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36th WORKSHOP ON STRATEGIC HUMAN RESOURCE MANAGEMENT

Online, May 27-28, 2021

Chairpersons :

Professor Ingrid FULMER - Rutgers University, U.S.A. Professor Michael SEGALLA - HEC Paris, France Professor Bruno STAFFELBACH - University of Lucerne, Switzerland

PROGRAMME

<u>Thursday, May 27, 2021</u>

Note that all times mentioned are in **<u>CET</u>** (Central European Time - Brussels/Rome/Paris/Berlin time zone)

09.45 - 10.00	Login and Information			
03.43 10.00	Zoom Link : https://zoom.us/j/98496764304?pwd=c0l4SitCUzAyUlcrcnBnTUpsdGUrQT09			
	ID 984 9676 4304 – Password : 918723			
10:00 - 10:40	Welcome, introduction & presentation of the participants by INGRID FULMER, MICHAEL SEGALLA, BRUNO STAFFELBACH Welcome by JEROME CHABANNE-RIVE - EIASM Executive Director			
	Zoom Link : <u>https://zoom.us/i/98496764304?pwd=c0l4SitCUzAyUlcrcnBnTU</u> ID 984 9676 4304 – Passcode 918723	psdGUrQT09		
SESSION 1	COVID-19 and HRM	Diverse Topics on HRM		
	Chair: BRUNO STAFFELBACH	Chair: MICHAEL SEGALLA		
	Zoom Link : https://zoom.us/j/98496764304?pwd=c0l4SitCUzAyUlcrcnBnTUpsdGUrQT09 ID 984 9676 4304 – Passcode : 918723	Zoom Link : https://zoom.us/j/91230754738?pwd=VS9tdzAvaGxpQ21oRC92RDM0YU9pZz09 ID: 912 3075 4738 - Passcode: 281208		
10:40 - 11:10	THE DECISION-MAKING PROCESS OF FEMALE LEADERS IN HUMAN	AN EMPIRICAL INVESTIGATION INTO THE IMPACTS OF SALES		
	RESOURCES DEPARTMENTS	MANAGEMENT COMPETENCIES AND LMX ON SALESPEOPLE'S		
	BRANDAO CATARINA (UNIVERSITY OF PORTO), DANIELA TEIXEIRA	CUSTOMER MIND-SET		
		KRUISINGA BUCSEA, SIMONA (UNIVERSITY OF ANTWERP), DAVID STUER, DIMITRI MORTELMANS		



COVID-19 and HRM in Light of Two Empirical Country-wide Researches in Hungary



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> On-line May 27-28, 2021



1

COVID-19 and HRM in Light of Two Empirical Country-wide Researches in Hungary

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Abstract

In our article, we have followed a path that has not been taken so far. We had to develop our research questionnaire and review the relevant literature in a very short time. In the introduction to our article, we refer to the specific nature of our topic. In our article, we first review the most important literature sources related to our research topic. Following this, we present the Hungarian HR research experiences related to the first and second waves of COVID-19, implemented by a collaboration between 13 Hungarian and Slovakian universities in 2020 and 2021.

Keywords: COVID-19, 1st and 2nd waves, Human Resources Management, Hungary

Introduction

Our past year has resulted in a series of events for the whole world that our collective memory thinks more of, such paintings as Breghel's work of 1562 on the plague or Egon Schiele's 1918 family painting on the then Spanish flu (Stanska, 2020). At the beginning of the current epidemic, many read novels by writers such as Albert Camus: The Plague or Daniel Defoe: The London Plague (Visy, 2021). Steven Stoderberg's Contagion film (2011) cannot be left out of this list. The cinematographer finds many similarities in that film to today's situation, but the film's virus does much more destruction (Roger, 2020).

Since the beginning of the new millennium, over 35 severe conflicts and some 2500 catastrophes – including the various virus outbreaks – affected the human population worldwide (Mosley, 2020; UNEP, 2020). Although many consider the coronavirus pandemic to be an unexpected so-called "black swan" event, in reality, the global monitoring organisation of the WHO warned of the threat of a coming pandemic in September of 2019, in which they pointed out global unpreparedness (WHO, 2019).

From China, the virus has spread rapidly around the world due to globalisation. In Europe, it first caused havoc in Italy and then gradually fell victim to the world's people. When preparing our research paper on April 30 2021, the total number of infected cases was 150 million, while the number of deaths exceeded 3,1 million. (WHO, 2021). The same data reached 780 thousand people infected in Hungary with 10 million, while the number of deaths due to COVID-19 was 27,540.

