as per the grounded theory.

Quality of the research.

The quality of this research itself elaborates on the maintenance of its validity and reliability. Qualitative research is trustworthy when it accurately represents the experience of the study participant.

Findings

In this instance, the research was started by discussing what the respondents have disclosed through models clustered into different themes based on the coding process. Finally, the empirical findings of the qualitative study are presented.

The performance behavior of ABC Company during the pandemic

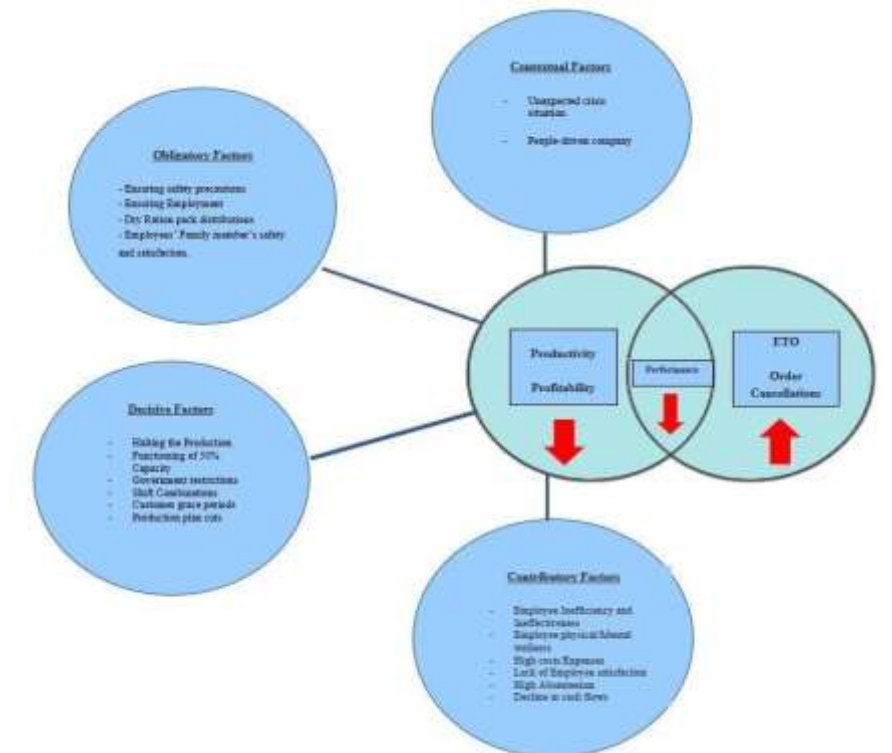


Figure 02: ABC Company Performance Behavior Model

Innovative HR Practices practiced by ABC Company

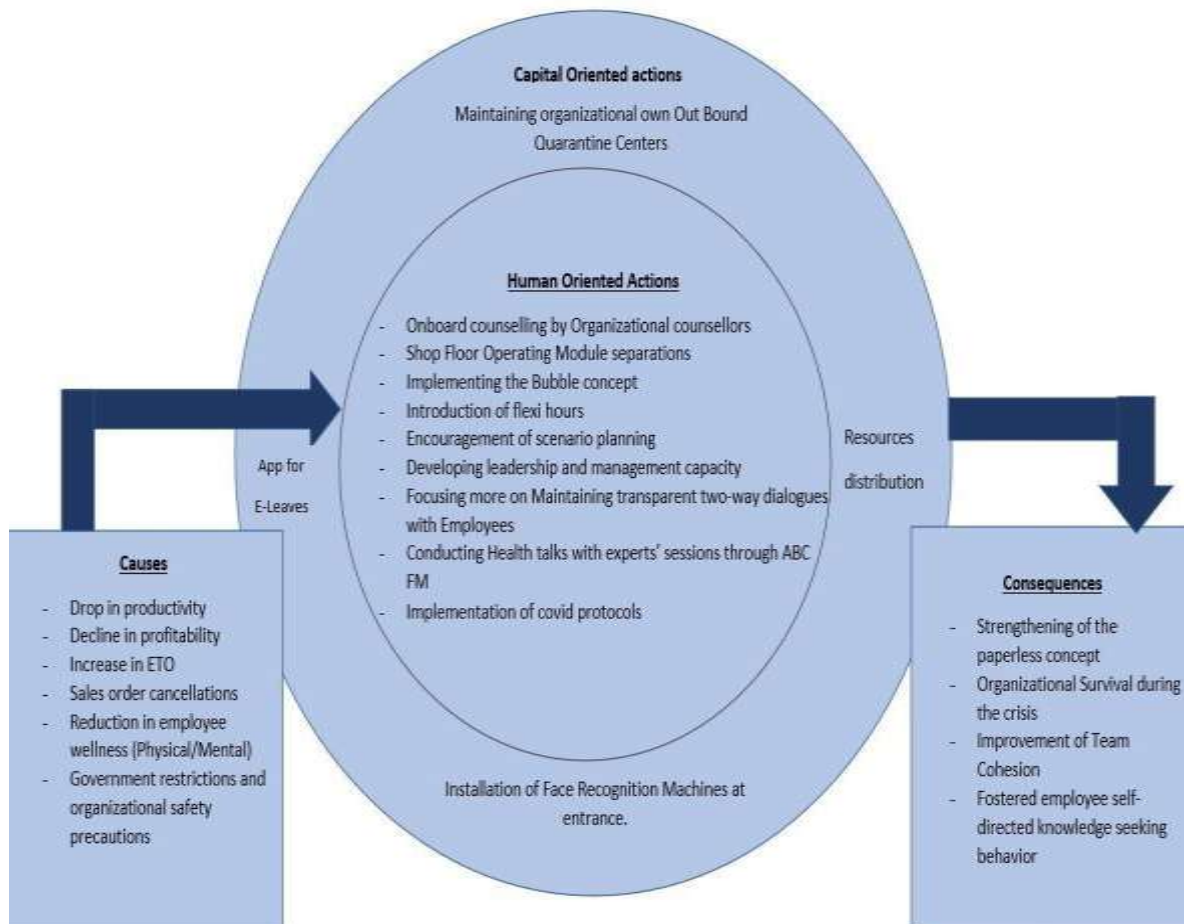


Figure 03: ABC Company Innovative Practices Model

Challenges and Issues the ABC company had to face during the pandemic.

