

Impact of COVID-19 Pandemic on the Mental Health of Private Sector Employees

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Abstract

The COVID-19 pandemic resulted in a countrywide lockdown that dragged on for months. Economic activity came to a standstill and employees became nervous that they would lose their jobs. A sample of 67 employees from different industries working in the private sector was studied and their mental health was assessed. Three important variables related to individual employees and their organization were taken into consideration, viz. motive of changing the job, business approach of the organization, and work culture of the organization. It was seen that those employees who preferred growth over stability had a lower mental health. Employees working in organizations that focused on extreme competition and profit were also found to have a lower level of mental health. The interaction effect between the three variables was also found to be statistically significant. Causes and implications of the findings are discussed in the paper.

KEYWORDS: COVID-19, Pandemic, Mental Health, Anxiety, Employees, Professionals

Diseases and pandemics are not new to human civilizations. Over the centuries, diseases have brought death and destruction and have changed the course of history on many occasions. Human behaviour has been impacted by such pandemics in many ways. From fear and apprehension, resilience and fightback, to stigma and ostracising, we thought we had seen it all. We controlled plague and conquered cholera. We developed vaccines for most infectious diseases like influenza, rubella, and mumps. Nature however has its own ways. As homo sapiens started to get more and more egocentric and delusional about their ability to control the natural world, nature too started giving warnings through climate change, droughts, floods, disappearing species, and the other environmental phenomenon. But humans apparently failed to heed to the warnings.

Epidemics in recent times

In recent times, HIV/AIDS has been a major viral infection that has impacted human life globally. Till date, over 76 million people have been infected with the HIV virus and about 33 million people have died of HIV/AIDS (Global Health Observatory, WHO, 2019). The silver lining to the dark cloud is that the virus is transmitted only through specific body fluids like blood and semen, unlike other viruses that are airborne. However, some highly contagious viruses have started appearing on the global scene that are known to spread rapidly across continents given the unceasing movement of people. In 1997, a highly pathogenic avian influenza A (H5N1) virus was found to directly spread from poultry to humans (Claas et al, 1998). Some other avian influenza A virus subtypes like H7N9, H9N2, and H7N3 were also responsible for pandemics (Gao et al, 2013; Peiris et al, 1999, Tweed et al, 2004). In 1999, a newly emerged paramyxovirus termed 'Nipah' virus was identified as the cause of a severe encephalitis outbreak in Malaysia and Singapore (Chua, 2000). The severe acute respiratory syndrome (SARS) outbreak happened around

2002-2003 in China that was caused by a novel coronavirus (CoV) designated as SARS-CoV. SARS spread to 37 countries, resulting in more than 8000 infections and 774 deaths with a 9.6% mortality rate (Fouchier et al, 2003). Several other viral diseases have emerged over the years, including the H1N1 influenza A virus infected swine flu pandemic in 2009 (Vijaykrishna et al, 2010), the Middle East respiratory syndrome (MERS) caused by a new deadly (>30% mortality) MERS-CoV in 2012 (Zumla, Hui & Perlman, 2015), the outbreak of a severe fever with thrombocytopenia syndrome (SFTS) in 2010 (Yu et al, 2011), the Ebola outbreak in West Africa during 2014 to 2016 (Baseler et al, 2017) and the microcephaly outbreak associated with the Zika virus infection in 2015 (Bagoch et al, 2016).

The response of the world fraternity including governments and health care professionals to these outbreaks has been swift, and the spread has been brought under control within a reasonable period. This has led to a very minimal impact on the world economy, including travel, transfer of goods and services, and tourism. Even those countries where these viruses spread causing alarm remained economically unscathed. The world continued to move on, possibly with reinforced confidence, that it can tackle any health crisis. The consumerist economies continued with its consumption-led models of growth. People continued to borrow and buy, mostly in that order, assuming economic growth and profiteering as a given.

The COVID-19 pandemic

But then towards the end of 2019, an extremely virulent virus appeared in Wuhan in China. Theories about its origin spread faster than the virus itself. Some claimed it originated from a seafood market, others claimed it was contracted from bats, some pointed towards the humble pangolin, while others were convinced it was a biological weapon unleashed by the Chinese. The first reaction was that of denial – it won't reach us. And even if did – it won't harm us. Our collective delusion had reached a level where intelligent humans believed they could tame anything on the planet (or in outer space for that matter). Governments thought they would handle the virus just the way they controlled so many other pandemics over the years. But they were to be proved wrong soon.