The 2008-2009 crisis was the collapse of the over-crediting bubble and the loss of trust that resulted from this. It is worth outlining that there are publications in the literature (Adams-Prassl et al., 2020) that highlight the different effects in the context of the experience gained during previous crises and the current economic crisis in COVID-19. One of the major lessons learned from its handling was how the value of unconventional solutions increased (Blinder & Zandi 2015, Magas, 2018). Most companies employed the strategy of "survival and short-term thinking" (Balaton & Csiba 2012:11). Similar findings were made in connection with the COVID survey of Hungarian higher education workers (Jarjabka et al. 2020, Sipos et al., 2020). Companies downsized mainly their interim staff (Fodor, Kiss & Poór, 2010). It is important to note that the recruitment of a new workforce was greatly withheld in Hungary (Köllő, 2010). Of course, not every company employed a short-term strategy. The literature describes this pessimist and protective corporate behaviour as preventive. Professionals also describe three additional strategies: promotive (to gain), pragmatic (employing defensive and offensive steps) and progressive (optimal use of both defensive and expansive techniques) company attitudes (Gulati et al., 2010). During previous economic crises, "lockdown mode" was not a thing (Lazáry 2020). However, there was knowledge of its effects, such as the Nipah virus pandemic in

Vietnam, which was more dangerous than COVID (Thomas, 2018). The employed methods, government intervention method, and current multilateral solutions differentiate a lot from the crisis management steps employed in 2008 (Strauss, 2020).

The global pandemic led to an unprecedented medical and socioeconomic crisis within a few weeks which had severe effects in several areas (Craven et al., 2020), but some profited from it (Davis, 2020; CCN, 2021). One very obvious effect was a decrease in services requiring personal participation while "boosting demand for services involving less in-person interactions" (Kibrom, Tafere & Woldemichae, 2020: 26).

The 50th World Economic Forum in Davos was held remote from 25 to 29 January 2021. One of the important echoes of what was said at the Forum was that planned innovations (circular economy, maintenance of world economic conventions) could help recover our world (Annual, 2021). Analysing the first and second waves of the coronavirus from the view of human resource management also aims to help this pathfinding the results of the Hungarian economy.

COVID-19 and HRM research

Since early 2020, COVID-19, also known as the coronavirus, has affected people's daily lives worldwide. (Opatha, 2020, Craven et al., 2020). COVID-19 occurs with fever, dry cough, and shortness of breath, in the most severe case pneumonia (Guarner, 2020), from person to person in close contact (within about one and a half meters) through respiratory droplets when the infected person coughs or sneezes (Opatha, 2020).Countries are trying to curb the spread of the coronavirus to different sectors with different severities by implementing different strategies, the biggest trend of which is tourism (Grotte, 2017), for example, by limiting social interactions. The question arises as to the impact of these strategies on the economy (Karnon, 2020) and how a given enterprise considers humanitarian solutions (Jenei & Módosné 2021).

The impact of the COVID-19 pandemic has been extensive and posed enormous challenges to workers, organisations, communities, nations, and the world at large (Li, Ghosh & amp; Nachmias, 2020). In order to mitigate health risks, the introduction of a widely expanded home office also required the acquisition of new competencies and skills on the part of employees. The impact of the virus on the economy, household income, and daily life have forced a rethinking of attitudes toward working from home. The digital revolution of recent decades has made this possible with extreme speed (Abulibdeh, 2020). It can be said that there has been a turn of one hundred and eighty degrees in the perception of the "home office" phenomenon by employers, which was previously characterised by a great deal of mistrust and aversion (Szabó, 2020). The forced situation called "home office", which cannot be called real telework, made life difficult for many families, especially housewives, as in addition to working from home, they also had the task of dealing with children and learning (Nemeskéri, 2020). Striking work – privacy balance for families has been one of the biggest