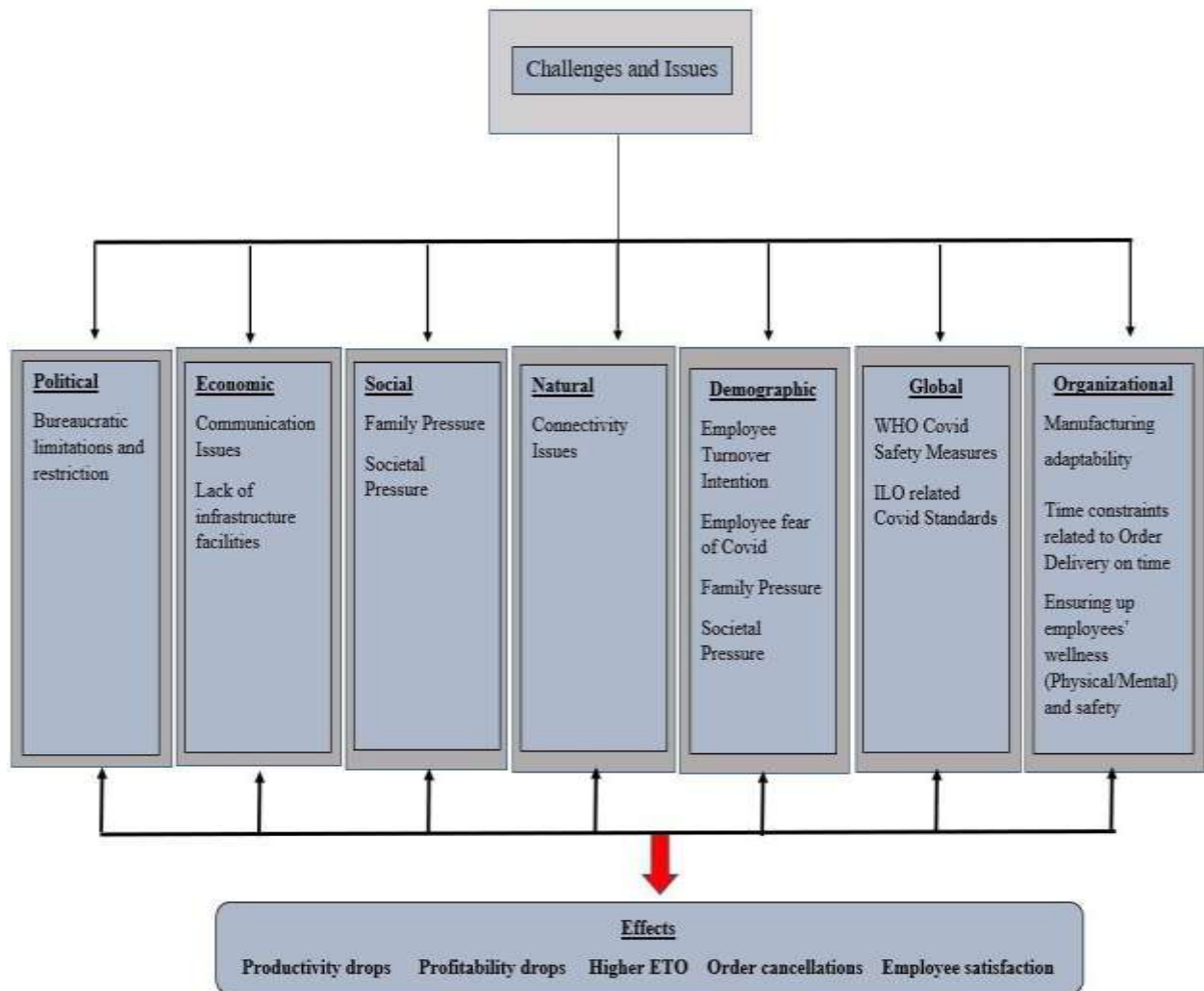


Figure 04 : ABC Company Challenges and Issues Model

ABC Company Overall Research Findings.

A final model can be generated as follows based on the combination of the respondents' responses related to the main three research problems. This model depicts the performance variations, the actions taken (various innovative HR practices), plus the challenges and issues which have also brought an impact.

