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Global and Local Impacts of the Pandemic on the World of Work

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One of the key issues of our time is in our Central and East-European (CKE) region and throughout the world: what trends are to emerge in the pandemic-weighted labour market? Just a few months before the global pandemic crisis, the KKE countries had a "ball" in the labour markets, and news of labour shortages, as well as labour retention rumbled on. More and more analyses have indicated that there is no other way out: wages need to be raised and, in the longer term, the rise of the robotisation and artificial intelligence may be the solution. In early March 2020, the crisis caused by the SARS-CoV-2 coronavirus exploded in this situation, resulting in both unemployment and labour shortages. The fact is that the history of mankind can be described by wars and epidemics. Sticking to the example, one shall notice that difficult situations affecting humanity in history, such as wars, not only brought destruction and poverty, but also they created new exploitable opportunities. Continuing with this idea, it can be concluded that, in the case of the pandemic, we can talk about a war without a declaration, which has hit on employers and workers almost simultaneously all over the world. The real questions are if there is a way out of this, as well as how people can escape from this very situation, both globally and within the framework of that nation's state.

KEYWORDS: CovidTail 19, HR responses, Labour market, Hungary 2020 KronHR research

A pandémia globális és lokális hatása a munka világra

Napjaink egyik kulcskérdése közép- és kelet-európai (KKE) régióban és az egész világon: Milyen trendek és tendenciák fognak kialakulni a pandémia sújtotta munkaerőpiacon? A pandémiás világválság előtt pár hónappal a KKE régió országaiban dübörögtek a munkaerőhiányról és a munkaerő megtartásról szóló hírek. Újabb és újabb elemzések jelezték, hogy nincs más kiút: emelni kell a béreket, és hosszabb távon a robotizáció és a mesterséges intelligencia térnyerése lehet a megoldás. Ebbe a helyzetbe robbant be világszerte 2020. március elején, a SARS-CoV-2 koronavírus okozta válság, amely nyomán egyszerre jelent meg a munkanélküliség és a munkaerő-hiány. Az tényként megállapítható, hogy az emberiség története háborúkkal és járványokkal írható le. A példánál maradva, látni kell, hogy a történelemben az emberiséget érintő olyan nehéz helyzetek, mint például a háborúk, nem csak pusztulást és szegénységet hoztak, de új kiaknázható lehetőségeket is teremtettek. Az előbbi gondolatot folytatva, megállapítható hogy a pandémia esetében egy hadüzenet nélküli háborúról beszélhetünk, amely az egész világon szinte egyszerre és egyidőben sújtotta a munkaadókat és a munkavállalókat. A kérdés valójában az, hogy van-e

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kiút ebből a helyzetből, hogyan tudnak előre menekülni az emberek, globálisan és az adott nemzetállam keretei között.

KULCSSZAVAK: Covid-19, HR válaszok, Munkaerőpiac, Magyarország 2020 KoronaHR kutatás

The Global Threat

The various crises and epidemics have always been integral parts of our everyday life. Prior to the coronavirus emergency, several major epidemics from the ancient times up to the present day – plague ("black death"), cholera, malaria, yellow fever, dysentery and Ebola – decimated the population in different parts of the world. The first global pandemic was the Spanish flu, which broke out during World War I and it still spread after the end of it. According to Mosley (2020) "new epidemics have become four times more frequent in recent decades than in the 1980s". Asked about the basis for a successful recovery, Wood (2020), a professor at the University of Manchester, said it was thanks to the means of "community cooperation, goodwill and solidarity". It can be identified that the history of the mankind is essentially a history of wars and epidemics. Today, there is an undeclared war, and the victim of it is the mankind itself. These global challenges and threats, in the form of crises, are putting an increasing pressure on the daily lives, communities and organisations. The worldwide tragedies, natural disasters and other crises threaten the mental and physical well-being of the population, the well-being of the people and the operational sustainability of organisations, as well as they entail significant organisational management tasks and costs (Nizamidou & Vouzas, 2018). We often use the phrase that the economy is globalising and security policy is regionalising. We need to be able to respond to the global threat, COVID-19, both on a region-by-region and on a nation-state basis. Today, globalisation is both a challenge and a threat. Over the last twenty years, expert groups on international politics and economics have reported on major global trends and attempted to identify the risks they pose. The accumulation of knowledge on global processes, the constant refinement of conclusions and the reformulation of the most threatening risk factors have given the scientific research community the opportunity to make policy-makers aware of the imminent threats. According to the information available in the public domain, the consequences of climate change, cybercrime exploiting advances in information technology, furthermore, the growing disparities in income and wealth, which results from the uneven development of the global economy, are currently the greatest risks that the humanity has to face. The annual report of the World Economic Forum in Davos, entitled as "Global Risks", have repeatedly referred, albeit with less emphasis, to the growing threat of a global pandemic. With the outbreak of the coronavirus pandemic, this global threat has now materialised. (Matus, 2020) Employers and employees need to recognise and respond to these changes. Employers need to build into their resource-based human resource management activities and labour administration, e.g. through 'digital transformation', the opportunities and methods that can contribute to the quality of the work, efficiency and modern responses to the challenges of the future. Globalisation, robotisation and digitalisation can redraw the Hungarian employment policies, changing the

