

# 1 INTRODUCTION (JÓZSEF POÓR, CHRISTIAN HIRT, ALMINA BEŠIĆ, ZIJADA RAHIMIĆ, SNEZHANA ILIEVA, MONICA ZAHARIE, KINGA KEREKES, ZSUZSANNA SZEINER, ARNOLD TÓTH & BOTOND GÉZA KÁLMÁN)

*“I am a firm believer in people. If we tell them the truth, we can count on them to meet any national challenge. The important thing is to tell them the real facts.” Abraham Lincoln<sup>3</sup>*

## 1.1 BACKGROUND

Today, there is a growing view and perception that the outbreak of the Covid-19 pandemic in Wuhan, China at the end of 2019 is not only a global health and human issue but the emergence of a much bigger problem than the one we are facing now. American historian Diamond (2020) argues that “the real threat to our civilization is not Covid, but the nuclear bomb, climate change and resource depletion”. Honigsbaum (2019:15) takes a similar view in a recent paper. He argues that ‘our interest should not be narrowed to some predatory microorganism’, but that it is important to see the ‘bigger picture’. Ferguson (2021), argues that our current world is so complex that it is very fragile. Even a tiny spill (a grain of sand) can trigger world processes with unfortunate outcomes, as predicted by the experiment known as the ‘Schrödinger cat’.

In our review, it should also be borne in mind that various researchers and thus disaster and crisis researchers have also pointed out and continue to point out that such disastrous situations create not only problems but also new exploitable opportunities (Morris, 2014). A similar view is expressed by Harrai (2021), who argues that if the right alignment between conventional science and apolitical science can be found, we can quickly overcome the current crisis. Bill Gates (2021), the billionaire computer guru and philanthropist, makes a similar point in his recent book. If we are to prevent crises like this one, we must rely on innovative technological solutions to prevent catastrophic degradation of our environment.

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<sup>2</sup> Abraham Lincoln (1809-1865) From 1861 to 1865 the 16th president of the United States of America, the first Republican president.

Other researchers (Wood, 2020) argue that, in addition to scientific tools, community cooperation, goodwill and solidarity are essential to defeat the coronavirus.

After the outbreak of the coronavirus, various authors have often referred to the experience of the previous 2008-2009 crisis, even though that crisis started mainly in the banking world and spread from there to other sectors of the economy (Farkas, 2018). The lesson from the management of the 2008-2009 crisis is that 'not fiscal austerity but rather easing measures were the more successful escape route' (Magas, 2018: 3). The management of the majority of companies was 'characterized by survival and short-term thinking' (Balaton & Csiba, 2012:11). Companies reduced their workforce, especially in terms of temporary workers (Fodor, Kiss & Poór, 2010). It is also noteworthy that they have greatly reduced the hiring of new workers (Köllő, 2010).

Prior to the outbreak of the coronavirus crisis, the global economy, including our narrower Central and Eastern European region, was on a sustained growth path. In the developed world, growth of 1-2 per cent was typical. The global average was 3 percent (UN, 2019) while in the countries of our region this figure reached 3-5 percent.

At the same time, the global volume of Foreign Direct Investment (FDI) decreased by 13 per cent from 2018, but still reached \$1,500 billion (UNCTAD, 2019). This figure was down by 35 per cent by the end of the first year of the crisis, almost 20 per cent lower than in 2009. China was an exception, with no such decline (UNCTAD, 2020).

The first and second waves of the QE crisis have had a significant downward impact on the global economy and on individual regions and countries (IMF, 2021a). With the exception of China, most countries experienced a significant economic contraction in 2020 (Covid, 2020). The region also experienced a 6-7 percent contraction (Römisch, 2020). In 2021, this value turned positive in most countries (Table 1). After the third wave, the forecasts were very bold (+7-8%) and very optimistic. By the end of the last year 2021, the new fourth wave and other problems (e.g., shortages of materials and parts, labour, etc.) had converged to much more realistic values (5-5%).