challenges of the viral situation (Pirohov-Tóth & Kiss, 2020). We have witnessed phenomena such as the development of social isolation, segregation, insecurity, and fear (Glenn & amp; O'Rourke 2021). In this situation, organisations need to be more flexible and innovative in unexpected human resources (HR) affecting their employees. For example, there is an outbreak of infectious diseases (e.g. COVID-19) that force them to switch to teleworking, thus changing learning (Varga, 2020) and the process of development (Biron et al., 2020). In the future, efforts should be made to develop strategies whose practical application contributes to the balance between the workforce and the changed labour market conditions and encourage the development of effective forms of learning by maximising the opportunities offered by digital transformation (Pirohov-Tóth & Kiss, 2020). The coronavirus epidemic had a significant negative impact on economic expectations, rewriting macroeconomic forecasts for the coming years. Csehné (2021) predicts the following perspectives on the likely effects of the coronavirus on the labour market based on the Gomme model. The epidemic is expected to directly affect the economy for 18 months in the presence of four exogenous phenomena. (1) The probability of working is reduced by a quarter. (2) As many jobs are lost, and workers are encouraged to stay at home, the probability of meeting employer and employee needs falls by 40%. (3) Recruitment costs will double due to the previous ones. (4) Productivity could be expected to decline by 10% due to reduced work efficiency at home and disruptions in supply chains.

As can be seen from the above, the coronavirus epidemic also plays a significant role in the HR activities of organisations. According to Gulo (2020), the biggest challenge for HR professionals is how to contribute to the survival of companies in this challenging situation. In order to adapt to rapidly changing market needs, they need to incorporate the tools of agile methods into their operations. Indeed, the restrictive measures and mobility restrictions implemented as a result of the pandemic have significantly transformed HR practices that have become commonplace in the labour market (Frank.-Langer and Estrella, 2021). Dealing with these changed conditions- e.g. working from home, keeping distance, maintaining motivation, controlling the performance of tasks - requires a high degree of openness from employers. Management needs to ask two critical questions: 1. which things are most important to employees and with it 2. what is important for HR? Al Mala (2020) argue that an employee is preoccupied with financial security, personal and family health rather than his or her employer's financial situation and becoming unstable; therefore, the HR strategy must consider the concerns of the employees. Moreover, the most critical question for the employer and how to stay afloat is how to keep the employee. The driving force of organisational development is creativity and innovation, owned by human resources as human capital (Csapai-Berke, 2015).

The virus situation can also be considered a dangerous disaster for HRM (Human Resource Management), as the proper employment of employees is also a severe health issue that the organisation has to deal with. From a corporate perspective, it is also serious for an outstanding employee to become infected, as it can come at a cost. If a worker becomes infected with a confirmed coronavirus, the affected department or the organisation may be shut down. During this time, the

company's productivity and market share may decrease, so the danger of the virus is significant both humanly - from the point of view of human resource management - and financially (Opatha, 2020).

Samples

A few months following the first cases of COVID-19 in Europe at the beginning of May 2020, three Hungarian civil society organisations, with the professional aid of several economic chambers of 13 Hungarian universities and one Slovakian university, started the "COVID-19 and HRM" research program. Our empirical research was fundamentally ex-post (Usunier et al., 2017). This meant that we examined the effect of the crisis caused by the coronavirus on the resource management practices in the Hungarian corporate/institutional sphere. During our research, the questionnaire we employed dealt with the following larger groups of questions, collecting the respondents' experiences, opinions, and expectations in each case.

- the current and expected effects of the crisis caused by the coronavirus on the Hungarian economy and the examined organisation,
- general HR crisis management measures most representative of the examined organisations,
- changes and alterations (realised or planned) in the HR department as a result of the crisis at the examined organisations,
- developmental opportunities that arose as a result of the coronavirus crisis at the examined organisation and its HR department,
- jobs and competencies negatively and/or positively impacted by the effects of the crisis,
- characteristics of the examined organisation, respondent HR division and respondents.

The first phase of our research took place between June 12th and July 31st, 2020. The second phase occurred between August 1st and November 15th, 2020. The questionnaire we used – which we developed based on our global Cranet¹ network and Eastern European Ceeirt² research experience – includes both open-ended and closed questions. In terms of closed questions, we asked respondents to answer precomposed questions that cover the research subjects to a high degree by indicating the most representative answer (one-respondent method).