As the virus spread like wildfire across the globe, many heads of states, ministers, famous actors, top athletes, players, and other prominent personalities started testing positive. This was definitely not a poor man's virus! Alarm bells went ringing in political and business circles. Some governments remained in denial and had to pay a heavy price. The death rates soared, and health facilities crumbled under pressure. On March 11, 2020 the World Health Organization declared the COVID-19 outbreak as a pandemic.

As the virus reached India and started spreading, pressure started building on the government to act. Given the huge shortfall of intensive care units (ICUs) and hospital beds, the government was forced to delay, if it could not completely arrest, the pandemic turning into a full-blown community spread. As it was impossible to build an exhaustive health infrastructure overnight, the government decided to bite the bullet and the inevitable happened – a complete countrywide lockdown.

The economic fallout

Barely a month or two back the economy was running full steam. Business was as usual, barring the inherent ups and downs. The GDP growth rate for 2018-19 was pegged at 6.1, and for the first three quarter of 2019-20 it was estimated to be 5.6 per cent, 5.1 per cent, and 4.7 per cent in that order (Economic Times, Feb 2020). And then COVID-19 and the subsequent lockdown happened. The GDP growth rate

slumped to 3.1 per cent for the fourth quarter and the annual GDP growth rate for 2019-20 was dragged down to an 11-year low of 4.2 per cent (The Hindu, May 2020).

Life had come to a standstill. Livelihood was badly affected as factories, offices, and shops downed their shutters on government orders. The unorganized sector was the worst hit. A painful process of reverse migration started as people rushed back to their homes in small towns and villages away from metro cities. The picture wasn't rosy in the organized sector either. Employees stared at layoffs. Until a few months back life was on the growth trajectory. Plans were being made to buy luxury goods, go on vacation to exotic places, and invest in high-return instruments. Monies were already spent on buying a plush house and fancy cars. Now paying back the monthly instalments looked a daunting task. The government stepped in with a slew of economic measures, but at the individual level, the clock had started ticking. It appeared only a matter of months, if not days, days before the pink slip would be handed. Not just financial status, mental health was badly affected too.

Impact on mental health

Mental health of citizens across all age groups, socioeconomic strata, gender, and occupations was adversely affected, each for its own reason. While doctors, police, and healthcare staff had a job at hand, they were overstrained and remained continually exposed to the virus. On the other hand, private sector employees had to sit at home and started feeling extremely vulnerable about losing their jobs. With sales and production coming to a standstill, both manufacturing and frontline jobs were lost. Even those at the top of the pyramid in the private sector started feeling apprehensive. The young had just entered their professional life with high hopes and felt their dreams were coming crashing down. The mid-level management had huge personal liabilities and the spectre of suddenly losing a job was frightening. For the top management, some financial cushioning could have been in place, but status was at stake.

Conventional wisdom says never waste a crisis. In these difficult times, it was worth studying the mental health and other related issues of private sector employees to try and understand the factors that exacerbated the situation. While the overt economic crisis was more than evident, was it something inherent to the choices the employees made while seeking a job that now presented itself in a precipitated form? Was the business approach of the organization in some way related to the mental health of the employees? Did the work culture of the company compound such problems? This paper attempts to seek answers to these questions.

Three parameters considered for study in this paper are motive of changing the job (growth versus stability), the business approach organization (highly competitive versus moderate competitive), and work culture of the organization (profit centric versus employee centric). Those employees who focus entirely on growth take up jobs that do promise growth, but then high growth jobs are mostly high-risk jobs. The inherent risks of the high growth jobs present themselves more prominently in times of economic downturns. It is hence hypothesized that as employees who choose growth over stability would be at higher risks of layoffs, their mental health would be more adversely affected than those who preferred stability. Similarly, organizations that have a highly competitive business approach would be more adversely impacted than those with a relatively moderate competitive work culture. Job losses are more likely to happen in highly competitive organizations. Hence it is hypothesized that employees working in organizations with a highly

competitive business approach would feel more vulnerable and their mental health would be adversely impacted.