content, classification, knowledge and skills for the jobs, occupations and occupational groups. This could happen sooner than we would think (Hegedűs, 2020).

The COVID-19 Threat to the Humanity and the Nation-State Responses Crisis Management in Hungary

The identification and treatment of the viruses are faster nowadays, thanks to the advanced medical science. The impact of epidemics and their course, as well as the possibility of learning from them, depend on the society and the social and institutional responses (Bagó, 2020, p. 15). Today, the COVID-19 epidemic is dominating our daily life. In the last two decades, three coronaviruses emerged in the world, causing epidemics with major global health concerns. These three coronaviruses are SARS-CoV (2003), MERS-CoV (2012) and COVID-19 (2019) (Guarner, 2020). As a result of the COVID-19 pandemic affecting countries to various degrees (Mani & Mishra, 2020), organizations have had to suddenly seek for new solutions to challenges in many areas of their operations (Carnevale & Hatak, 2020). The aforementioned SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2) is the name of the infectious human coronavirus that caused the pandemic COVID-19 in early 2020. In Wuhan, China, a new coronavirus emerged at the end of 2019, which was originally a virus that infected only animals, but the virus has become capable to spread to humans through a so-called homologous recombination. In little more than three months from the first symptoms, in December 2019, this unknown pneumonia spread around the world, causing death, especially in the elderly, and was declared a *pandemic* by the World Health Organisation (WHO) on 11 March 2020.

No citizens infected with the new coronavirus had been registered in Hungary until 4 March 2020, but in preparation for this, the Government of Hungary established the Operational Task Force for the control of the Coronavirus Epidemic (hereinafter: Operational Task Force) in January 2020, which has so far been responsible for the detection and localisation of the infection and the coordination of the tasks of state bodies for the effective organisation of health and epidemiological measures. The Operational Task Force started to analyse the situation and the spread of the virus in the world, and formulate measures and recommendations, practically from its inaugural meeting on 31 January 2020. The Hungarian Armed Forces (MH) became actively involved in the tasks of protection against the coronavirus epidemic when the Government declared a special legal order for the entire territory of the country - a state of emergency - by the Government Decree 40/2020 (11 March 2020) (Stadler, 2021). In a different approach, it can be seen that the IMF management portrayed the impact of the coronavirus epidemic on the world economy as the darkest hour of the mankind and an unprecedented crisis. In April 2020, the Asian Development Bank estimated that the global economy would suffer a loss of 4.1 thousand billion dollars due to the coronavirus, which takes 5 percentage of the global GDP. According to a summary by the Hungarian News Agency (MTI), in March 2020, the Eurozone's economic sentiment index fell from 103.4 points to 94.5 points in February, while the index for the European Union's economy as a whole fell by 8.2 points to 94.8 points. The index for

Hungary fell from 104.9 to 102.8 points. According to the surveys, the most significant declines were in the services and real estate sectors⁴, the particularly affected sectors were tourism and hotels, especially when we take a look at the past trends. (Grotte, 2017). Hungary's economy is an open economy, which has been increasingly exposed to the effects of the coronavirus epidemic. According to Moody's credit rating agency, the Hungarian economy is more exposed to external demand shocks than other countries in the region.

