

AN ENTERPRISE IN THE GLOBAL ECONOMY. MODERN MANAGEMENT METHODS VS ECONOMIC CRISIS AND PANDEMIC

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Purpose: The objective of the study is presentation of the conditions of functioning of enterprises on the global market, use of modern management methods, employees' preferences in the period of the pandemic and crisis in the existing surroundings. The aim of the study is to present a changing global environment for businesses, to use modern elements of management, IT and telecommunications as necessary elements in the face of the pandemic and global crisis, to sustain the functioning of businesses, organizations, economies and states.

Design/methodology/approach: Based on the collected data, observations and own studies, conclusions were drawn and proposals presented with regard to counteracting the pandemic as well as opening and development of businesses and economies. Based on the statistical data, own surveys and literature, conclusions were drawn with regard to trends in organization and application of modern management concepts and enterprise management forms in the global economy in the conditions of the pandemic and economic crisis. The study presents also the problems of the contemporary global economy in sustainable development.

Findings: The study analyses the functioning of enterprises in the 21st century, taking into consideration further surroundings as well as technological, economic and social changes, including economic crises and the current pandemic. It presents and discusses socio-economic data and trends in the EU where, due to the epidemic, internal differences, economic and political issues, too slow development, lack of effective border protection. The above serves as a background for presentation of management elements and trends in organization of the future. Currently, marketing, finance, profit, strategies, HR, innovativeness, modern management methods, forms of organization, etc. play an important role in enterprises. On the other hand, IT elements already have an important and increasing position, especially in the face of the pandemic, remote work and global crisis. As shown by the survey-based studies carried out at the beginning of 2020, employees value health, work, family, economic, social and even ecological elements. These are, therefore, the survival-related needs according to the Maslow's hierarchy of needs, especially in the face of the pandemic, remote work and global crisis. Even though economies are opening today, the situation related to the pandemic worldwide is still uncertain. Hope is pinned, particularly to the countries of the West, upon the vaccines, medicines, modern management methods and new technologies

Keywords: Economic crisis, enterprise surroundings, pandemic, modern management methods trends in organization, sustainable development.

1. Introduction

Enterprises and citizens must quickly adapt to the developments in the surroundings in order to earn and survive (Borowiecki, 2010). These include not only economic, legal, political, technological, IT aspects or management methods (Szymańska, 2015), but also aspects related to the sociocultural surroundings, mixing of cultures and the natural environment (Pollok, 2015).

In the circumstances of the current SARS-CoV-2 pandemic, mutating and increasingly dangerous viruses, the surroundings of the enterprises are becoming increasingly unstable and uncertain. In addition to the fast changes in the global surroundings and political, social and economic issues in the European Union, we are now also facing a pandemic. It is also important to adapt to the pandemic-related restrictions. These are created at a global level as well as in the European Union and individual diversified nation states. The challenges for enterprises are definitely substantial. Potential issues include further waves of the pandemic, terrorism, states of emergency, military conflicts, which may disrupt economic stability, so important for enterprises and their strategic plans.

Especially in the times of the epidemic, it turned out that IT and telecommunication can be used very often and in many cases for remote work, be it in enterprises or organisations, e.g. by government or local government units, or in education. Networks, local servers or software has failed multiple times due to excessive numbers of active users and complicated IT processes. Hackers' attacks have also been significant in these terms. In these times, the things that matter are to survive, live, be able to work and earn money. Some of strategic resources, products, such as vaccines or medications, cannot be perceived only economic categories and negotiated low costs, because their quantities may be simply insufficient for survival and opening of the economy and enterprises.

Therefore, in addition to the profit targets and maximisation of the enterprise value, the organisation's targets must also include elements related to survival, security of strategic resources needed to survive, producing them for internal purposes, without reliance on import. Important elements include also process management (Nadolna, 2014), aid programmes provided by the state, especially those for important strategic economic sectors and companies as well as benefits helping the population survive.