Due to the exploratory nature of our research, the most important goal for sampling in both research phases was to reach as many and as heterogeneous a pool of respondents as possible. It was more important to identify the widest possible range of phenomena than a representative description. For these purposes, a combination of availability and snowball sampling was used. In practice, this meant contacting organisations in the network of participants and those already included in the sample, making the link to the questionnaire available on social media and concerning all press and scientific appearances, and asking potential participants to get involved in the research. In several

cases, the respondents omitted one or more questions, so the number of respondents may differ slightly for each question

Although the composition of the first and second phase samples differ according to the results detailed below, they can still answer certain questions because of the above-described sampling method. Similarly, as in the case of continuous sampling (Hunyadi & Vita, 2008), which is used to explore possible errors, our repeated data collection is also suitable for demonstrating specific novel, unusual and nonstandard phenomena. Therefore it is suitable for determining what new processes arising as a result of the pandemic during the two examined periods.

508 organisations (companies and institutions) completed the survey questionnaire in the first phase and by 1014 (companies and institutions) in the second phase. Thus, the number of responding organisations nearly doubled from the first to the second phase, indicating the one hand an improvement in the efficiency of data collection and confirming the reality of the dangers associated with a direct comparison of the two phases.

A significant proportion of respondents in both phases were domestic private organisations (58.7% and 46.9%), and roughly a quarter (26.6%, 27.6%) had foreign or joint ownership. In the second phase, the ratio of questionnaires filled by state and local government organisations was about twice as high as the first (increased from 11.6% to 22.3%). An additional 3.1-3.2% were non-governmental, non-profit organisation.

Based on the number of employees, the largest proportion of the responding organisations (72.1% in the first phase and 63.6% in the second phase) belonged to the category of small and medium-sized enterprises (SMEs) (see Table 1). An important difference between the two samples is that the proportion of larger organisations increased for the second phase. The ratio of employees with more than 500 employees was 10 per cent higher in the second phase.

No. of employees (person)	Phase 1	Phase 2
	%	%
0	6.7	3.1
1-9	28.6	17.5
10-49	18.3	21.5
50-250	18.5	21.6
251-500	10.3	8.8
501-2000	9.5	14.0

Table 1: Distribution of the sample by the number of employees, 2019, in both research phases

$(n_{1st}=508, n_{1st})$	$_{2nd} = 1014$)
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more than 2000	8.1	13.6
Total	100.0	100.0

We also asked how many people were employed on average by the organisations surveyed in atypical form (temporary employees, individual contractors, etc.) in 2019 (Table: 2).

No. of atypical employees	Phase 1	Phase 2
(person)	%	%
0	31.9	29.1
1-9	29.7	24.1
10-49	19.8	22.2
50-250	10.8	14.7
251-500	4.0	4.0
501-2000	3.2	3.7
more than 2000	0.6	2.3
Total	100.0	100.0

Table 2: Atypical employment in 2019 among the respondents (n_{1st} =508, n_{2nd} =1014)

Nearly a third of the responding organisations (31.9% and 29.1%) did not have atypical employees. In both phases, most of the respondents indicated atypical employment of 10–250 people (30.6% and 46.8%). In the second phase, 29 organisations indicated that they employ more than 2,000 people in an atypical form.

Table 3 shows the distribution of the responding organisations by another dimension of organisational size: revenue category in 2019. According to these data, the respondents in the second sample had slightly higher sales organisations compared to the first phase, on average. As a comparison, in 2019, the average revenue in Hungary was 141,6 million HUF (KSH, 2021a).

Table 3: Respondents by revenue categories, 2019, in both research phases (n_{1st} =508, n_{2nd} =1014)

Revenue category (HUF)	Phase 1	Phase 2
	%	%
below 50 million	27.6	22.0
51 – 100 million	9.8	10.4
101 – 500 million	17.1	16.8
501 – 2,500 million	11.4	17.8
2.51 – 25.00 billion	19.6	15.1

25.10 - 120 billion	7.6	7.8
above 100 billion	6.9	10.2
Total	100.0	100.0

In both phases of our survey, most of the respondents came from the field of scientific, technical and consulting activities, trade, education, construction, hospitality, and tourism (all the other areas were represented by less than 8% of the total samples). Based on the data of the KSH (2021b), most of the businesses in 2019 operated in these three areas in Hungary. From the regional point of view, the samples are dominated by organisations from Budapest (capital of Hungary). In the first phase, 35.3%, in the second, 48.6% of the participant organisations are from Budapest. This is, however, not far from the capital city' actual weight. According to the Central Statistical Office of Hungary data, 40.3% of the registered companies and 29.6% of the non-profit organisations were located in Budapest in 2020 (KSH, 2021c).