The 44% import ratio of the Hungarian exports is much higher than the EU average (11.6%), and the situation of the Hungarian economy is further affected by the growing share of tourism in the economy (7% of GDP and 10% of employment). The external demand of the Hungarian foreign trade is mainly driven by import demand from the European countries, i.e. the growth of these markets is a key determinant of the performance of Hungarian exports. Hungary's external trade balance has also declined as a result of the negative economic impact of the coronavirus epidemic.⁵ The research entitled as "Coronavirus Crisis Challenges and HR Responses, Phase I" (hereafter: Research) showed that the overwhelming majority of respondents believe that unemployment will rise as a result of the coronavirus epidemic. 56.6% of respondents believe that unemployment will rise significantly, the coronavirus will have a significant impact on the turnover of the companies/organisations, but the biggest negative impact will be on the employment, and unemployment figures within sectors may be strongly skewed.⁶ The results of the aforementioned study, which are in line with the global trend, suggest a prolonged "recession crisis". According to the Survey data, two thirds (66.1%) of employers asked think that the economic effects of the virus will be felt for nearly a year, with optimistic respondents (12.5%) expecting them to last for a few months, while pessimistic expectations (14%) foresee the effects of the crisis lasting until 2025.⁷ According to the Survey, the economic trends have been heavily affected by the drop in domestic demand and consumption during the first wave of the pandemic, mainly for the companies/organisations in the service industry. According to the research data, 40.1 percent of respondents predicted a significant decline in turnover of more than 10 % in 2020, compared to 2019. As many as 21.4 percent of respondents expect a decline in turnover in 2019, while 17.2 percent of respondents expect a decline in turnover of around 10 percent this year. Interestingly, 6.7 percent of respondents expect a 10 percent increase in turnover, while 4.5 percent expect an even stronger increase. (There are some activities that will benefit from the current period, such as IT and logistics.)

10% of respondents were not able to forecast how much their turnover would be this year compared to the last year. According to the Survey, 2/3 of respondents did not have to suspend operations, but nearly 32% of respondents had experienced a downtime, ranging

⁴ The Conclusion of the Hungarian Export Promotion Agency
file:///C:/Users/user/Downloads/A_koronavirus_gazdasagi_es_kereskedelmi_hatasai_20200409.pdf
 (Downloaded: 21. 12. 2020.)

⁵ Hungarian Central Statistical Office, Foreign trade processes Jan-May 2020
https://www.ksh.hu/docs/hun/xftp/idoszaki/kulker/kul_foly_2020_05/index.html (Downloaded: 21. 12. 2020.)

⁶ KORONAVÍRUS-VÁLSÁG KIHÍVÁSOK ÉS HR VÁLASZOK / MAGYARORSZÁG 2020 (Coronavirus-crisis challenges and HR responses /2020 Hungary)

⁷ KORONAVÍRUS-VÁLSÁG KIHÍVÁSOK ÉS HR VÁLASZOK / MAGYARORSZÁG 2020 (Coronavirus-crisis challenges and HR responses /2020 Hungary)

from a few days to a few weeks or several months. This finding is confirmed, for example, by the fact that the European Union's automotive industry was affected by almost 1.1 million workers due to the coronavirus, with production losses estimated at nearly 1.2 million vehicles. The European Automobile Manufacturers' Association estimates that 30,000 people in Hungary have been directly affected by the plant closures (affecting the production of around 35,000 vehicles).⁸ Data from the Hungarian Central Statistical Office show that the economic consequences of the emergency declared as a result of the coronavirus epidemic in Hungary have immediately and directly affected a large number of self-employed workers who provide personal services. In addition to the few businesses (courier companies) that prospered due to the epidemic, many firms/organisations experienced an immediate drop in demand (e.g. hairdressers, beauticians, hotel industry, tourism). The number of interruptions had already increased significantly in the second half of March 2020, but by 1 April 2020 it increased significantly. Between 1 January and 1 May 2020, the number of people taking time off work more than quintupled compared to the same period last year, with 61,000 taking time off work this year, including 49,000 since 1 March (this time-off was mainly in the service sector, which requires personal contact).⁹ In many areas, entrepreneurs were able to continue their work digitally, but in the case of services requiring face-to-face contact, it appears that many self-employed people suspended their activities. As a consequence of the pandemic-induced measures, most of the cessations of activities occurred in the hairdressing, cosmetology and beauty sector, but proportionally the most affected were the driver trainers and examiners.¹⁰ It is easy to see that businesses/organisations cannot survive such a cataclysmic impact without direct government support.

