

THE POTENTIAL RESPONSES OF THE HUMAN RESOURCE MANAGEMENT THROUGH CSR IN THE COVID-19 PANDEMIC

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Abstract: Most of the companies prepared with their responses to the challenges of the COVID-19 pandemic based on the experiences of the previous worldwide crisis of 2008-2009. The increase of unemployment had to be taken into consideration by the state, the companies and the households in Central Europe, as well as Hungary, due to the spread of the COVID-19 pandemic. The purpose of this study is to review (i) if there is an effect of the Corporate Social Responsibility (CSR) followed by companies on unemployment, (ii) what possibilities were created by state transfers and new pandemic legislation for the management both in the short and long term of unemployment (iii) what experiences are available at multinational companies operating in various regions for keeping workplaces and the regional reputation of the company and if there is a correlation between the ethical and responsible corporate policy (together with a regional approach) and the management of the external challenges of companies, in particular the management of the workforce-excess due to the decrease of production as a result of the pandemic. The study discusses a comparison of the responses to the pandemic of the first 50 Fortune Global 500 companies and the Hungarian branches of multinational companies. The information was collected by interviews with HR managers of these companies. The study was prepared as part of a research project related to responsible corporate behaviour.

Keywords: unemployment, COVID-19, CSR, ethical corporate policy, collective labour law

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Introduction

This study is a part of ongoing research that examines the role of Corporate Social Responsibility (CSR) with respect to the implementation of sustainable development, the prevention of collective labor disputes and the solution of the individual and collective conflicts at the workplace.

The initial assumption of this study was that it would not be worthwhile in the short term for the companies to make the workforce – that has become unnecessary due to the pandemic – redundant because the one-time cost of the redundancies can amount to several months wages, and after the restrictions would be over due to the pandemic situation the company would not be able to "re-hire" the same workforce but would have to find new workforce in a dynamically evolving labor market; this is

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undoubtedly the possible most expensive option. International studies also emphasize that the costs of retaining employees are lower than the costs related to the recruitment, logistics and education of new employees; therefore, reserving the workforce can be seen as a means of reducing costs for companies. (Cloutier et al., 2015; Duda and Žůrková, 2013).

In this research, the legal and economic aspects of the Hungarian state measures of 2020 were examined in advance, so as the reactions of different types of companies (automotive supplier, airline, tourism service provider, public service provider) to the economic challenges caused by the pandemic, and attempted to focus on how they shaped unemployment and how they affected the operation of the companies.

This study is based on several conversations with top managers of multinational companies in different regions with the intention of examining the question of whether a responsible and ethical corporate policy has a positive impact on solving external economic challenges affecting these companies, for example, dealing with labor surplus caused by a decrease in production volume.

Besides the interviews with HR Managers, it was also reviewed how and to what extent the regulatory environment has changed and how these changes in legislation raised more questions and boundaries for the companies. The study also made a comparison of the actions undertaken by the first 50 Fortune Global 500 companies reviewed by researchers with content analysis to web pages and social network posts (Margherita and Heikkilä, 2021) and the responses of the branches of multinational companies operating Hungary based on the findings of the interviews.

Economic Growths and Unemployment Rate Prior to the Pandemic

The world economy already had to face a severe crisis in this century in 2008-2009. The recovery from such a crisis has been seriously affected by the COVID-19 pandemic. The impact of COVID-19 has led to an economic meltdown and financial constraints affecting both businesses and individuals in informal and formal sectors (Kitukutha et al., 2021). This process can also be explained by the quarterly GDP growth data published by EUROSTAT in relation to the European Union, which shows -2,9% in Q1 2009 and from 2010 until Q4 2019 it was between 0% and 1% apart from a short period between Q4 2011 and Q1 2013. Immediately after the outbreak of the pandemic (Q2 2020), it was -11.3%. Simultaneously, the unemployment rate increased from 7% (March 2008) to 11.5% (June 2013) and after that decreased to 6.3% (March 2020). After the pandemic outbreak, this rate increased to 7.7% between March 2020 and September 2020 but thereafter decreased to 6.7% by September 2021. This area is quite well researched from a macroeconomic point of view, but it is found that the number of studies examining the actions of the companies is significantly lower.