*Table 1: GDP data for the world, certain regions, China and the USA 2020-2021*

<b>The world, regions and countries</b>	<b>2020</b>	<b>2021</b>
<b>Global GDP</b>	-4.3% and 7.4%	+4% and +6%
<b>USA</b>	-4.2%	+4.2%
<b>China</b>	2.6%	+6.5%
<b>EU-27</b>	-7.5%	+5%
<b>EU-Euro</b>	-8%	+5%

*Sources: Römisch, 2020, IMF 2021*

This crisis has fundamentally affected the workforce (human resources). Since the crisis of 2008-2009, employment has grown steadily worldwide - by 3.4 billion people (ILO, 2017) - and in the Central and Eastern European region, as well. According to the International Labour Organisation (ILO, 2021), 255 million of the 3.5 billion workers (Csehné et al., 2021) globally - based on a combination of redundancies and lost working hours - have lost their jobs in the first year of the crisis, 2020.

At the level of occupational groups, the role and employment position of hospitality, tourism, personal services and retail trade appear to have declined most in the developed world (Adrjan-Lydon, 2020; Bartik et al., 2020).

At the beginning of the current pandemic, it was also observed that various governments and international organisations (e.g., UN, IMF, WHO) acknowledged the existence of a global crisis after a short or long wait. But as soon as they recognised its global and dramatic nature, they acted. As the IMF (2021b) sees it, 'the response to the coronavirus crisis has been unprecedented in terms of the speed and scale of financial support to member countries, with a particular focus on protecting the most vulnerable, and setting the stage for an inclusive and sustainable recovery'. The European Union has launched a similar positive response by taking the initiative to increase the EU Solidarity Fund, which could lay the foundations for a future recovery. Governments in different countries, including the Hungarian government, recognised relatively quickly that the workers, the poor and the less skilled were hit hardest by this global crisis. Unprecedented closures, unprecedented in previous crises, have demanded and triggered an unprecedented wave of action (IMF, 2021c; Chen & Qui, 2020).

## 1.2 RESEARCH REVIEW

In the present study, we carried out the following tasks between 1 July 2021 and 15 November 2021:

- We developed a research model (Figure 1) to investigate, through empirical research (online questionnaire survey), the challenges and changes that *the coronavirus crisis brings about in the human resource management practices of the corporate/institutional sector in the six countries under study* (Kovacsik, Boros & Pál, 2021).

Our questionnaire addresses the following major sets of questions:

- the impact of the coronavirus crisis on the economies and organisations of the countries under study,
- the general and HR crisis management measures most specific to the organisation under study,
- the changes initiated in the HR area in the organisation under study as a result of the crisis,
- the opportunities created by the crisis in the organisation under review and its HR organisation,
- the jobs and competences positively and/or negatively affected by the effects of the crisis,
- the characteristics of the organisation, the responding HR area and the respondent.