EU governments have tried to help economic operators in various ways. The Hungarian government's package of measures, known as the "Economic Action Plan", was introduced in several stages. In the first phase of the government's anti-spillover measures, five programmes were launched in March 2020. Firstly, a moratorium on the payment of principal and interest on loans to individuals and businesses until the end of 2020, and the extension of the moratorium on short-term business loans until 30 June 2020 were introduced. (The total loan-to-value ratio for all new consumer loans must not exceed the central bank base rate plus five percentage points.) Furthermore, the exemption of employers from paying public charges on wages (until 30 June 2020) and the reduction of employee contributions in the tourism, hospitality, entertainment, culture, sport and transport sectors took place. Finally, the applicable labour laws were made more flexible.¹¹ On 6 April 2020, Prime Minister Viktor Orbán announced the second phase of the Economic Action Plan, which included five new

⁸ The Conclusion of the Hungarian Export Promotion Agency 09.Ápr.2020.
file:///C:/Users/user/Downloads/A_koronavirus_gazdasagi_es_kereskedelmi_hatasai_20200409.pdf
 (Downloaded: 21. 12. 2020.)

⁹ Data of The Hungarian Central Statistical Office <https://www.ksh.hu/docs/hun/xftp/idoszaki/szuneteltetesek/index.html> (Downloaded: 27. 12. 2020.)

¹⁰ Data of The Hungarian Central Statistical Office <https://www.ksh.hu/docs/hun/xftp/idoszaki/szuneteltetesek/index.html> (Downloaded: 27. 12. 2020.)

¹¹ The Economic Protection Action Plan of the Hungarian government <https://brusszel.mfa.gov.hu/deu/news/a-magyar-kormany-gazdasagvedelmi-akcioterve> (Downloaded: 26. 12. 2020.)

programmes.¹² The first programme focused on the job preservation. The government took over some part of the wage costs from employers who had to introduce short-time working due to the coronavirus epidemic. As a second step, the government spent €1.23 billion on job creation. The third programme includes sectors of the economy that need to be restarted, such as tourism and hospitality. Under the fourth programme, interest-rate subsidised and guaranteed loans in a total of more than HUF 2,000 billion that will be available for Hungarian businesses.¹³ The fifth measure is called the Family and Pensioner Protection Programme. According to the Hungarian government's communication, in addition to the above, the ministries' budgets have to - in any case - retain the resources that are absolutely necessary, and the additional resources are to use to set up a crisis management and economic recovery fund. For businesses forced to temporary close due to the epidemic measures, the government will continue the support in December and January by waiving and absorbing two-thirds of their wage costs. The contribution waivers and wage subsidies will be extended to private transport companies facing closure, in addition to restaurants, hotels and tourism. Business tax for small and medium-sized enterprises and self-employed individuals will be halved from 1 January 2021, and families with – and expecting – children will be helped with a housing renovation loan of up to HUF 6 million at a discounted interest rate of up to 3%. Of this, HUF 3 million is a non-repayable grant that can be claimed at the end of the renovation, which automatically reduces the amount of the loan.¹⁴

The results of the survey raise questions about the effectiveness of the measures announced by the government, as more than half (54%) of respondents did not call for any crisis measures. At the same time, almost one out of the four responding organisations took advantages of the wage subsidies (24%) and one out of ten (11%) of the credit moratorium. The least typical interventions (3-3%) were rent freezes and soft loans. Five percentage of the respondents indicated other categories (Végh, 2020).

At the launch of the KoronaHR survey, during Phase I of the pandemic in July 2020, we asked whether respondents had a plan of action to deal with a pandemic or similar crisis. Only 14.2% of the responding organisations had a plan in place to deal with an epidemic situation prior to the coronavirus crisis. In view of the increasing viral situation, more than half of the respondents, 54.2%, has developed such a plan, while 9.7% has already decided upon developing one. Surprisingly, 21.9% of respondents do not intend to address this problem and see no need to develop an outbreak management plan.

¹² According to an article in the Portfolio, the government's crisis response package consisted of a direct epidemic response fund (then HUF 633 billion), a budget fund (HUF 1,346 billion) to mitigate the economic damage, and off-budget financial measures (HUF 7–8,000 billion), including credit reliefs and credit incentives. The government calculated that the total package could be close to 20% of GDP.

Translated with www.DeepL.com/Translator (free version)

<https://www.portfolio.hu/gazdasag/20200801/gazdasagvedelmi-akcioterv-aprilistol-latni-hogy-is-nez-ki-a-kormany-valsagkezele-csomagja-436680> (Downloaded: 26. 12. 2020.)

¹³ The Economic Protection Action Plan of the Hungarian government <https://brusszel.mfa.gov.hu/deu/news/a-magyar-kormany-gazdasagvedelmi-akcioterve> (Downloaded: 26. 12. 2020.)