In 2020, common labor market indicators in the USA had at times moved dramatically during a unique moment when many employees were asked to stay at home, and others were afraid to go to work. Assuming that the unemployment outflow rate follows the dynamics of past recessions may cause one to overstate the

severity of the COVID-19 recession (Gallant et al., 2020). The employment impact is asymmetric within and between countries: the countries that are being hardest hit by the pandemic itself, like Spain, Italy and the UK, are the countries more likely to suffer the worst employment implications of the confinement because of their productive specialisation and labour market institutions (Fana et al., 2020). In a neighboring Central European country of Hungary (Slovakia), the shutdown measures put an end to the activities of many companies who had to make redundant their employees. Therefore, the Covid-19 pandemic was a major reason behind the rising unemployment in Slovakia, where since March 2020 (when the first state measures came into force), the registered unemployment rate has been rising (Svabova et al., 2020).

The unemployment rate in Hungary decreased from 11,3% to 3,5% between 2010 and 2019. After the first year of the COVID 19 pandemic, this rate increased to 4,3% by the end of 2020 (the rate was 4,1% for men and 4,5% for women) (HCSO, 2020). Simultaneously the GDP (compared to the previous year, 2019) was -5,0% in 2020, while it increased from 1,1% to 4,6% between 2010 and 2019 (HCSO, 2020a). It would seem evident to state that the above directly correlates with the pandemic.

The wide scale of reactions of the companies is researched by professionals and scholars, while less attention is paid to responses given by companies where the CSR approach is present. An international team of scholars examined the correlation between CSR and stock market returns during the COVID-19 pandemic, and they concluded that one has to be cautious about drawing unambiguous or unconditional inferences about the value of CSR during a crisis (Kee-Hong Bae et al., 2021). Other scholars examined the impact of various CSR initiatives to show solidarity with local communities, e.g. tourists' intentions to spread positive word-of-mouth (WOM) and their intentions to visit when the pandemic ends. Their experimental results suggest that community support in the form of providing free accommodation to medical professionals has little impact (no CSR initiatives) (Zhifeng Chen and Haiming Hang, 2021).

Instead, companies should find a solution that comes with the lowest one-time cost rates. Furthermore, they should search for solutions offering the longest delays when it comes to the final decision about keeping the potentially useless workforce or making it redundant. It is also worth considering such options besides these solutions, especially if, due to the size of the company, the company's decision also has a significant social impact that can generate as much social capital as possible in the form of employee loyalty. Healthcare support, physical health and emotional health are important pre-determinants to employee wellbeing. Therefore, fundamental healthcare support systems, such as 'preventive care' and 'insurance', must be in place in a workplace to ensure employee satisfaction and, eventually, their loyalty (Gorgenyi-Hegyés et al., 2021). The health challenges caused by the pandemic put the companies' Human Resources management in difficulty as well: the focus, similarly to the tendency already observed before, but due to the pandemic it has accelerated, even more, has shifted from recruitment to retaining the workforce

and tackling emerging unemployment and labor shortages, which also have an impact on employee satisfaction (Hong et al., 2012). Among others, a huge role in the tools and methods of corporate social responsibility can be observed.

A study examined the actions undertaken by the first 50 Fortune Global 500 companies by analyzing the content of their web pages and social network (LinkedIn) posts in order to find out the potential responses of companies to define their strategies and actions for the challenges to the pandemic (Margherita and Heikkilä, 2021). The study outlined several areas like operations, value system, customer experience and support, workforce and human capital. The potential company actions and responses were linked to these various areas. For the scope of this study, the most important area and actions are related to workforce and human capital. According to their findings, companies established their actions in three sub-areas, such as (i) employee safety and disease prevention, (ii) work continuity and job productivity, and (iii) leave and infection handling. The present research in relation to the Hungarian branches of the examined multinational companies focused on these areas as well.

Companies had to face new challenges due to the pandemic, of which meet the requirement of their obligation of employment was undoubtedly the most essential. It is also important to mention here the introduction of new work safety measures due to the pandemic, the data protection aspects of employees' health-related personal data, as well as the employer's responsibility in case the employee happens to get infected due to the company's negligence of the necessary measures to avoid the spread of the virus. This last challenge has proven to be the most problematic since companies had no such experience in the past, and there was no known practice of authorities for managing the crisis caused by the pandemic.