In the first phase, 31.8% and in the second, 46.2% of the respondent organisations were the unit of a greater organisation or organisation group. During the research, we asked whether the responding organisations had a developed action plan specifically for a pandemic or viral situation (Table 4).

Based on the results of Phase 1, a relatively low percentage of responding organisations (14.2%) had a plan to deal with an epidemic situation prior to the viral situation at the time of the survey. Due to the unfolding virus situation, more than half of the respondents (54.2%) developed such a plan, and 9.7 per cent plan to develop such a protocol. However, more than a fifth of them (21.9%) do not even want to deal with such a task.

In Phase 2, 27.2% indicated that they had a contingency plan developed specifically for pandemic situations before the viral situation, which could be applied unchanged or modified during the ongoing pandemic. More than half of the respondents (55.8%) stated that they considered it necessary to develop a plan due to the viral situation, while less than 10% stated that they planned to develop an action plan in both phases.

The changing attitude of respondents in the analysis to the viral situation suggests that while in the first phase, more than a quarter of respondents stated that they did not have an action plan but did not see the need for it, by the second phase, this rate had fallen below 10%.

Table 4: Presence of a developed contingency plan for the pandemic/virus situation ($n_{1st}=508$,

n_{2nd}=1014)

Ontion	Phase 1	Phase 2
option		%
We already had one before the current virus situation, which we	2.4	10.6

use in its unchanged form		
We already had one before the current virus situation, which we use in a modified form	11.8	16.6
We did not have any before the pandemic, but we worked it out because of the virus situation	54.2	55.8
We do not have any, but we plan to have one	9.7	7.8
We do not have, and we do not feel it necessary	21.9	9.2
Total	100.0	100.0

Based on the ownership background of the responding organisations, we also examined if they had an action plan, who prepared it (Table 5).

Based on the results of Phase 1, the responding organisations typically developed the plans themselves, taking into account local specificities (57.5%). In contrast, in almost one - fifth of the respondents (19.1%), the owner parent company/parent organisation developed the pandemic plan. Based on the responses of the organisations participating in Phase 2, 43% followed the guidelines prepared centrally by the parent company or owner, while 46% of the respondents developed or are in the process of developing them themselves.

The preparer of the plan		Phase 2
		%
Created/prepared centrally by the parent company/owner, we follow the guidelines set out in it	19.1	43.0
We created/are creating it on our own	57.5	46.0
No answer	23.4	11.0
Total	100.0	100.0

Table 5: Who prepares the virus/pandemic action plan? ($n_{1st}=508$, $n_{2nd}=1014$)

The investigations also covered whether the organisations have an HR department and, if so, the number of employees. Based on the data of Table x6, in Phase 1, a higher proportion of responding organisations did not have an independent staff / human resources department (53.8%), mainly due to the fact that more than two - thirds of respondents were small and medium-sized organisations. In Phase 2, 50.9% of the organisations involved in the research were those with an independent HR department. This may be due to the higher proportion of medium and large organisations among the responding organisations.

Items	Phase 1	Phase 2
	%	%
It exists	46.2	50.9
It does not exist	53.8	45.1
No answer	0.0	4.0
Total	100.0	100.0

Table 6: Existence of a Human Resources / Personnel department during the first and second phases $(n_{1st}=508, n_{2nd}=1014)$

We also examined the number of employees in the HR department (Table x7). In Phase 1, a higher proportion of responding organisations did not have an HR department (53.8%). Organisations with an independent staff / human resources department employ the highest proportion of 1-5 people (27.2%), followed by organisations with 6-10 employees (8.6%). The proportion of organisations employing more than 10 HR professionals in the sample is 10.3%.

In Phase 2, the highest proportion of responding organisations were with a human resources department (52.8%). The distribution of the number of people in the human resources department is as follows: 1 - 5 people (25.5%), 6 - 10 people (8.7%) and more than 10 people (18.7%). This may be due to the fact that, as mentioned earlier, a higher proportion of responding organisations were large (larger) organisations.

Table 7: The headcount of the HR organisation during the first and second phases (n_{1st} =508,

n_{2nd}=1014)

Number of HR employees	Phase 1	Phase 2
	%	%
No HR department	53.8	47.2
1-5 people	27.2	25.5
6-10 people	8.6	8.7
11-30 people	6.5	9.2
More than 30 people	3.8	9.5
Total	100.0	100.0

Results

Labour markets and labour supply

One of the most critical issues of the coronavirus HR project, especially for HR, is how the forced shutdown of the economy has affected the development of the number of jobs filled.