¹⁴ The Economic Protection Action Plan of the Hungarian government <https://brusszel.mfa.gov.hu/deu/news/a-magyar-kormany-gazdasagvedelmi-akcioterve> (Downloaded: 26. 12. 2020.)

Developed action plan for pandemic situation



- Már a jelenlegi vírushelyzetet megelőzően is volt, amit változatlan formában használunk
- Már a jelenlegi vírushelyzetet megelőzően is volt, ami módosításra szorult
- Korábban nem volt, de avirushelyzet miatt kidolgoztuk
- Nincs, de tervezzük
- Nincs és nem is látjuk szükségesnek

We had one before the current virus situation, which we used in its unchanged form.

Even before the current virus situation, there was one that needed to be modified.

It was not before, but we worked on it because of the virus situation.

None, but it is planned.

None and we do not see the need.

The majority of the respondents, almost 60%, has developed their own pandemic/virus contingency plan, while 19.1% has been centrally prepared by the parent company/owner and follows its guidelines. It is hoped that future surveys will no longer include responses that someone does not see the need for a pandemic/virus contingency plan, which HR, among others, may be the originator of. The problem is that 53.8% of the responding organisations do not have a separate department capable of integrating human resources. This is explained by the fact that more than 2/3 of the respondents are small and medium-sized companies. Where there is HR, the distribution of staff looks like as follows:

Number of Employees of HR Organization



- nincs HR
- 1-5 fő
- 6-10 fő
- 11-30 fő
- 30 fő fölött

No HR

HR measures concerning human resources are most often referred to in the term home office (HO), the establishment of which is a viable long-term solution for many companies. Similar HR measures are the introduction of new health and safety measures, the formulation of succession/replacement plans, and social support for the employees. In the HR area, a number of positive changes have been brought about by the pandemic situation, such as: improving the quality of effective internal communication, information and contacts. The

compliance of health and hygiene standards are in many cases linked to the effective communication by HR. All these factors may increase the importance of professional HR work in the future. This area also shows that, in addition to the socio-economic challenges and disadvantages, the coronavirus epidemic also offers opportunities. An important HR area is the internal communication, which still needs to be strengthened. The second phase of the online survey will take place between 1 August and 31 October 2020. The epidemic has yet to be over. The survey provides an opportunity to fill gaps, of which the pandemic/virus action plan is a priority. Most businesses already have such a plan, or intend to do so, but the aim is that all economic operators and businesses should have one.

The COVID-19 epidemiological situation and all its consequences highlighted the importance of the crisis management plan and revealed the shortcomings and flaws in the so far formulated concepts. Crisis management requires concrete measures, for which a well-functioning HR Strategy and a human resources policy based on it are important. Crisis management is basically measured in months, while recovery is measured in years. Today, it is yet to be possible to know exactly how much damage the economy has suffered/suffer as a result of the pandemic, but it has already become clear that inflation, although only a few percentage points, is rising steadily. The effectiveness of the government measures listed above have yet to be realistically measured. What is certain is that the current events are prompting us to constantly analyse the various phases of the epidemic (Kovács – Zelenyánszki 2020).

Economic and social crisis, at the level of society as a whole

The complexity of the current COVID-19 epidemic situation also stems from the fact that it is creating a public health, economic and social crisis (Csizmadia & Illéssy, 2020). "The labour market consequences of economic shocks are generally delayed. The crisis caused by COVID-19, however, differs from the previous crises because it has shown its impact on the world of work immediately (Csizmadia & Illéssy, 2020, p. 1)." Employers have tried to mitigate and resolve the viral situation that emerged in late 2019 and early 2020 through a variety of measures. These measures included limiting travel and contact with the clients, strengthening online communication, supporting stay-at-home leave by reallocating working, rest and leisure days, agreeing with employees on the release of leave, reducing wages, social distancing, and introducing home office work more widely (Bagó, 2020). During a pandemic, 2 operating principles of organisations are identified: crisis-driven and results-driven. As the crisis grows day by day, there is an urgent need for proper and effective collaboration between communication teams, remuneration team, decision making teams, human resources teams (Solanki, 2020). Working from home is not only a challenge but also an opportunity to demonstrate how dynamic and flexible an organisation is. In dynamic organisations, strategic human resource management is used in the context of maintaining and progressively increasing the capacity of the company. In addition, dynamic companies believe that a carefully developed human resource strategy is a source of sustainable competitive advantage in the market. Therefore, it is very important to monitor the ability of the company to manage

a system that is both beneficial for employees and creates results for those companies that prioritise the quality of work of their employees in the COVID-19 epidemic situation. HR shall ensure the safety and health of the employees as a priority, and shall also consider the company's business continuity plan and costs. (Aryatama, 2020) Phase I of the KoronaHR research is exploratory, focused research, which, along with much else, is essentially aimed at the experts. The vast majority of our respondents are private firms in the competitive sector, but public sector and non-profit organisations are also represented in the survey at around 15%.