Unemployment During Crisis

One of the consequences of crises is the rise of the unemployment rate. Czifrusz examined the job creation politics of the state during the economic crises in 2008 in Hungary (Czifrusz, 2019). He discovered that the state actively endeavored to intervene directly into economic life assisted by public investments decreasing unemployment and the public employment program. We could discover state measures during the crisis caused by the pandemic in 2020 as well; the preservation of jobs and the creation of new jobs are in the focus of the crisis management program of the Hungarian Government according to state communication. One of the government's answers given to the crisis of 2008 was the public work program, amended in 2011, whose aims (among others) were the establishment of new jobs and regional development as well (Koltai, 2018). According to the governmental communication of the time, the tasks of the public work system were the activation of the long term unemployed and the prevention of the total disengagement from the labour market of job seekers who had recently lost their job. The large public work program was considered an interim measure by the state and was given only a short-term role, and it was believed that with the rise of the economy, an increase of

employment would also start in the private sector within 2-3 years (Hoffmann, 2013). The recovery from the crisis and economic upswing resulted in labor shortage in many sectors, especially in the case of the new EU member states. The significant wage disparities, the increasing demand for labor, free labor mobility and migration enhanced competition on the labor market, posing a particular challenge for the companies regarding competitiveness. As a result of these tendencies, the pressure on companies has grown not only international but also domestic organizations started to recognize the relevance of HR in the fields of sustainability and that their contribution is imminent to the goals of sustainable development, which CSR solutions can help them in (Kot and Brzezinski, 2015).

The State Measures in Hungary after the Outbreak of the Pandemic

From the appearance of the pandemic in 2020 (from March 2020), the state communication openly undertook the tasks aiming to protect jobs ("we shall create as many jobs as the coronavirus destroys"). Following the end of the year 2020 (and with knowledge of the actual state measures and the status of the labor market), the results of this endeavor can be analyzed retrospectively from economic aspects. Within a few days following the "appearance" of the first infected Hungarian person the first actual step of the state was to declare the state of danger on 11 March 2020, which is the "softest" form of the special legal order stipulated by The Fundamental Law of Hungary, which provides constitutional authorization for the executive power (the Government) to rule by decrees without the legislative power, if necessary. Seven days following the declaration of the state of danger (on 18 March 2020), it was part of the first measures of the state to determine the sectors most affected by the pandemic. Tourism, hotel/catering trade, entertainment, and sports sectors were among these. Even though these measures do not directly aim to protect jobs, the restriction of the termination of lease contracts by the landlord regarding lease contracts concluded with companies operating in these sectors can indirectly have such an effect. Simultaneously the reduction of the social security contribution encumbrances for companies operating in these sectors and with that aiming for the direct protection of jobs were labor politics tools of the state, which enabled companies to be exempt from the payment of public contributions payable after the wages of their employees for four months, and from the contributions payable after the wage of employees only the natural part of the health contribution remained payable, while its monthly maximum has been determined. The four-month exemption of taxpayers obliged to pay tourism development contribution and small taxpayers providing passenger transportation services from the payment of contributions mentioned above was a similar rapid labor market aid. Moreover, the alleviation in the (i) payment of social contribution tax, (ii) payment of vocational training contribution tax, (iii) payment of rehabilitation contribution tax, (iv) tax of small entities was direct state aid in different sectors (especially) passenger transportation in taxi services, accommodation services, catering services, leisure activities, travel arrangements or inland water passenger transportation services. It

was also possible for employers to apply for "job protection support", which opportunity was exercised by most of the analyzed entities. The wage support could have been applied for three months in the proportionate maximum of 70% of the wage reduced with taxes and contributions with the reduction of the working hours (only the wage with the reduction of taxes and contributions not reaching two times the minimum wage could be taken into account). In order to be able to apply for this support, new definitions were introduced such as "reduced working hours", "personal development time" or "obligation to retain headcount". It can be concluded that the state regulation did not only provide "aid" for companies and employees but expected the retaining of the job and the training of employees in the lost time in return.

Aligning the legal environment to the pandemic situation by softening the binding provisions of the Hungarian Labor Code for the extension of the labor maneuverability of employers was a serious aid for every company. The major elements of such amendments were

1. the unlimited possibility to amend the work schedule introduced by the employer;
2. the opportunity to order home-office work or teleworking with the unilateral decision of the employer;
3. the prohibition of collective agreement provisions conflicting the above during the period of the state of danger;

In the event of the agreement of the employer and the employee, the unlimited derogation from the Hungarian Labor Code was possible.