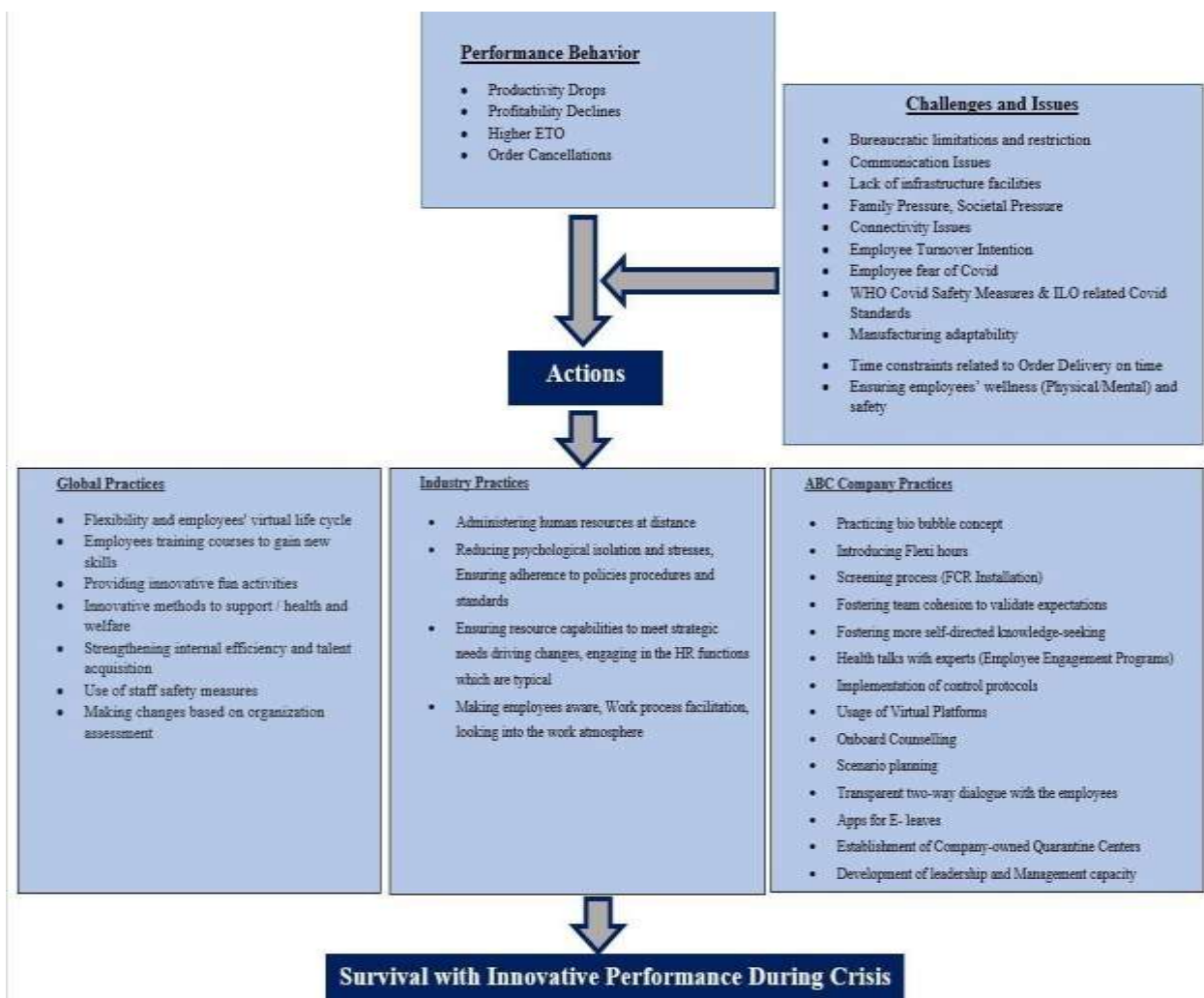


Figure 05: ABC Company Overall Research Findings Model

Globally and locally identical innovative HR practices.

There are certain similarities considering the globally implemented HR practices, industry-wise HR Practices, and the ABC Company practices. Practices like online training and meetings, ensuring the implementation of safety measures like wearing masks, washing hands, encouraging employees to work from home have been common globally as well as in ABC Company.

ABC Company wise unique innovative HR practices.

The unique HR Practices include , Bio Bubble concept , Introducing Flexi Hours Screening process , Fostering team cohesion to validate expectations, Fostering more self-directed knowledge-seeking (Converting Training to Learning) . Furthermore unique HR Innovative practices at ABC Company includes Health talks with experts through ABC FM , Implementation of control protocols , Onboard Counselling (Telemedicine) , Scenario Planning , Transparent two-way dialogues with employees , Apps for E-Leave , Establishment of company-owned quarantine centers , Development of Leadership and Management Capacity.

Conclusion

The aim of this research was to assess the innovative HRM practices implemented by a leading company in the apparel industry. Having, considered the findings that are reported in chapter four, the current study concludes by declaring that Innovative Human Resource practices have been practiced by the ABC Company during the pandemic which is unique from the globally and other company practices in the industry. Aligning with the findings of the performance behavior (productivity, profitability drops, Employee Turnover issues, and order cancellations) the ABC Company faced during the pandemic, they have practiced sufficient HR Innovative practices amidst of different challenges and issues. Thus, with the implementation of innovative HR practices, the ABC Company has been able to survive during the crisis.

Recommendations

A proper investment appraisal on innovative HRM Practices
 A balance in the practice of the usage of virtual platforms and practice of flexi hours
 Proper consideration of the implementation of Bubble concept
 Encourage Team Cohesion, onboard counselling, health talks with experts through ABC FM
 Establishment of company owned quarantine centers.
 Encouragement of E-Leave process, training concept to learning, ensuring self-directed knowledge, scenario planning.

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