Over 70% of the organisations participating in the survey are SMEs, mainly small and medium-sized enterprises and institutions. In addition, respondents from larger companies with more than 250 employees are represented by around 30%. Less than half of the organisations have a separate HR department or an HR manager. The vast majority of the respondents are in the service sector - over 40%, with the share of commercial and accommodation service providers close to 15%. Industrial and construction enterprises are represented by around one third of the respondents (KoronaHR Research Report 2020). In addition to the questionnaire survey, the participants of the research project sensitized the first line and HR managers through semi-structured interviews, the research objectives and focus groups and the main directions of crisis management. We heard about a number of "non-typical labour solutions", such as unpaid downtime at the Airport, "part-time" (50% work - 50% pay), standby leave at 20% of pay. The crisis has led to the creation of a competency and knowledge map of the work organisation, which served the basis for the necessary redeployments, even if they were only temporarily. The top management, foregoing part of their allowances and with the support of the owners, set up a Social Policy Foundation to help disadvantaged workers in the company. At the same time, the company had to announce collective redundancies, which were implemented in accordance with the relevant legislation. During the period under review, the importance of 'internal communication' naturally increased, with a particular focus on the preservation of the employer and employee brand, group cohesion, belonging and solidarity. The coronavirus, also known as COVID19, which has caused a global pandemic in the early 2020s, has posed unprecedented challenges for humanity, the world economy and, of course, the most important components of the economic system, employers and employees alike. The negative impact of the pandemic on the economy cannot yet be accurately assessed in terms of the damage caused, but the trends so far suggest that certain sectors, such as aviation, entertainment, hospitality and tourism, could face a serious downturn with the loss of firms, businesses and jobs. Humanitarian experts aim to assess and mitigate constantly looking for solute the damage caused by the epidemic. The following interview and its analysis provide an excellent positive example of how a respected pharmaceutical company owned by France, with a headquarter in Hungary, managed to overcome the first and second waves of the epidemic without major economic damage and redundancies thanks to consistent and innovative management decisions - and the resulting actions.

The research of human resources professionals, and of course the findings of similar structured interviews, can be a model for other companies, firms and even the public sector.

In brief, Egis Pharmaceuticals is one of the leading generic pharmaceutical companies in Hungary and East-Central Europe, whose activities cover all the value-creating processes of the pharmaceutical industry: from research and development to the production of active ingredients and finished products, and sales. In the 2018/2019 financial year, Egis Group's net sales exceeded HUF 170 billion. In addition to Hungary, Egis have commercial offices in 17 other countries. Their range of products, from APIs, tablets and injectables to galenicals (non-solids), are available in a total of 65 countries through their own subsidiaries and representative offices, as well as through partners. The company invests more than HUF 15 billion annually in research and development, with a focus on quality, value-added generic products. Egis is the 22nd largest employer in Hungary, and their success is the result of the concerted efforts of its 4,400 employees. The interview responses are detailed and thorough, faithfully reflecting the views of both the respondent and the group they represent in the current situation. The interviewee was Mariann Pajor, Head of the Egis Group's Internal Communication and Organisational Culture Department, which is a part of the Human Resources (HR) department (the Board of Directors). Their primary task is to inform colleagues and analyse the direction of the devto the company's activities. Egis is more than 100 years old and is the leading generic pharmaceutical company in Central and Eastern Europe, operating in 18 countries with nearly 4500 employees, of which more than 3000 in Hungary. It is vertically integrated, which means it covers all pharmaceutical activities from research to sales support delopment of the company culture. One of HR's key research areas is the added value of organisational culture.