The Crossroads of Companies

In the unusual situation of the pandemic following the change in the legal environment (e.g. places providing catering services could not be open after 3 p.m.) or the problems appearing in the supply-chains or the fallback in the orders, companies had to make rapid decisions since they could not employ the active workforce in its personnel in the usual working hours. In most cases, the first automatic question to arise is if the employer cannot comply with its obligation to employ its employees based on the labor legislation, then the employer can or cannot order unilaterally unpaid idle time. Most of the employees accepted that the employer "sent them home" without paying wage or "unilaterally reduced" the working time, and with that, the wage was reduced as well. These solutions were at the edge of lawfulness and unlawfulness or were unambiguously unlawful. Those companies, which planned for the long-term and not only concentrated on the momentary cash-flow situation of the company but took into account that retaining their employees for the long-term and strengthening their loyalty serves the long-term viability of the company as well as solving the momentary crisis, made serious economic calculations and legal analysis and based on the same they were able to adopt decisions, which could have a beneficial effect on the unemployment along with the above state measures (It shall be mentioned here that the analyzed

companies did not have to face long-term financial difficulties.). At those companies, where the employment faced objective barriers, the *vis maior* clause ("Force, event, against which human weakness cannot resist." in. Földi and Hamza, 2008) were applied, and in their case, the company was excused from the obligation to employ their employees and the obligation to pay wages. This opportunity could only be used in sectors where employment was not possible by order of the law (which undoubtedly is the unavoidable external reason), such as the closure of specific types of shops, the limited opening hours of restaurants. In other sectors, employers did not have such an opportunity since the employee was entitled to base wage (i) in the event of the employer's failure to provide employment as contracted during the scheduled working time and (ii) working was not cancelled due to unavoidable external reason. A circumstance can only be an unavoidable external reason if the company directly or indirectly affects it. In the current state of science and technology, it is deemed unavoidable. This classically includes, for example, natural disasters, certain political, social events, certain state measures, etc. (Vékás, 2019). As mentioned above, this includes (and it is therefore deemed to be *vis maior*) the measures in connection with the pandemic, a result of which the product in the plant had to be shut down, and in this case, the employee is not entitled to their wage. However, it is not deemed unavoidable external reason if the supplier fails to deliver the material on time or the buyer cancels an order since these circumstances are not deemed to be external reasons to the company. In these cases, employees are entitled to their base salary.

In this case, one of the most important (if not the most important) questions is if it is deemed unavoidable external reason if due to the high number of employees being on sick leave/quarantine, the employer cannot comply with its obligation to employ the rest of its employees. The law is silent in this regard. There is no currently available and published labor court decision, based on which this question could be unambiguously decided. There was no such situation in Hungary since the change in the political regime (1990); therefore, the court practice has not developed regarding this matter. Notwithstanding the foregoing, even though the pandemic is classically deemed to be *vis maior* in the scope of civil law, only the pandemic situation is not deemed to be *vis maior* in the scope of employment matters. According to the general scientific approach, sometimes it can happen that due to reasons in its operation that the employer cannot provide work to its employees temporarily, but these circumstances do not change the obligation to provide work and do not mean that the employee shall bear the risks of the company directly. From the published academic law literature, the following opinion shall be highlighted: "Idle time [...] is a rule of risk installation, since fundamentally in employment relationships the employer bears the risks of the activity, and the prevailing rule is that the employer bears the consequences if for example it cannot provide work due to the decrease in the orders or the scarcity of raw materials..." (Gyulavári, 2017). Pursuant to the foregoing, the high number of employees being absent (in the event of a pandemic as well) or material shortage or the decrease in orders are not unambiguously deemed

to be a reason, which is unavoidable external and the company shall not be excused from the obligation to provide work or is not excused from the obligation to pay base wage in the event it fails to provide work.