The expected length of the economic downturn in Phase 1 was considered by two-thirds of respondents (66.1%) to take one year, i.e. until 2021. Overly optimistic, i.e. lasting for a few months (12.5%) and pessimistic, i.e. lasting until 2025 or later (15.7%), views are similar.

In Phase 2 of the research, it was already well known that the epidemic could recur in waves several times until immunity developed with the introduction of vaccines that were still under development. Respondents at this stage expressed more pessimistic expectations: the prolongation of the crisis until at least 2025 was considered likely to be above 30%, while the proportion expecting lockdowns in 2021 was 58.3%. The most optimistic respondents, predicting a few months, appeared in the sample at only 3.1% (although in this case, it should be noted that this may have been influenced by the fall date of the survey).

Expected duration	Phase 1	Phase 2
	%	%
Some months, affecting 2020 only	12.5	3.1
It will last till 2021	66.1	58.3
The crisis will last till 2025	14.0	26.1
Its effects will last even after 2025	1.7	4.2
'I do not know.'	5.7	8.3
Total	100.0	100.0

Table 8.: The duration of the economic downturn due to the virus as expected by the respondents $(n_{1st}=508, n_{2nd}=1014)$

The results of the expectations regarding the development of unemployment are presented in Table 8. Based on the results obtained in Phase 1, the unemployment rate will increase due to the coronavirus according to 91.1% of respondents. More than half of those surveyed (56.6%) thought the increase would be significant, while more than a third (34.5%) expected a slight increase. There were also optimistic views among respondents who expected a slight decline in unemployment compared to 2019 (2.5%), and 2.7% thought it would not change.

Based on the results of Phase 2, 89.8% of the responding organisations expected an increase in the unemployment rate. The proportion of respondents expecting a significant increase was 48.8%, while 35% expected a slight increase. 5% of respondents thought unemployment would fall slightly compared to 2019 and 5.2% would remain unchanged.

Table 9: The unemployment level expected by the respondents for 2020 (n_{1st} =508, n_{2nd} =1014)

Unemployment expectations on country level	Phase 1	Phase 2
	%	%
The unemployment rate will be a little lower compared to 2019	2.5	5.0
It remains at the 2010 level	2.7	52
It remains at the 2019 level	2.1	5.2
Its yearly average will be a slightly higher compared to 2019	34.5	35.4
Compared to 2019, it will increase significantly	56.6	48.8
'I do not know.'	3.7	5.5
Total	100.0	100.0

The respondents were also asked what changes in unemployment they expect in their sector. In the first phase, one-third of respondents predicted a slight increase in unemployment, and nearly a quarter predicted a significant growth. However, in the second phase, the answers become more optimistic, and these two categories decreased by 5 and 9 percentage points. In contrast, the ratio of those who predicted a decrease in unemployment increased from 6.7 to 10%.

Less than a third of the responding organisations were affected by staff reductions in the first period of the epidemic and an even smaller proportion of respondents in the second wave (see Table 10). The separations of more than twenty per cent remained below 10% and 7%, respectively. More importantly, during the first period, more than 4% and more than 10% of the organisations had headcount growth during the second.

Change in the number of employees	Phase 1	Phase 2
	%	%
Strong decrease (more than -20%)	9.4	6.9
Slight decrease	22.8	20.9
No change	62.3	56.6
Slight increase	2.0	9.1
Strong increase (more than +20%)	2.2	1.4
'I do not know.'	1.2	5.1
Total	100.0	100.0

Table 10: Change in the number of employees during the first and second phases (n_{1st} =508, n_{2nd} =1014)

Key tasks and functions of HRM

The following non-exhaustive list can summarise the observations we made during our two studies:

- The KoronaHR study results indicated that more than half of the respondents (in the 1st phase: 54,2%; in the 2nd phase: 55,8%) found the development of an action plan important in accordance with the statements of domestic and international epidemiological institutions. This action plan intertwines the entirety of the organisation and focuses mainly on the maintenance of operation, continuity, including human resources.
- As newer and newer waves of the pandemic arise, organisations tend to have a bleak view of the end of the crisis. Over 30% of respondents during the second wave found it probable that the pandemic would extend to 2025.
- The pandemic threatens human factors the most. Because of this, HR leaders became the centre of crisis management and fast response. The aid of employees, key members and suppliers proved to be an effective strategy. After the initial constraints, most of the companies moved to strategy revision to ensure the ordinary course of business. The protection of human resources as one of the major goals of crisis management is ensured by maintaining the motivation of employees, communication, new work and health and safety measures and digitalisation.
- Dealing with the shock caused by COVID-19 made a paradigm shift necessary, which created several challenges for leaders and required a high degree of flexibility. It became obvious that Ulrich's HR model (Ulrich, 1997) required innovation. One of the most important steps towards this is more effective cooperation with upper management (C-suite) as well as focusing on macro perspective predictive activities instead of planning the relationship between management and employees (KPMG, 2020.) Organisations had to manage the situation that arose. While 65% of companies did not have an action plan for exceptional occurrences before the pandemic (Deloitte, 2020.), this is now different today. Furthermore, all respondent companies ask for the opinion of employees in important matters. Health and safety measures (social distancing, hygiene, protective equipment) resulted in new competencies or made existing competencies more important personally. This was verifiable in the case of competency requirements during the research that took place during the second wave.
- The operation and financial stability of companies came under threat. To ensure an increase in their results and effectiveness, they had to decrease costs or increase income (Böcskei & Kis, 2020). The results of the current research indicate that downsizing is not the most suitable cost-reducing strategy. According to the survey by Deloitte (2020), only every twentieth company decided on downsizing during the first wave of the pandemic. The introduction of teleworking and working from home was far more common. This also results in cost reduction while the technical tools ensure flexible and successful work (Venczel-Szakó, Balogh & Borgulya, 2021). Based on international surveys (O'Kane et al., 2020), only every tenth employee refuses the opportunity to work remotely. The rest would be glad to do so a couple of days a week, and every fifth would like to work all the time remotely. To ensure that companies survive during this critical period, strategies must be re-evaluated, and it must be determined which strategies were effective and

which require modifications. Commitment to security and established goals, the aid of employee cooperation, the rethinking of business processes and the continuity of company activities are all factors that help companies survive the pandemic and possibly come out of it with positive development and a higher degree of stability (Deloitte 2020).

For the practical application of our results related to HR tasks, we consider it essential to review the basic theoretical contexts based on which the new paradigm becomes feasible. The main ideas of these are described below, focusing only on the most critical details:

- The crisis caused by the coronavirus is fundamentally different from the recessions in the world economy so far. The key point of the discrepancy is that COVID-19 attacks humans directly, thus causing an economic shock, while in the case of previous recessions, the causal relationship was just the opposite. It is also more dangerous than a terrorist attack or a natural disaster because it is a global phenomenon. As the role of human capital has increased in today's advanced economies (Fogel, 1994; Samans et al., 2017; Schultz, 1961), HR is also playing a key role in solving the problems caused by the crisis. As human resources and work culture are closely linked, a complex approach to tasks needs to be developed. In this chapter, supplementing the results of the Korona HR project, we would like to draw attention to the most essential points of the paradigm shift that has become necessary.
- Each economic crisis has necessitated a paradigm shift. The HR solution to the "great recession" of 1929 was the emergence of the social man theory (Mayo, 1945), which drew attention to the importance of treating workers as human beings. Before the crisis, the workforce was seen as a living machine, as illustrated by Chaplin's film, Modern Times, very well. Mayo has shown that, unlike previous scientific conventions (Taylor, 1919), a worker is more motivated than money to be treated as a human being. The global financial crisis of 2008 2010 forced companies to switch from permanent employment to contract workers, which led to the growth of the gigeconomy. Gigeconomy provides a great deal of freedom, but in return, the security of a permanent job, paid sick leave, or a pension must be given up. This creates an unstable environment for workers and can make pensions, among other things, precarious.
- When solving the problems caused by COVID, a new future must be built on these past experiences. It is an important task to develop short and long-term emergency plans and, more importantly, test them. The coronavirus revealed that few companies had a pre-prepared emergency plan. More than half of the companies we interviewed did not have any scenarios to deal with black swan (Taleb, 2007) events. And for those who did, deficiencies were found during application.
- According to the HR professionals interviewed, the three pillars of crisis management are the development of telework (work for home WFH), digitisation and cost reduction. We would also highlight an aspect that perhaps should precede the ones listed: this might be called

workforce wellness. Anxiety and stress are the same performance inhibitors as the physical illness itself. This goal requires a holistic approach: giving employees mental, health and financial security, thus creating commitment and motivation to the company. We draw attention to this aspect because the HR specialists of the companies we interviewed did not mention it at all among the competencies that became important during the first wave of the epidemic. While in the second wave, it was only in the eighth place in the ranking of competency groups that became important.