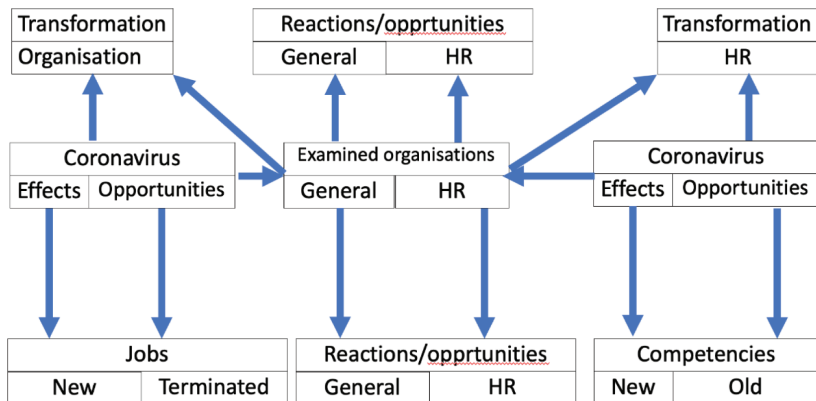


Figure 1: Research model

- Chapter 2 presents the characteristics of the responding organisations and respondents.
- In Chapter 3, we present respondents' views on the impact of the coronavirus crisis on the Hungarian economy and the organisation under study.
- In Chapter 4, we review the general and HR crisis management measures in the surveyed organisations.
- Chapter 5 presents our analysis of the changes/alterations in the HR area in the surveyed organisations as a result of the crisis.
- In Chapter 6, we highlight the organisational, management and HR characteristics and opportunities that respondents focused on in the context of the pandemic.
- In Chapter 7, we describe the job and competence changes which respondents have experienced in the wake of the pandemic.
- In Chapter 8 of our research monograph, we present the main results of a multivariate statistical analysis of the empirical data available to us, based on six hypotheses.
- In Chapter 9, we summarise the following annexes:
- Annex 9.1 provides a list of responding organisations by country that provided their contact details and agreed to provide them,
- Annex 9.2 presents the theoretical basis and main components of the competency model we cite,
- Annex 9.3 describes the operational model developed by Egis Pharmaceuticals Ltd., the sponsor of our research, during the pandemic.

Our research presented here does not shed light on all aspects of the topic due to the limitations of scope and the time and capacity available. It was also not intended to compare our empirical experience with other publications in the literature.

### **1.3 INTRODUCTION OF THE SIX EXAMINED COUNTRIES**

The research described in the previous section was carried out in the following six countries in the Central and Eastern European region during the fourth quarter of 2020 and the first quarter of 2021:

- Austria (AT),
- Bosnia-Herzegovina (BiH),
- Bulgaria (BG),
- Hungary (HU),

- Romania (RO),
- Slovakia (SK).

The economic characteristics of these countries are listed in Table 2 below. If we compare the six countries by economic performance, we can draw conclusions. In the year before the outbreak of the crisis (2019), all countries had positive economic growth (1.40-4.60%). The same could not be said for 2020, when the decline ranged from -3.90% to -6.60%. In the last year 2021, at the time of writing this work, growth rates ranged between 3.80% and 7.60%. The magnitude of unemployment in 2019, with the exception of Bosnia and Herzegovina (15.70%), was between 3.30% and 5.80%. In the first year of the crisis, unemployment increased by 0.3-1.5% in the countries studied. In 2021, unemployment increased or decreased differently across countries (Mura, Zsigmond and Kovács, 2020).

In terms of GDP per capita, the countries ranked are: 1: Austria, 2: Slovakia; 3: Hungary; 4: Romania, 5: Bulgaria and 6: Bosnia and Herzegovina. It can also be observed that the crisis has reduced GDP to a greater or lesser extent in all the countries surveyed.

*Table 2: Economic characteristics of the examined countries*

Features		Austria (AT)	Bulgaria (BG)	Bosnia-Herzegovina (BIH)	Hungary (HU)	Romania (RO)	Slovakia (SK)	Total
Inhabitants (million)	2020	8,90%	6, 9	3,5	9,8	19,2	5,45	53,75
GDP (%)	2019	1,40%	3,70%	2,83%	4,60%	4,2%	2,30%	3,17%
	2020	-6,60%	-4,15%	-4,33%	-5,10%	-3,90%	-5,80%	-4,98%
	2021	3,80%	4,54%	2,80%	7,60%	7,40%	4,30%	5,07%
Unemployment (%)	2019	4,49%	4,23%	15,70%	3,30%	3,90%	5,80%	5,53%
	2020	5,77%	5,71%	16%	4,20%	5,00%	6,70%	6,28%
	2021	6,50%	5,60%	18%	4,00%	4,80%	6,90%	6,70%
GDP per capita (dollar/pers)	2019	50 121	9 828	6 120	16 733	12 889	19 273	19 161
	2020	48 105	9 975	6 031	15 589	12 896	19 156	18 625
	2021	49 000	8 900	6 181	17 100	11 190	20 500	18 812

In terms of culture, following Hofstede's (2001) dimensions (Table 3), we see that Austria has the lowest power distance (11); Hungarians are the most individualistic (80); Slovaks are the most masculine (100); Bulgarians are the most feminine (40), with the lowest insecurity avoidance index for Slovaks (51). In contrast, Hungary (82) and Bulgaria (85) have roughly the same uncertainty avoidance index. Slovaks are mostly long term oriented (77), and finally Austrians are the most volatile (63) (Jarjabka, 2021).