However, in the current employment situation, further opportunities became applicable to companies and employees, which were established by the state decrees adopted during the state of danger. It was possible to apply the following employment rule: the company excuses the employee from doing work, and the employer and the employee (certainly with bilateral consent) agree to non-payment of the full wage (base wage). Still, rather in a reduced wage for the duration of the lost working time, which is equitable for both parties: for the company since (i) it shall not comply with its obligation to provide work, (ii) the employee can be retained for long-term, (iii) it can pay less wage than the legal minimum; for the employee since (i) wage is provided without doing any work (not 100% though), (ii) they can retain the job for long-term, (iii) they can feel that "I do not know the time when I was on holiday for this long". Based on the research, this last factor indeed has a high role in employee preferences and the social capital within the company for the future (Restás et al., 2019). It shall be highlighted that naturally, these require consensus between the employer and the employee, as already stated above. It can be seen that significant changes have appeared at the employer's level due to the effect of the pandemic since workflows had to be reorganized and reconsidered according to the present health challenges while taking into account not just the performance of the company but the health of their employees as well. The value of home office work and teleworking increased, and this type of doing work was already considered a tool to increase the balance between work and personal life (Ammons and Markham, 2004; Johnson et al., 2007). As a result of the pandemic and the restrictions, it can be clearly seen that especially regarding companies operating in the legal, financial or technology sectors (where employees could work from home) remained as productive and competitive as before, following the change to home office work (Duffy et al., 2021; Zhang et al., 2021; O'Brien et al., 2021). With the advantages of the policy of home office work, its few possible disadvantages shall also be taken into account. Still, it undoubtedly improves the quality of life (Azarbouyeh and Jalali Naini 2014), the well-being of employees, the satisfaction with work (Kazekami, 2020) and the openness for creativity which leads to innovation (Ellis and Webster 1998).

Challenges Caused by the COVID 19 Crisis and Responses by the HRM

The first 50 Fortune Global 500 companies have acted to ensure the continuity of their current business operations after they faced the challenges of the pandemic. However, some of them were also able to create new value by reaching current and new customers via digital channels, redirecting more resources from current operations to R&D activities, or increasing the companies' social responsibility and involvement with their local communities (Margherita and Heikkilä, 2021).

The KoronaHR research group founded and led by Poór in Hungary has profoundly analyzed the first and second waves of the COVID 19 pandemic from an HR management point of view (Poór et al., 2021). They have found, among others, that pandemic resulted in the appearance of a new HR function at companies: the pandemic plan gained strategic importance. During the first and second waves of the pandemic, the greatest challenges emerged in the fields of internal communication, retaining the workforce, implementing teleworking measures, ensuring the workforce, satisfactory documentation, and keeping up motivation (Majó-Petri and Szabó-Szentgróti, 2021).

In the light of the above, the most common crisis management measures introduced at Hungarian companies were the modification of the company strategy, the postponement of procurements and costs, the increase of organizational efficiency, the general cost-cutting measures and the introduction of satisfactory communication tools. Redundancies and sending employees on unpaid holiday was not a common solution (Tóth and Kálmán, 2021).

While Poór examined medium-sized companies, in this study, the authors analyzed the responses of the Hungarian branches of multinational companies in different regions in Hungary on the basis of conversations with their top managers with the intention of examining the question of whether a responsible and ethical corporate policy has a positive impact on solving external economic challenges affecting these companies, for example dealing with labor surplus caused by a decrease in production volume. The enterprises reviewed and just mentioned above are based in the counties of Komárom-Esztergom, Jász-Nagykún-Szolnok, Borsod-Abaúj-Zemplén, Győr-Moson-Sopron, and Pest, including the capital city of Hungary, Budapest.

In this research, the aim was to explore the challenges caused by the pandemic these companies had to face from a Human Resources management perspective based on discussions with the HR Managers of the above-mentioned companies. In addition to the interviews with the Hungarian HR Managers, the regulatory environment changes were also reviewed. These companies positioned themselves in different business areas, including industrial production plants, automotive suppliers, airline and shared services center in Budapest. Lastly, the research collected and analyzed several enterprises' solutions, moreover reviewed how the companies' caring attitude, the presence of a CSR approach and professional HR Management impacted the retention of workplaces. Obviously, not all companies can retain the workforce at all costs, depending on the financial resources available, but according to the hypothesis of this study, it seemed obvious that companies in the capital of Hungary or the central region of the country (Pest County) would be willing to spend more on retaining jobs in the long run than companies in eastern counties, as in the central regions, jobseekers have an incomparably greater "choice" in the labor market than in the regions more affected by unemployment. The data collection has proven that constant consultation with the Works Councils (employees' representatives) and a responsible, ethical company approach supplied companies with important tools in

the handling of difficulties. The focus of this research was to explore the challenges faced by multinational companies in Hungary and to examine their solutions given to these challenges, as well as to analyze the reaction of employees to such solutions. This research has proven that the changing regulatory environment, as well as the presence of ethical company culture at the examined big enterprises, had, in some ways, a positive impact on the effectiveness of companies' solutions and employees' reactions.