In Hungary, they have a total of four sites, 3 in Budapest and 1 in Körmend, 3 of which are directly involved in the production of finished pharmaceutical products. Since 17 March 2020, everyone at Egis, who is able and has the right job title, has been working in Home Office. This has two obvious advantages: the number of physical contacts at the sites has been reduced, thus increasing the occupational health and safety of the employees. On the other hand, teleworking has also presented new challenges for the company, to which it has responded successfully from the outset. They were fortunate at the start of the epidemic, as the implementation of O365 (Microsoft Office 365 software suite) at company level began in 2019, and their implementation methodology and impact on company culture won them the Future-proof Organization award.¹⁵ An IT (Information Technology) solution was introduced by not only implementing it as an IT tool in the company, but also by a very serious education and mindset change process. However, initially they had no idea of the value it would bring to the company's operations. The big benefit of this work was seen when, during the COVID outbreak, 1800 people had to be seamlessly converted to work from home in 2 days, as the hardware, software and mindset were in place. A favourable decision was also taken to allow workers to take their desktop PCs home to work. As for the surveys conducted in the company, the Gallup institute was used to measure employee engagement, to assess their own mental state at group level within the company, and also how the company handled the

¹⁵ <https://news.microsoft.com/hu-hu/2019/05/08/idotallo-ertekek-jovobiztos-vallalatok/> Downloaded: 2021. 05. 19.

emerging mental pandemic in the first phase of the epidemic. The second stage of the survey was to assess employee engagement after wave I of the epidemic.

According to Gallup methodology, all survey scores ranged from 4 to 4.5 to 5 on a scale of 5. This led to the conclusion that employees felt safe and satisfied with the company's response and management's decisions. At the time of the outbreak, the Egis coronavirus operational team, led by the HR Director, was set up well ahead of many other large national companies and responded very quickly to unprecedented events with immediate decisions (more than 200 actions taken) and action plans. This was the basis for the company's good performance during the epidemic. As for the use of the achievements of technology, in addition to online meetings, it was also used for training, in particular Microsoft Teams (MSTeams), which is highly collaborative, very democratising and breaks down hierarchies and makes knowledge accessible, making knowledge sharing and talent management itself very easy and simple. Nowadays, looking for work does not mean looking for a job or a source of income, as it is defined in the literature as 'a wage earner'. The means and complex processes of becoming a large-scale employer need to be examined through the actual aspects of the subject, together with the consideration of career development opportunities. 'Talent management' in the world of work means developing these skills, matching them to the individual's existing abilities, which will increase their survival in the world of work, making them competent and credible in their profession. (Hegedűs,2008) Thus, as a consequence of the pandemic, online platforms are the primary common platforms in both the world of work and education (Varga, 2020).

In the context of the above, a key step was to create a support interface for managers and employees in MSTeams. This support channel had 6 thematic areas where all kinds of materials were published, firstly for knowledge sharing, secondly for education and thirdly for mental support, using the power of community, as anyone (employees) could upload and share content, including leadership training material in English. Events that promote the cultural development of the Group were also moved online, such as interactive leadership forums. In effect, this means that there is always a theme within the company that is considered important to the organisation as a whole. In this area, they look for a leader to act as a "role model" and interview them. This dialogue series has also been a great success internationally, with employees who work abroad in a subsidiary being interviewed. Colleagues were able to suggest topics online that were important to them for some reason, mainly doctors and pharmacists with strong expertise in the field, which was very interesting and useful for all 3000 employees in Hungary. It was also possible to submit topics if someone had an interesting hobby or had visited a country of interest to others. This programme is also an amazing success, and the experience shows that there is an opening up for communication and a need for a dialogue on the part of the employees, thanks to the democratisation, the 'engaging leader' technique mentioned earlier. Regarding the negative effects such as forced leave, reduction of working hours and wages, split working hours, Egis HR could not report. Employees received not only wage increases but also other benefits where possible, e.g. increased commuting allowances within administrative boundaries. Recruitments were continuous, online interviews were introduced and HR processes were

digitised to support smooth working instead of paper-based administration. In response to the impact of COVID on its corporate strategy, the Group responded with the REGINA project, which showed how the new way of working would look like. The project was divided into 3 parts: react-rebound-reshape; react-reinvent-reformulate periods. The rebound phase dealt with the review of actions and decisions taken during the crisis period, the react phase. In the "reshape" phase, decisions that were otherwise timely and correct are consolidated, i.e. they will be acted upon in the future. The key starting point is a new way of thinking, which aims to involve managers who are in constant dialogue with employees and try to understand the employee from the point of view of what each person sees as their own job.