*Table 3: The cultural dimensions of Hofstede in the six countries compared*

	PDI	IDV	MAS	UAI	LTO	IND
Austria	11	55	79	82	60	63
Bosnia-Herzegovina	90	22	48	87	70	44
Bulgaria	70	30	40	85	69	16
Hungary	46	80	88	82	58	31
Romania	90	30	42	90	52	20
Slovakia	100	52	100	51	77	28

Source: <https://www.hofstede-insights.com/product/compare-countries/>

## **1.4 THE IMPORTANCE AND CHANGES IN HR FUNCTION**

The following is a summary of the most important characteristics of the HR function in the six countries surveyed.

### **1.4.1 AUSTRIA**

HRM is well developed in Austrian companies. The trend of integrating HRM into the corporate strategy started in the 1990s in Austrian companies (Mayrhofer, 1995; Erten et al. 2004). This is evidenced by the increased presence of HR professionals in the boards of management. In these years, the HRM focus shifted from administrative to strategic. The current situation reveals that most companies have a defined HR strategy and a functioning HR department, with an average of six people. Only a few companies have large human resources departments. HR departments in Austria typically cover 1.47 percent of the total number of employees in the company. Almost half of the organisations have a human resources manager in the management team, and more than 70 percent of HR directors are women. Most HR directors are also involved in the development of the corporate strategy (Cranet, 2014). A unique feature of the Austrian HRM is the concept of social partnership, in which trade unions and works councils have a significant influence in most organisations and are often the main point of contact for employees. As a result, HR departments in many companies serve as the management counterparts of the social partners. Managing ageing employees and developing a long-term knowledge

management strategy are two major challenges for HRM in Austria (OECD, 2012). Digitalisation, talent management and change management are all important elements of current HRM trends. The Covid-19 pandemic has triggered a number of changes, including regulations on teleworking and addressing issues such as remote working and work-life balance.

#### **1.4.2 BOSNIA AND HERZEGOVINA**

Human resource management in Bosnia and Herzegovina is a legacy of the personnel management system of the former Yugoslavia, where under the former system the majority of enterprises were owned by the state. From the 1960s and until the 1980s, personnel activities were controlled by company managers and workers' councils under the political influence of the Communist Party of Yugoslavia (PCY), which regularly regulated personnel decisions in companies (Svetlik et al., 2010). In addition, the constitutional right to work was also regulated by law (Poloski, Vokic, Kohont, Szlávicz, 2017). However, HR remained primarily an administrative function in most enterprises.

After the break-up of Yugoslavia, the Bosnian war (1992-1995) caused enormous devastation to the economy. Many enterprises in Bosnia and Herzegovina were privatised after the end of the war. As a result, there was less government involvement. Many companies introduced foreign-owned management systems. In particular, foreign-owned subsidiaries of multinational companies have launched strategic HRM activities. The owners of many smaller, domestically owned firms faced fundamental challenges, such as high taxes and government levies, and therefore the importance of strategic HRM was not a focus. High unemployment rates over the years have made it relatively easy for employers to find sufficient labour. Thus, an administrative orientation to HRM has remained a feature, although today it is also beginning to shift towards a more strategic approach (Bešić et al., 2022).

Recent HRM studies in Bosnia and Herzegovina show that companies face significant challenges in recruiting and retaining talent. Recent challenges related to the Covid-19 pandemic have included ensuring health and safety precautions and teleworking (see Bešić et al., 2022). Finally, years of high levels of out-migration have put increasing pressure on employers to implement more strategic HR strategies to find and retain skilled workers.



### **1.4.3 BULGARIA**

After the political and economic changes in Bulgaria in 1989, the interpretation and application of HRM has changed significantly in recent decades. The transformation has mainly affected the expansion of HRM's role and functions, as they go beyond the traditional application of its exclusively staff recruitment and administrative functions. These changes have been mainly in the implementation of modern approaches and methods of recruitment and selection, training and development of the workforce. The main trends in HRM have been linked to changes in the nature of work, the entry of international firms, the intensification of restructuring, mergers and acquisitions of organisations from different economic sectors.