The new work safety requirements can be mentioned first among the new challenges companies had to face, which they introduced without delay, but they had to face several uncertainties while doing so. Many contradictory national and international health recommendations were published during the first wave of the pandemic (spring of 2020). For example, the advantages and disadvantages of wearing a mask; access control systems using the thermal-imaging camera, of which the Hungarian data protection authority submitted a guideline just one day before the announcement of the "danger of state" in Hungary, declaring that it can only be used if there is reasonable suspicion that the employee is infected. As official restrictions happened to be different in the EU member states, new restrictions had to be followed as well, sometimes changing from hour to hour. At first, there were no standardized regulations regarding the content of the employer's certificate enabling employees to go to work or the documents needed to travel abroad on a business trip. Companies had a positive experience concerning the fact that essential regulations of the emergency Government Decrees were almost immediately accessible in Hungarian and English on the government portal. At the same time, however, HR managers had to respond immediately to situations they had never experienced before. For example, they had to deal with the following problems (i) the idle time due to the pandemic is paid or unpaid, (ii) what to do with employees who were more exposed to the danger of heavy consequences in the event of COVID 19 infection due to their age or other health issues, (iii) how to collect data regarding their health issues (which are considered particular personal data and practically could not be handled by companies), (iv) managing the situation of parents having to stay home with younger children and home school them due to distance learning, or (v) how to handle situations, when the employee does not abide by the rules of the employer concerning the pandemic (e.g. getting tested after a holiday abroad, whether it is to be paid by the employer or the employee etc.).

The authors also reviewed what goals of sustainable development are connected to the topic. Gender equality (since most mothers stayed at home with children attending primary school, for example), the decreasing of inequality, and the providing of basic hygiene by the company during the pandemic (the education of the employees regarding handwashing, hand disinfection, wearing a mask, keeping distance happened everywhere, and – where it was possible – the companies purchased the necessary partition pieces of equipment) are worth being highlighted. One of the biggest challenges (but interestingly, this was a help at the same time) was the adjustment of the operation of companies to the amended legal/regulatory

environment. After the publication of the first emergency, government decrees the employees of the human resources departments quickly got used to the fact that their first job in the morning was to study the Hungarian Official Gazette. With respect to this, they had to make immediate decisions regarding what new regulations, possibly restrictions they had to comply with. The companies' challenges have become numerous in the amended regulatory environment. The otherwise strict data protection regulations were partially "overridden" by the emergency legislature only in the first wave of the pandemic. Companies did not have the opportunity to generally measure body temperature, for example, according to data protection regulations, but this was revised by the companies "in their own competence"; this required, however, the continuous monitoring of the situation by the management of the companies. More than 100 rules of law were put into force only in March and April 2020, which were connected to the pandemic situation in some way or another. It was deemed useful by companies to find up-to-date information (in a comprehensible form for non-jurist readers as well) regarding new regulations connected to the coronavirus on the governmental portals.

The Responses of Companies

The first leading 50 Fortune Global 500 companies simultaneously managed the pandemic challenges by finding new values by reaching new customers via digital channels and increasing their social responsibility activities (Margherita and Heikkilä, 2021). According to Poór, the medium size Hungarian companies focused on 5 areas, such as (i) introduction of a 'COVID strategy', (ii) changing the priorities of managing the challenges of the pandemic, (iii) reconsidering remote working opportunities, (iv) introducing digital solutions, and (v) introduction cost-saving practices (Poór et al., 2021). The present study found that the priorities of the Hungarian multinational companies were to (i) keep their employees, (ii) find practices to limit the costs of the "idle time", (iii) comply with all of the requirements of the regulatory environment and (iv) maintain the employee satisfaction and well-being, (v) involving the employee representative bodies (i.e. trade unions or works councils) in the decision making.

At one of the examined companies – where it was not possible to be exempted from the obligation of paying wages as described above – the company proposed to conclude a so-called Deferral Agreement to the employees in the spring of 2020, in which the company suggested reducing the wages for a definite period and later (in this case in 2022) the company – if so decides – pays back the lost wages to the employees on the condition that the employee still has the employment relationship with the company. Such proposal was preceded by serious negotiations with the concerned employees, where the management of the company outlined transparently the wage costs of the company (including the part that has no offset in doing work on the employees' side due to idle time), and the company's short, medium and long term plans for the post-pandemic situation. Supposedly also having considered the above, all concerned employees (except one manager, who wanted to leave the

company anyway to take another job) accepted the company's offer. By the end of 2020, the company has already paid back the amount corresponding to the wage-cut. This created an added value in the relationship between the management and employees that would not have been available under other circumstances.