- Health protection was the primary goal of extending WFH to activities traditionally attended by attendance. However, holistically, it has several additional benefits. It is also linked to the second priority of digitisation, and the third mentioned cost reduction. Let's look at the latter first! The generalisation of WFH is a significant cost-cutting factor as it eliminates the costs of maintaining, operating and administering large office buildings. This includes overheads or rent and, for example, the maintenance of car parks, underground garages, the operation of an office buffet or the cost of a security guard. Suppose attendance is also required for efficient work. In that case, a minimum level can be achieved in a smaller office, and employees can be employed on a rotating basis with alternating attendance and telecommuting. With the introduction of WIF, the number of delays and "empty hours" will be reduced, and there will be no need for time and costs for workers to travel.
- Meetings, conferences, joint projects can be moved to the online space, which almost forces the necessary development of digitisation. Automation can be increased, but "in return" is an important HR task to develop the already mentioned employee training-further training-skills development system, also taking advantage of the opportunities provided by the Internet. This will fundamentally transform talent models, and the digitisation of talent value chains will be the focus.
- Although an old concept, COVID still has a crucial role to play in Mayo's theory. HR managers need to step up initiatives and efforts to recognise employees. Effective recognition motivates the employee and is at the same time a strong signal to other employees of the behaviour they should follow. Recognition can take many forms in addition to monetary rewards, such as public honours, awards, development opportunity benefits, and rewards. This shows that the organisation cares about its employee and reinforces the employee's long-term commitment to the organisation's success.
- Commitment can also be encouraged through innovation. This is especially key in retaining the so-called high-potential (HIPO) staff. Even if an organisation has constraints on new investment, HR managers need to emphasise the need for process improvement or incremental innovation and provide an opportunity to do so.

The role of certain jobs is increasing due to changing supply chains, precisely due to the lessons learned from the epidemic. An example is a change that has taken place in inventory management. The global disruption of supply chains has necessitated a paradigm shift for just - in - time fashion companies nearly seventy years ago and Kanban (Ohno, 1988; Sugimori et al., 1977) to move to inventory warehousing. This makes it necessary to increase storage capacity and require more manpower in this area. This additional need can be solved, for example, within the company, if possible, by training and retraining the employees of the jobs that are lost due to automation.

Conclusions

What scenario could the crisis end with? Basically, we can expect two types of outcomes (Arora & Suri, 2020). One possibility is that decisions made during and after the crisis will lead to less prosperity, slower growth, widening inequality and rigid borders. However, it is also possible that decisions made during the crisis will lead to increased innovation and efficiency, more resilient industries, smarter governance and different levels of intelligence, and the emergence of a new digital world. Overall, it can be determined based on the observations made during the pandemic that the three most important strategic goals are to ensure the continuity of business, to ensure effective operation and digitalisation.

According to Budhwar and Cumming (2020), the COVID-19 crisis brought attention to the importance of an international perspective. In their view, the pandemic reminded us of the interconnectedness of the entire world. Therefore, studies from certain regions – such as the Hungarian example in this presentation – may provide an important local perspective on the pandemic's organisational management and may help us find global solutions. Our future plans include expanding the study in an international dimension: We started our research using an online survey in other eastern and central European countries such as Austria, Slovakia, Bosnia and Romania. It can be stated that organisational responses to a pandemic must also consider national-organisational cultural differences (Poór et al., 2011).

Limits and future plans

In the first and second phases of our research, which roughly coincided with the first and second waves of the epidemic, we reviewed the activities of nearly one and a half thousand Hungarian companies and institutions. We are fully aware that our sample is not representative, but the organisations participating in it represent different parts of the Hungarian economy. When preparing our current publication, we completed our third research in Hungary during the third wave of the epidemic. Furthermore, in the first half of May, we will close our similar research in other countries in the CEE region (Austria, Bosnia and Herzegovina, Bulgaria, Romania and Slovakia). Soon we will be able to perform several in-depth statistical studies based on the mentioned samples.

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