The main features of modern human resource management in Bulgaria can be summarised as follows:

- Establishment of HRM departments in large and medium-sized organisations and the presence of HRM experts in small organisations,
- differentiation and division of HRM functions - recruitment and selection, remuneration and benefits, training and development, and implementation of modern approaches to talent management, measurement of employee satisfaction and engagement, management development programmes
- access to international and local consultancies in the areas of recruitment, selection and training,
- the application of a modern approach to HRM in international companies, which will help to establish the role of HRM and, accordingly, to adapt staff selection and development practices to other organisations;
- the professionalisation of HRM activities and the recruitment of qualified HRM specialists to appropriate positions;
- the presence of accredited university Master courses in HRM and in Work and Organisational Psychology, which prepare professionals in the field of HRM.

### **1.4.4 HUNGARY**

Following the 1989 regime change in Hungary and other Eastern European countries, the roles of management and human resource management (HRM) have undergone significant changes (Kazlauskaite et al., 2013). The trends reported are similar to those of the modern developed world along most dimensions. The main features of this era are summarized below:

- Hungarian-owned organisations started to use human resources in a professional way. The importance of the human resource management function was recognized.
- The presence of multinational companies and organisations in local markets has drastically contributed to the development of HR methods and tools in Hungary
- Initially, the professional sponsors for the development of human resource management were the large - also international - personnel and HR consultancy firms, which were later joined by an increasing number of Hungarians.
- Higher education institutions became the arena for professional training, which both signalled the growing prestige of the profession and laid the foundations for further growth in its prestige. Today, more and more universities offer increasingly high-quality HRM programmes within the framework of Bologna bachelor and master programmes.
- The new legal regulatory environment also has a significant impact on the development and direction of HR.
- This period is characterised by professionalisation and continues to this day (Morley et al., 2021).

#### **1.4.5 ROMANIA**

The HRM function emerged in Romania after the change of regime in 1990, when the privatisation of state-owned enterprises began. Modern management principles and practices became widely known and accepted in Romania due to the establishment of international companies and access to literature. The modern management concepts mentioned above have slowly become part of the organisational discourse, but the role and importance of human resource management is not yet clearly defined. SMEs with less than 70-100 employees often do not employ HR professionals, and HRM functions are performed by managers and accountants. Larger companies have built up their own HR departments and recruited qualified professionals for the well-paid HR director position, but for many years HR was not seen as a strategic partner by top management.

The situation has improved over the last decade, with the head of the HRM department reporting directly to the CEO in more than 80% of companies and 76% of them being part of senior management (HR Club, 2020). The highest proportion of HR professionals are involved in recruitment, followed by employee relations, HR administration, learning & development

and onboarding, and the lowest in digital HR services. The typical HR professional is a woman who graduated tertiary education in various fields, has completed non-formal HRM training, has spent most of her career in HRM-related activities, but has not joined a professional organisation (HR Club, 2020).

CEOs and HR managers considered that the most important strategic challenges facing the HRM function in 2020 were maintaining high levels of employee engagement and retaining high-potential, high-performing employees, while the most challenging HRM exercises were finding employees with specific competencies, developing the next generation of leaders in the organisation and retaining employees (Valoria, 2020).

Due to the economic uncertainties caused by the Covid-19 pandemic, the turnover rate in Romanian companies decreased to 17.2% on average in 2020 (from 23.1% in 2019). The highest turnover (25.1%) was in 2019, mainly in the retail and FMCG sectors, while the lowest (8%) was in financial services (PwC Romania, 2020).

#### **1.4.6 SLOVAKIA**

Slovakia is a relatively young country. Its origins date back to 1918, when a new country Czechoslovakia was formed. Between 1918 and 1993, its socio-economic development took place in line with that of the Czech Republic. The Czech industrial traditions date back to the beginning of industrialisation and even before that (Kotíková-Bittnerová, 2003). In the late nineteenth and early twentieth centuries, Czech engineers were world-renowned and acknowledged professionals, inventors and industrialists (e.g. Tomáš Baťa, Erik Kolben, Jaroslav Šafránek, Emil Škoda and others), and the Czech industry was one of the most advanced in the world (Masarykův ústav a Archiv AV ČR, 2015). At that time management meant primarily industrial work organisation. In 1920, the Masaryk Academy of Labour (Masarykova Akadémia Práce) was established in Prague, by Czech, American, British, German and Swiss engineers as its members. The first International Management Congress was held in Prague in 1924, organised by the Taylor Company, the Industrial Engineers Society, the Federated American Engineers Societies, the American Management Association and the Masaryk Academy of Labour. At that time, HR work meant primarily personnel administration. Although European countries established labour law standards in the 1890s, human factor remained only of secondary