At another company, the employer and the employees agreed that for a period of three months, the monthly salary should be reduced by 15%. Since there was no substantial change in the pandemic situation and the company's labor force requirements did not at all return to the pre-pandemic level, after three months, the company and the employees have concluded a repeated three-month wage reduction agreement (with mutual consent, of course). In this case, again, there were serious and interactive previous discussions between the management and the employees and (probably) thanks to that as well, almost all the employees accepted the company wage reduction offer. Interestingly, in this case, there was also one employee who did not accept the offer; in his/her case, the original salary remained untouched, of course, but since it was also declared (in the case of this latter employee, it would have been declared) in the agreement that the employer cannot terminate the employment relationship based on reasons falling in the operation of the employer during the term of the agreement, in the case of this latter employee this restriction did not tie the employer's hands when it had to terminate the employment relationship. It should be added that all the loyal employees of the company were displeased with the hesitating employee because they felt that the latter employee backed out from the collective at the workplace, when in the pandemic situation, the company, as the employer and employees collectively literally fought together for saving the employer and as a result of this for the protection of the employees' jobs. At this company, they combined the opportunities of wage cuts and home office work with no time limits, which was feasible based on the empowering regulation (the possibility of unlimited derogation of the provisions of the Labor Code) as mentioned above. Teleworking also became common, which in the absence of mutual consent between the employer and the employee, unlike under the ruling of general rules, the employer could order unilaterally under the authority of emergency regulations.

Companies – as already mentioned above – encountered such new HR problems they never had to face before. There were cases, for example, when companies had to decide whether they would order "home quarantine" upon the return of employees who traveled abroad, whether this period would be a paid absence and also if they could make the payment of this absence dependant on whether the employee traveled abroad without the permission of the company. All examined companies have somehow overcome the situation, which was largely due to collective labor measures. In cases, where companies were in constant consultation with the employees and/or employee representatives (Works Council, Trade Union), it was possible to conclude collective bargaining agreements in order to reduce the companies' burdens caused by the pandemic (e.g. introducing longer work time frame, regulation of idle time and the remuneration of idle time etc.). Some of the

measures could be introduced unilaterally by companies in order to reduce their burdens (home office work/teleworking, scheduling "company holiday", introducing (longer) work time frame). Other than introducing collective labor measures, the amendment of individual employment contracts has also come into play; the main objective of this is the identification of employer's and employee's interests in order to retain jobs: this resulted in reduced working time and the reduction of wages for idle time. The creativity of the HR Department could also add to keeping the workforce temporarily unnecessary and motivating the concerned employees (for example, by concluding the above described Deferral Agreement).

Conclusion

In order to have recovered from the crisis caused by the pandemic, strategic efforts have to be made by companies in managing their human resources so that company goals can be realized and quickly rise after being affected by the pandemic (Ichsan et al., 2020). The reviewed companies employed around 3,000 employees in March 2020. Until the end of 2020, there was no redundancy apart from the usual workplace fluctuation. In light of the above, the primary reason thereof, in addition to the unquestionable positive effects of state measures, was that the companies' purpose from the very beginning of the pandemic was that none of the employees lost their job because of the recession caused by the pandemic. In regions where the ratio of those having a basic digital competence is higher, the harmonized unemployment rate is also lower, and that in countries where the population has better digital skills, companies provide more possibilities for further training than in countries where the population is less digitally educated (Csordás and Füzési, 2019). It is undeniable that physical labor cannot be carried out by means of teleworking. However, the subjects of the above presented corporate examples, regarding the digital competence of the employees – thanks to the responsible corporate approach they follow – satisfied the conditions of optimal corporate approach, as the positions necessitating digital competencies and that can be done from the home office, were more easily protected even during the pandemic. Employees have played a pivotal role in sustaining economic activities during the pandemic by imperiling their health and safety (Utkarsh and Sigala M., 2021). An indirect conclusion can be made from the above: one of the preconditions of the perfect prevalence of CSR is that companies dispose of the needed financial resources at all times because the lack of these resources may limit the companies' freedom in making decisions related to protecting jobs. There have been some redundancies at the examined companies, but not to the extent that the regulations of mass redundancy (as governed by the Hungarian Labor Code) had to be applied. Collective labor consultation was advantageous in all cases in finding solutions and governmental measures were also helpful for companies, and they could practically keep all their workforce that required digital competencies. The challenges of the pandemic can also be managed by adopting certain communication tools which focus on messages of encouragement and on generating content about projects, initiatives and actions to adapt, transform and continue with economic