There was a 3-month-period where everyone could test themselves to see if they could work from home 100% of the time, if this was sustainable, or if a hybrid solution was needed that would be perfect for both the employee and the employer. These employee-manager dialogues are now taking place (July 2020) and will be the basis for the creation of Egis' new way of working. To sum up the interview, the Egis Group has responded well to the challenges of the COVID epidemic by taking consistent and courageous decisions, with the maximum effort to ensure the employee engagement and the consistent dialogue between employee and employer. COVID has become an accelerator in the life of the company, where bold decisions and digital innovations have helped to raise the corporate culture, communication and strategy to a higher level. Human resources are indispensable factors in digital transformation. Ancarani and Di Mauro (2018) argue that an organisation that wants to achieve a successful digital implementation needs to invest in its employees, i.e. it needs to train and empower its staff, change the organisational culture in an adequate way and provide the right leaders for the processes to actively support the digital transformation. Egis' practical experience has also shown that with the right training and the implementation of the O365 enterprise software suite, employees were able to make the transition to working from home quickly and without problems. Another important innovation is the use of MSTeams – also part of the O365 enterprise software – for leadership forums, training and the development of a digital corporate culture. All of these measures have greatly increased the sense of security of employees and represent a huge potential for development/improvement for the Group. It is also important to mention that the Egis Group used the Gallup polling methodology to measure employee satisfaction and engagement in several stages during the epidemic. The results of the surveys have been consistently used to improve corporate strategy, culture and communication, which is another forward-looking initiative. As a summary of the interview, the Egis Group's response to the challenges of the pandemic was exemplary, and the further development of its corporate strategy is a new model for other employers to follow. Structured interviews of this kind can play an important role here, and the processing of these interviews and the incorporation of their experiences into the corporate culture can be an important tool for effectively coping with not only COVID19 but also other crisis situations - from the point of view of employees and employers (Hegedűs, Pajor, Horváth, 2020).

The consequences of COVID-19, the mental pandemic

Human resources are undeniably the most valuable resources of any organisation. Managing them is a challenging agenda especially for the Human Resources Department (HRD) of the organisations. HRD's role is to provide leadership in the event of a crisis by implementing predefined actions for an organisation and its employees to keep the company running and to respond appropriately to the physical, psychological and emotional needs of the employees. A particularly important role in this, both before and after a crisis, can be played by managers and employees alike, by properly managing emotional factors (Csapai, Berke, 2015). Crisis can be basically divided into three levels, which can be identified in the COVID-19 epidemic: pre-crisis, crisis and post-crisis. Names and behaviours can be associated with these stages. The pre-crisis stage can be characterised by the word mentor, when the HR department can familiarise employees with the possible crises and the steps that need to be taken. During a crisis, the HR department can act as a "healer" by helping employees cope and adapt to the difficult circumstances so that they could return to the normal circumstances. Finally, in the role of the 'renaissance man' in the post-crisis phase, HRD plays a leading role, helping employees reborn from their 'ashes', reminding them once again that they have survived the crisis and are now ready to face critical events in the future as a stronger, united unit (Nizamidou & Vouzas, 2018). Another blow to humanity from COVID-19 is the impending 'mental pandemic', which for now seems likely to cause unforeseeable damage to family, kinship, workplace and professional communities. Employees need support, because although the world is in a state of collective stress, the global economy cannot pause in order to make employees willing to go beyond their comfort zone to work again in different countries and with people from different cultures (Caligiuri, 2020). The causes of the stress, caused by Covid have also become apparent, as employees and managers alike have stepped out of their comfort zone and daily routines, this has also meant some loss of control and sense of time in many cases. The home office, for many families, emerged as a stress factor. After all, our home is not a workplace, if only from an ergonomic point of view. The overall impact of the emergency situation has, in our view, reinforced the need for stress management programmes and health-conscious lifestyles to be brought to the fore and emphasised. However, the situation has been made worse by the fact that, in addition to existential fears, the lack of resources for family reserves, the question of the problem of making a living has also emerged among workers during this period.

In summary, the impact of the COVID-19 pandemic has been far-reaching and has posed enormous challenges for individual employees, organisations, communities, nations and the world (Li, Ghosh & Nachmias, 2020); however, through a strategic and proactive approach, HR can help to build individual and organisational resilience during a crisis. Overall, it can be concluded that the current COVID-19 crisis has and will continue to have a major impact on the individuals, organisations, societies and the world at large, including the workplace. It is likely that counselling will again play a dominant role in HR activities, at the individual and organisational level, as well as in higher education. This could also lead to a return of the HR to its rightful strategic role in the workplace.

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