The objective of the study is presentation of the conditions of functioning of enterprises on the global market, use of modern management methods, employees' preferences in the period of the pandemic and crisis in the existing surroundings. Based on the collected data, observations and own surveys and studies, conclusions were drawn and proposals presented with regard to counteracting the pandemic as well as opening and development of businesses and economies.

2. Economic crisis and pandemic vs enterprise

The fight with the pandemic frequently differs significantly country by country. In the conditions of autocratic systems that are very good at controlling the state, society and economy as well as private companies and corporates, as in China, a lot has already been accomplished. The great economy of China recorded a positive GDP growth of 1.9% for 2020 and, as for now, there are practically and officially no infections. The effective method of disciplining the Chinese state in the fight with the pandemic is not, however, as it seems, applicable in the countries of the democratic West where the GDP dynamics for 2020 is negative. Among bigger or average countries around the world, only Egypt, with its busy Suez canal, has positive GDP dynamics of 2% for 2020.

The economic crisis combined with the current epidemic is a specific opportunity for verification and application of modern management concepts (Brilman, 2002), crisis management methods as well as IT and telecommunication multimedia means (Kasprzak, 2003). Their implementation is indispensable, on the one hand, to stop viruses and bacteria from spreading and, on the other, to slow down the economic and social crisis. IT systems enable functioning of the economy and state, and the IT sector is growing strong. The employees of this industry are in high demand, as opposed to many other sectors of the economy, recording losses and redundancies, e.g. in tourism or HoReCa.

The epidemic, spreading like wildfire, requires extinguishing the outbreaks almost completely in order to control it, and only then the restrictions may be lifted. If, however, the restrictions are lifted after each and every temporary decline in infections, it is like adding fuel to the epidemic wildfire for it to keep burning. Furthermore, the longer this pandemic lasts, the greater the number of mutated and more dangerous viruses and the harder to quickly adapt the new vaccines or medications.

The pandemic may be long gone, but the economic crisis will continue, not only due to the SARS-CoV-2 coronavirus or mutations, but also due to accumulation of economic and social issues from previous years, starting from the recent economic crises that ensued around the world. Forecasts, just as data for 2020, are pessimistic, even tragic for the global economy which, as is expected, will decline in terms of GDP by 3% or more. Many countries will fall into recession and high unemployment, as expected, *inter alia*, by IMF (International Monetary Fund) As results from the presented forecasts, the world is at risk of global recession on a huge scale, similar to the crisis from 1929-1933, which ended with world war II. There is, however, hope in the form of vaccines, if they are effective and can be quickly improved to match the new coronavirus mutations. This would allow to open the economies at a larger, normal scale.

After the 2008 and previous crises, the global economy has not really fully recovered. The remedial steps taken back then, such as lower interest rates and increased money supply, money printing, increasing indebtedness, have only postponed the global crisis that hit in 2020

and 2021 with even greater strength and range. The outbreak of the epidemic in 2020 aggravated this crisis even more. It also gives rise to an interesting situation in many countries as it is mostly the pandemic that is blamed for the economic crisis, and not the managements of companies, corporations or the government. Meanwhile, the global economic crisis has been piling up for many years and would most probably ensue even without the coronavirus pandemic.

Most economically important countries of the world, having modern technologies at their disposal, including IT, may record negative GDP dynamics and an increase in unemployment according to these forecasts. This, however, does not apply to China which, after a significant economic downturn, from ca. 6.1% in 2019, recorded positive GDP dynamics of +1.9% in 2020, mostly in line with the IMF's forecasts. The second wave of the pandemic that hit in autumn 2020 did not really affect the countries of the Far East, such as China, Japan, South Korea, etc. that much. These countries, used to various epidemics they have been facing for many years, are better adapted to the current situation and can counter the coronavirus pandemic easier. Nevertheless, the third wave of the pandemic is approaching to hit in 2021, along with new, even more dangerous mutations of this virus.