activity despite the pandemic (Iglesias-Sánchez et al., 2021). In addition to the above findings, it is important to take into consideration that public authorities are identified as the critical stakeholders with a high level of power to implement more agile, coordinated and efficient public policies in the event of future crises and disasters that moderate the negative effects of a global economic collapse (Sanabria-Díaz et al., 2021). The role of corporations in society is changing since corporations gradually take over responsibility from the state by performing critical functions that previously fell within the remit of the state. This perhaps leads to the development of "entrepreneurial democracy" (Anker, 2021). Companies need to adapt job positions and focus on job redesign within the organization in order to be flexible enough to allow a quick and efficient adaptation of the organization to the requirements of the new situation caused by the pandemic (Hamouche, 2021). As this research focused on large companies, it is intended later to examine the possibility of adapting these solutions to Hungarian small and medium-sized enterprises.

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POTENCJALNE ODPOWIEDZI ZARZĄDZANIA ZASOBAMI LUDZKIMI POPRZEZ CSR W PANDEMII COVID-19

Streszczenie Większość firm przygotowała swoje odpowiedzi na wyzwania pandemii COVID-19 w oparciu o doświadczenia poprzedniego światowego kryzysu z lat 2008-2009. Wzrost bezrobocia musiał być uwzględniony przez państwo, firmy i gospodarstwa domowe w Europie Środkowej, a także na Węgrzech, w związku z rozprzestrzenianiem się pandemii COVID-19. Celem niniejszego opracowania jest sprawdzenie (i) czy istnieje wpływ społecznej odpowiedzialności biznesu (CSR) stosowanej przez firmy na bezrobocie, (ii) jakie możliwości stworzyły transfery państwowe i nowe ustawodawstwo pandemiczne dla zarządzania – zarówno w krótko- i długoterminowe - bezrobocia (iii) jakie doświadczenia są dostępne w międzynarodowych firmach działających w różnych regionach dla utrzymania miejsc pracy i regionalnej reputacji firmy oraz czy istnieje korelacja między etyczną

i odpowiedzialną polityką korporacyjną (wraz z podejściem regionalnym) oraz zarządzanie zewnętrznymi wyzwaniami firm, w szczególności zarządzanie nadwyżką siły roboczej w związku ze spadkiem produkcji w wyniku pandemii. W opracowaniu omówiono porównanie reakcji na pandemię pierwszych 50 firm z listy Fortune Global 500 oraz węgierskich oddziałów firm międzynarodowych. Informacje zostały zebrane poprzez wywiady z menedżerami HR tych firm. Badanie zostało przygotowane w ramach projektu badawczego dotyczącego odpowiedzialnego zachowania przedsiębiorstw.

Słowa kluczowe: bezrobocie, COVID-19, CSR, etyczna polityka korporacyjna, zbiorowe prawo pracy

在 COVID-19 大流行中通过企业社会责任进行人力资源管理的潜在响应

抽象的 大多数公司根据上一次 2008-2009 年全球危机的经验，准备应对 COVID-19 大流行的挑战。由于 COVID-19 大流行的蔓延，中欧以及匈牙利的国家、公司和家庭必须考虑失业率的增加。本研究的目的是审查 (i) 公司所遵循的社会企业责任 (CSR) 是否对失业有影响，(ii) 国家转移和新的立法为管理层创造了哪些可能性——无论是在短期和长期 - 失业 (iii) 在不同地区经营的跨国公司在保持工作场所和公司的区域声誉方面有哪些经验，以及道德和负责任的公司政策之间是否存在相关性（以及区域方法）以及公司外部挑战的管理，特别是由于大流行导致生产减少而导致的劳动力过剩的管理。该研究讨论了《财富》世界 500 强前 50 家公司与跨国公司匈牙利分公司对大流行的反应的比较。这些信息是通过采访这些公司的人力资源经理收集的。该研究是作为与负责任的企业行为相关的研究项目的一部分而准备的。

关键词：失业，COVID-19，企业社会责任，企业道德政策，集体劳动法