All private businesses are profit driven, but human resources cannot be ignored as they are the driving force in most organizations. While organizations would like to strike a perfect balance between profit and employee well-being, there does evolve a work culture that places an incentive on either profit or the employee. It is hypothesized that employees working in profit driven organizations are more likely to see a lower mental health than those working in employee centric organizations. An interactive effect of the three variables would also be studied.

Method

Design of the Study

There were three factors in the study: motive of the employee, business approach of the organization, and work culture of the organization. Each factor had two levels. Hence a 2*2*2 multifactor design was employed.

Participants

The study involved participants working in the private sector in Mumbai and Pune region in Maharashtra (India). All participants were males in the mid-managerial level and above. These criteria were set in order to limit the study to a relatively homogenous group. The employees had professional degrees (Engineering and/or MBA) and belonged to different sectors (banking, finance, insurance, software, automobiles, manufacturing, FMCG, and retail). Employee age ranged from 28 years to 54 years with a median age of 48. A total of 67 employees participated in the study.

Data Collection

Google Forms were created, and links were sent by email to participants. Snowball sampling method was employed as physical visits and interaction with participants were restricted due to the lockdown. This method is useful when participants are well connected with each other and can recruit future participants from among their acquaintances.

Instruments

A form was created to collect the basic demographic information and other details of the employee. The form required the participant to choose an option regarding the motive of the participant in switching jobs (growth versus stability), business approach of the organization (highly competitive versus moderate competitive), and work culture of the organization (profit centric versus employee centric).

A 25-item questionnaire (Appendix 'A') was prepared that helped assess the mental health of the employee. The questions covered attitudinal, physiological, cognitive, affective, and behavioural dimensions pertaining to the mental health of an employee likely to be impacted by the pandemic and subsequent lockdown.

Procedure

The first batch of 11 participants were contacted on telephone and were appraised of the study in detail. On their agreement to participate, they were mailed the Google forms and their help was enlisted in sharing the links with their colleagues and acquaintances who fitted the criteria for inclusion in the study. It took about 15 to 20 minutes to fill and submit the forms. The email and mobile number of the

researcher were mentioned in the introductory email and participants were informed that they were free to contact the researcher in case of any doubt or clarification. The data were collected in a span of one month.

Data Analysis and Results

A multifactor analysis of variance was employed to test the hypotheses. In the mental health questionnaire, a higher score was indicative of better mental health and vice versa.

Table 1.1 Mean and SD for Mental Health of Employees in the study

Motive	Work Culture	Business Approach	Mean	Std. Deviation	N
Growth	Profit centric	Highly competitive	13.14	2.12	22
		Moderate competitive	12.44	1.94	9
		Total	12.94	2.06	31
	Employee centric	Highly competitive	13.50	2.07	8
		Moderate competitive	15.86	1.95	7
		Total	14.60	2.29	15
	Total	Highly competitive	13.23	2.08	30
		Moderate competitive	13.94	2.57	16
		Total	13.48	2.26	46
Stability	Profit centric	Highly competitive	13.67	1.03	6
		Moderate competitive	16.80	1.30	5
		Total	15.09	1.97	11
	Employee centric	Moderate competitive	18.50	1.65	10
		Total	18.50	1.65	10
	Total	Highly competitive	13.67	1.03	6
		Moderate competitive	17.93	1.71	5
		Total	16.71	2.49	21
	Total	Profit centric	Highly competitive	13.25	1.94
Moderate competitive			14.00	2.75	14
Total			13.50	2.23	42
Employee centric		Highly competitive	13.50	2.07	8

		Moderate competitive	17.41	2.18	17
		Total	16.16	2.81	25
	Total	Highly competitive	13.31	1.94	36
		Moderate competitive	15.87	2.96	31
		Total	14.49	2.77	67

Table 1.2 Business Approach of the Organization and Mental Health of Employees

Factor	F	Sig.
Motive	15.05	0.00
Work Culture	7.45	0.01
Business Approach	11.00	0.00
Motive * Work Culture	1.48	0.23
Motive * Business Approach	7.83	0.01
Work Culture * Business Approach	6.13	0.02