In the case of advanced, expanding globalisation processes (Griffin, 2017), the area of the global surroundings is overlapping the area of further surroundings of the enterprise in the given country, including Poland. This obviously gives rise to specific issues in the sociocultural, environmental, political and legal, macroeconomic and technological aspects. These may regard the natural environment (Kryński, 2013) or an epidemic, in the given country, region or in the world. The situation may offer new opportunities and pose new threats for enterprises, both in our country and on the global market. Situation of some enterprises may deteriorate, other may develop. Economic problems in a variable and unspecified environment of enterprises on the global market are highly complex. This does not have to mean complete replacement of the market mechanism with governmental or parliamentary directives, but rather a completely new interventionism of the state in the times of the pandemic and crisis.

Table 1 presents the GDP dynamics along with unemployment data for 2020 for selected countries, i.e. economically significant countries and those in close contact with Poland. The GDP dynamics forecasts were prepared by IMF in May 2020. Whereas the real data for the GDP dynamics in 2020 are presented in the column beside the forecasts.

The IMF's forecast for 2020 at the GDP dynamics have been mostly right in terms of the tendencies, with some exceptions where the figures are indeed usually negative, but slightly different. This does not change the fact that the world in 2020 was in an economic crisis, and only China recorded a positive real GDP value (+1.9) in this set. Further GDP forecasts by IMF for 2021 are optimistic and usually positive, but whether the pandemic will end remains an unknown. Further coronavirus mutations and waves of the pandemic are possible. The situation in India is concerning due to the pandemic and GDP dynamics for 2020 of -10.3%, while the IMF's forecasts for India showed +1.9% and, thus, were wrong.

Table 1.*GDP dynamics in 2020 and unemployment in selected countries of the world*

Country/ Region	Real GDP dynamics in 2020	IMF forecasts of GDP dynamics for 2020		Most likely GDP dynamics forecasts acc. to IMF in 2020	Unemployment/ period	
	↓ %	from %	to %	%	%	period
China	+1,9	0	+5	+1,2	5,9	04.2020
Lithuania	-1,8	-10	-5	-8,1	11,2	05.2020
South Korea	-1,9	0	-5	-1,2	3,8	05.2020
Norway	-2,8	-10	-5	-6,3	3,5	03.2020
Poland	-3,6	-5	0	-4,6	5,4	04.2020
Russia	-4,1	-10	-5	-5,5	4,7	04.2020
Australia	-4,2	-10	-5	-6,7	6,2	04.2020
USA	-4,3	-10	-5	-5,9	14,7	05.2020
Sweden	-4,7	-10	-5	-6,8	7,1	04.2020
Japan	-5,3	-10	-5	-5,2	2,5	04.2020
The Netherlands	-5,4	-10	-5	-7,2	2,9	04.2020
Saudi Arabia	-5,4	0	-5	-2,3	5,7	01.2020
Brazil	-5,8	-10	-5	-5,3	12,2	04.2020
Turkey	-5,8	-5	0	-5,0	13,8	02.2020
Germany	-6,0	-10	-5	-7,0	3,5	04.2020
Czech Republic	-6,5	-10	-5	-6,5	3,7	05.2020
Austria	-6,7	-10	-5	-7,0	12,8	05.2020
Slovakia	-7,1	-10	-5	-6,2	5,2	04.2020
Ukraine	-7,2	-10	-5	-7,7	8,7	03.2020
Canada	-7,2	-10	-5	-6,2	13,0	05.2020
Greece	-9,8	-10	-5	-10,0	16,2	02.2020
France	-9,8	-10	-5	-7,2	8,1	03.2020
United Kingdom	-9,8	-10	-5	-6,5	4,0	03.2020
India	-10,3	0	+5	+1,9	23,5	05.2020
Italy	-10,6	-10	-5	-9,1	8,0	04.2020
Spain	-12,8	-10	-5	-8,0	13,8	03.2020

Source: Own study based on <https://www.forbes.pl/gospodarka/koronawirus-prognozy-gospodarcze-mfw/d742kyd>, retrieved on 30.05.2020 and <https://knoema.com/nwnfkne/world-gdp-ranking-2020-gdp-by-country-data-and-charts> 30.04.2021.