Sixty-seven professionals working in various industries in the private sector were assessed for their mental health. Three variables were used to compare the mental health of the employees, viz. motive of changing the job (growth versus stability), business approach of the organization (highly competitive versus moderate competitive), and work culture of the organization (profit centric versus employee centric). All three main effects are found to be statistically significant. A statistically significant difference is observed in the mental health of employees whose motive is growth oriented (Mean = 13.48, SD = 2.26) versus those employees whose motive is stability (Mean = 16.71, SD = 2.49), $F(1, 65) = 15.05, p < 0.001$. A statistically significant difference is also observed in the mental health of employees working in organizations that have a highly competitive business approach (Mean = 13.31, SD = 1.94) versus those organizations that have a moderately competitive business approach (Mean = 15.87, SD = 2.96), $F(1, 65) = 11.00, p < 0.001$. Similarly, a statistically significant difference is also observed in the mental health of employees working in organizations that have a profit centric work culture (Mean = 13.5, SD = 2.23) versus those organizations that have an employee centric work culture (Mean = 16.16, SD = 2.81), $F(1, 65) = 7.45, p < 0.01$.

Interaction effects for the three variables were also tested. The interaction effect of employee motive and work culture is found to be statistically significant, $F(1, 65) = 1.48, p = 0.23$. A significant interaction effect between employee motive and business approach is also observed, $F(1, 65) = 7.83, p = 0.01$. Lastly, a significant interaction effect between work culture and business approach is observed, $F(1, 65) = 6.13, p = 0.02$.

Discussion

Three main variables that could impact mental health of employees under consideration in this study are the business approach of the organization, and work culture of the organization, and individual motive behind joining the organization. All three variables are found to have a significant impact on the mental health of employees, and the interaction effects of the three variables are also found to be significant.

The COVID-19 pandemic disrupted life all over the world. While it could be assumed that all citizens would have a heightened sense of anxiety in these uncertain times, the causes behind it could also be numerous. Students are apprehensive as examinations, results, entrance examinations, and placements are in limbo. The unorganized sector has faced a heavy brunt and has led to reverse migrations. Shopkeepers and vendors have no business. Employees working in the private sector are also apprehensive as they fear layoffs. The lockdown imposed to contain the spread of the disease led to the shrinking of economic activity and what inevitably follows economic shrinking are layoffs and joblessness.

As the world becomes more and more globalized, competition in business is on the rise. With the proliferation of technology, businesses are forced to invent, adopt, and evolve in a cyclical manner. In doing so, most of the focus remains on profit than on the employee, ethics, or the environment. If businesses do not keep pressing for wealth creation and expansion, they both lose funding and run out of business, or the small fish are gobbled by the large ones. Call it takeovers, mergers, or acquisitions in a sophisticated language. International trade agreements open doors for products that are better in quality or cheaper in price, or both.

The rot in the banking system was exposed as scam after scam was unearthed in the country where loans were doled out to dubious entities that had cooked its accounts, mortgaged subprime properties, had a complicated network of crossholding firms, many of them sham, and as a consequence bad loans piled up. Businesses looked up to venture capitalists and private equity firms that had a one-point agenda of maximising returns on investment (RoI). All industries were solely focussed on increasing profit margins, expansions, and wealth creation. There is nothing aversive to it, for economic activity is about wealth creation, just that there is always a flip side to it. As companies make profits and amass mountains of wealth on the one hand, there will always be holes that are being dug elsewhere. Environment is one victim as a direct consequence of business activities. Forest cover is depleting, land, river, and atmosphere are getting polluted, and natural resources are being mercilessly exploited.

In this race for profit, the brunt is borne by those at the bottom of the wealth pyramid as life and livelihood get adversely affected by vagaries of nature. Unpredictable rains, climate change, rising sea levels, and the planet heating up are all a direct consequence of economic activities shrouded as development. There would have been some solace had there been some equitable distribution of wealth. But income disparity is rising as the rich are getting richer and the poor are pushed further into poverty. According to a report by Oxfam (Elliot, 2019), the wealth of more than 2,200 billionaires across the globe had increased by \$900 billion in 2018 – or \$2.5 billion a day. The 12% increase in the wealth of the very richest contrasted with a fall of 11% in the wealth of the poorest half of the world's population. As a result, the report concluded, the number of billionaires owning as much wealth as half the world's population fell from 43 in 2017 to 26 last year. In 2016 the number was 61.

Just imagine 26 citizens owning the same wealth as that owned by 3.85 billion other citizens in this world.