The task of the authorities is, first and foremost, making sure the society and economy survive, good primary healthcare, culture of health and preventing epidemics. Secondly, proper stimulating and driving of growth of economy, employment and production, protection against threats and sustainable development (Bluszcz, 2017). Especially in the times of the pandemic and crisis management. The measure of economic development and optimism of entrepreneurs is mostly the dynamics of percentage growth of GDP, but that is insufficient as the entire welfare of people related to health and sustainable consideration is not taken into consideration.

Therefore own in-depth research should be carried to determine the real selected reasons of economic downturn or crisis regarding the issues of companies and employees in the given region and time.

3. Own research

The research was carried at 2021 in the pandemic. Its purpose as to present the priority ranking of selected management elements, as seen by the employees of various industries and on various positions, from different regions of Lesser Poland (Małopolska). The sample was selected randomly, as far as possible. Table 2 presents own research with participation of 35 employees from Lesser Poland (Małopolska), indicating practical aspects of application of selected management elements.

Table 2.

Usefulness and application of selected elements in management in 2021

No.	Selected management elements	Which elements are most important in management?			
		yes	rather yes	rather no	no
1.	Finance	23	12	0	0
2.	Marketing	17	14	3	1
3.	IT Techniques	17	10	8	0
4.	Business Plan	16	16	2	1
5.	Human Resources	11	18	5	1
6.	Lean Management	10	12	13	0
7.	Management process	9	20	4	2
8.	Network organizations	7	17	11	0
9.	Outsourcing	6	20	9	0
10.	Virtual Organisation	6	15	13	1

Source: own study among employees from Lesser Poland (Małopolska), September 2021.

Finance, marketing, IT and business plan rank the highest. Lean management, HR and Management process have a consolidated position in the middle, while outsourcing and virtual organization took a spot at the end of the ranking.

Application of broad knowledge and IT in business (Myers, 2013) and to overcome the pandemic or similar threats is necessary and yields positive results in terms of containment of detrimental phenomena. It seems, though, that it is much harder to overcome an economic crisis using only those technologies, as an economic crisis or downturn affects all countries of the world. Furthermore, such economic crisis or downturn impacts strongly those countries that apply IT and modern telecommunications on a mass scale, eager to transition into the model of a developed global information society with no boundaries. Despite the pandemic and expected unfavourable economic data, the IT industry is recording a growth. As one can see, there is high demand for it and for employees, and the behaviours acquired by the society during the pandemic will survive it, laying foundations for the development of this sector.

As shown by further survey-based research in pandemic 2021, family, social, qualifications, experience, and reset are of great importance for the employees. Presentation of the impact of the pandemic on employed people has become popular and appeared in the Polish media already at the beginning of 2020. Further research was carried out among the employees from Lesser Poland (Małopolska) in 2021, from various industries. The sample was selected randomly,

as far as possible. The preferences regarding various elements of management and life of selected 35 employees from Lesser Poland (Małopolska) are presented in Table 3.

Table 3.

Employees' preferences for various elements of management and life in 2021

No.	Elements:	Which elements are most important in management and life?			
		↓ yes	rather yes	rather no	no
1.	Family	24	8	2	1
2.	Social (e.g. social conditions, social life)	23	8	4	0
3.	Qualifications and experience	22	11	1	1
4.	Rest	22	8	4	1
5.	Technological, knowledge, new technologies	18	15	2	0
6.	Health and healthy food, family	16	12	6	1
7.	Work	15	18	2	0
8.	Legal (e.g. legal regulations, justice system)	15	11	9	0
9.	Ecological (e.g. clean water, air)	11	17	6	1
10.	I'm afraid of a pandemic	5	4	12	14
11.	Political (political system, global situation)	4	14	14	3

Source: own study among employees from Lesser Poland (Małopolska), October 2021.