This obsession with wealth creation leads to extreme pressures on the margins. These pressures lead companies to take risks, even gambles one might say, as they push ahead with breakneck speed. But then the world outside is equally dynamic, perhaps more. Technologies change almost overnight. Political shifts and change in governments lead to policy change. Consumer mood is difficult to gauge. A crisis in one corner of the world impacts economic activity in some other distant corner. And when economic crises happen, employees are an imminent casualty.

Most fresh graduates entering the private sector usually grab the first job that comes their way. Their criteria are mostly limited to pay package, brand value of the company, job profile, and location of posting. As they get exposed to the market and explore possibilities, employees exercise their choice and migrate to jobs and organizations of their preference. This is the time when they consciously opt for a growth oriented job or for stability. This decision could be influenced by numerous factors, but personality could well be assumed to play an important role. Abraham Maslow proposed a hierarchy of motives where people mostly move up the pyramid step by step. When one level of motive is satisfied, the higher level motive sets in. David McClelland proposed three social motives – achievement, affiliation, and power – that worked as drives and manifested themselves in behaviours. People with a high need for achievement set lofty goals and like to take risks to accomplish those goals. People with high power motivation like to control and influence other people. They strive for status and recognition. It is very likely that people driven by such needs would take jobs that provide opportunities for personal growth and/or higher pay and status.

Friedman and Rosenman proposed two personality types – Type A and Type B. Type A personalities are competitive, ambitious, and aware of status, as compared to Type B who are relaxed, less stressed, and prone to procrastination. Type A personalities can very well be expected to take jobs that promise growth over stability. Like growth has inherent risks for organizations, it also has risks for employees. Type A personalities for instance were found to be at higher risk of cardiovascular problems. It may be noted that Friedman and Rosenman were cardiologists and discovered these personality types while working with their patients.

As employees chase status, power, and money (money again reinforces status and power), the risks they take keep mounting. The risks remain invisible as the growth trajectory is on ascendance, but in times of crisis, the risks come to the surface. The COVID-19 pandemic came out of the blue. Even before people could devise any strategy, there was a complete lockdown in the country. What was thought to be a temporary measure stretched itself for months. The ominous spectre of layoffs was staring employees in the face. Those who had chosen growth over stability were hit the hardest. Hence their mental health was most affected. Employees were nervous in general, but mental health of employees was most adversely affected in those companies that focused on extreme competitiveness and profits. This was because the companies that had taken the highest risks for profit-making were facing the biggest brunt. These companies as it is always focused more on profit and were likely to sacrifice their employees for minimizing the damage due to shrinking margins.

Living in times of crass consumerism also means that advice works on a demand-and-supply equation. More the demand, more the supply. News media were soon agog with doomsday prophecies and social media were concocting mental health recipes at a frantic pace. But mental health, like physical health, is a continuous

process, and not an end in itself. One has to take a look at the overall attitude and value system of the individual that has crystallized over the years. When people aspire for money and status, they are taking calculated risks. When they win they get to keep the spoils. So, when they lose they would be expected to accept the losses. But the onus now shifts on the government to do something about it. Ironically, those who had been critical of governments for its inaction now want it to act. Those who never went out to vote in elections are the most vocal in their demand for democratic governments to provide for support. When people invest in the stock market, they are taking risks. As the market soars, some investors become millionaires. When the markets crash, some lose their shirts. Similarly, those who made money while the organization grew rapidly got to keep their share. When a crisis suddenly looms overhead, some find themselves on the way out. Seasoned investors say one can never time the market. Otherwise all investors would move from stocks to debt instruments or bullion in the nick of time. Similarly, it is difficult for employees to time a crisis and move from growth to stability. The larger question is, should society pay the bill for the personal lust of individual citizens?

It is difficult to find that perfect balance between growth and stability, profit and risk. But it is not impossible entirely. Like physical health requires a healthy diet and exercise, mental health too requires healthy thoughts and actions. When physical health is pushed by external steroids, a person may look fit on the outside, but health is compromised inside. Similarly, economic prosperity, development, growth and upward mobility are welcome, but when they run on unrestrained motives and impulses, famously called animal spirits, mental health is likely to be affected. Unfortunately, it is only in times of crisis that these issues popup, but are otherwise pushed under the carpet or relegated to irrelevance. And when they do popup, it is mostly those who wish to profit from it that make the most noise. Sanity is precious commodity, hence scarce.

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