The elements of life related to family, finance, social, qualifications and reset rank high, but so do also health, technology, work, legal and ecological aspects as well as rest. Less attention is given to the pandemic and political aspects in the country and abroad. In some singular cases, the respondents pointed out that technological elements are less important to them, which may be related to their specific work, which is less innovative and does not use modern technologies, which have both benefits and drawbacks. They may also disrupt the balance in the natural environment (Poskrobko, 2012).

4. Conclusion

As a result of a surprise in the form of the pandemic, the environment changes vehemently, which added to another world economy crisis in 2020 and 2021, accumulating since 2008. It may be that this economic crisis would unravel even without the coronavirus pandemic, but on a smaller scale. Currently, however, heads of states and managers of enterprises strive to explain the economic crisis mostly by the surprise linked with the pandemic, not their own poor management, which also led to crisis in previous years, e.g. 2001 and 2008, but without a pandemic. Therefore, a need arises to seek modern technologies, not only medical ones, vaccines and medications against newly mutated viruses, but also in the area of management, modern management concepts and techniques, process management (Bitkowska, 2015; Kunasz, 2010) and crisis management and application of the media in the modern enterprise and economy as well as enhanced application of IT and new systemic and legal procedures (McNeil et al., 2015). Application of knowledge and IT to overcome the pandemic or threats is

necessary and gives positive results in terms of containment of some phenomena. Hope for overcoming the coronavirus pandemic lies in the vaccines, those improved as well, and medications coupled with new management methods, better adjusted to crisis-related threats and rapid changes in the environment, which requires research (Easterby-Smith, 2012).

It is virtually impossible to successfully deal with the economic crisis by means of information technologies alone because the crisis, or economic downturn, impacts all countries of the world and is deepened by the pandemic. Despite the pandemic and expected unfavourable economic data, the IT industry is recording a growth. As one can see, there is high demand for it and for employees. Most companies incur losses during the crisis and pandemic, but for some it is an opportunity to earn more. Assuming that the pandemic and crises will fade away, the state needs to intervene for the survival of the weaker enterprises and payment of allowances for the harmed population. Nevertheless, this cannot go on and on as it will eventually lead to an even deeper economic crisis, chaos and financial system insufficiency, which carries risk of social unrest and the collapse of economies and states.

The basic condition for the survival of enterprises, economies and people is the adaptation to the current variable conditions of the environment, including the environment related to the pandemic. There is also a need for having own strategic resources in enterprises and countries not to become addicted to shaky import.

It seems that the Chinese solution for fighting the pandemic, successful within an autocratic and disciplined Chinese state, cannot be applied in the West: a different culture of the democratic states and the rule of law. Hence the GDP dynamics of all those states is in the negative for 2020 and the coronavirus is still dangerous for the economy; as a result, these countries and regions, e.g. the US, Great Britain and the UE, are pushed into the economic crisis even more. All this while great world economy China shows merely an economic slowdown and positive GDP dynamics for 2020. According to official data, there are virtually no infections. This is some kind of hope for the world economy: China, still standing strong, will help the world. Nonetheless, it might be for the cost being the dominance of China in the world, which can later perhaps be an undesired outcome in the already fourth industrial revolution in the world (Schwab, 2018).

As shown by the survey-based studies carried out at the beginning of 2020, employees value health, work, family, economic, social and even ecological elements. These are, therefore, the survival-related needs according to the Maslow's hierarchy of needs, especially in the face of the pandemic, remote work and global crisis.

Even though economies are opening today, the situation related to the pandemic worldwide is still uncertain. Unfortunately, the next several years may turn out to be similar for both people and economy because of the seasonal nature of infections, the generation of new virus mutations and socio-political conflicts. Hope is pinned, particularly to the countries of the West, upon the vaccines, medicines, modern management methods and new technologies because the countries cannot apply the autocratic and non-democratic Chinese measures. In this day and age,

businesses and organisations need reasonable use of all available innovations (Kraśnicka, 2018) and strategies (Kapferer, 2012) in order to overcome the pandemic and the economic crisis.

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