importance in manufacturing (Scott et al., 1941; Vojtovic, 2006). In some factories, a supportive attitude had already developed in the early 20th century (Armstrong, 1999). Social benefits were added to the “*HR functions*” of the personnel department, in addition to recruitment and registration of the workforce. A good example is Tomáš Báťa, the owner of the largest shoe factory in Czechoslovakia, who developed and implemented HR management innovations that have spread in corporate practice worldwide. Báťa has created a night school for his employees, giving them opportunity for personal development. In addition to education, health care and housing have emerged as social benefits for employees. The school of human relations, which developed in the 1930s, shed new light on the organisation’s human resources. Elton Mayo’s scientific findings have demonstrated that human productivity is determined by emotional circumstances. From then on, managers have seen employee well-being as a strong determinant of profit through their productivity. New trends emerged in HR such as compensation and benefits management, paid leave, insurance, etc (Chukwunonso, 2013). At the same time, collective bargaining practices emerged, and the role of trade unions has strengthened.

After World War II, a system of planned economy had been introduced in Czechoslovakia and other Central Eastern European countries, thus detached from the development of Western-type management. After the regime change, Slovakia became independent from the Czech Republic and embarked on a path of its own development. Foreign companies setting up in the country have made a significant contribution to mitigating the shocks caused by the regime change. They have also played a significant role in the adoption of advanced management methods, including those used in HRM. Since then, the development of HRM in Slovakia has also taken off.

A benchmark study conducted by Stachova and her co-authors on a sample of 1,000 firms in Slovakia between 2010 and 2019 reveals that in 2019, some of 85% of the responding organisations had HR departments. Nine years before in 2010, this proportion was 66%. The aforementioned research (Stachova et al, 2020) reveals that currently the core HR functions are:

- Recruitment and selection,
- Training and development,
- Compensation and benefits,
- Information services for managers and employees,
- Outplacement and redundancy.

The latest trends in HRM have been influenced by the new situation created by the Covid-19 pandemic. The pandemic also posed significant challenges for HR in Slovakia. As a result of this changing situation, work performance and work organisation is now undergoing a major transformation throughout the country.

## 1.5 COVID-19 IN THE EXAMINED COUNTRIES

At the end of our research in December 2021, the Covid-19 situation is summarised in Table 4 below.

*Table 4: Coronavirus summary (2020-2021)*

Countries: Covid-19 characteristics	Austria (AT)	Bosnia- Herzegovina (BiH)	Bulgaria (BG)	Hungary (HU)	Romania (RO)	Slovakia (SK)
Coronavirus diseases (persons)	1.278.619	291.313	723.433	1.218.295	1.807.223	802.684
Number of deaths (persons)	13.733	13.428	30.014	37.530	58.714	15.931
Number of recoveries (persons)	1.614.379	n.a.	598.212	1,026.254	1.737.543	706.265
Percentage of the total population vaccinated (%)	75.88%	25.54%	16%	60%	35.5%	44%

*Sources: Worldometer (December 18, 2021) and Statista (December 15, 2021); Ourworldindata (December 18, 2021); Johns Hopkins University (January 02, 2022) Bundesministerium of Austria (February 03, 2022); Romanian Economic Monitor (December 30, 2021)*

### 1.5.1 AUSTRIA

More than 1.2 million cases were reported between the start of the COVID-19 pandemic in early 2020 and the end of 2021. According to the latest data for 2022, 75.88 percent of the Austrian population is fully vaccinated. The Austrian government, like other countries, has taken drastic measures to halt the spread of the virus, including four nationwide shutdowns that led to the closure of businesses and affected the country's labour market.

Unemployment, in turn, increased by 0.1 percent compared to 2020. GDP grew by 4.1 percent in 2021 compared to 2020. Various measures for companies have also been implemented, including holiday pay and the creation of a business hardship fund. In addition, firms have the possibility to apply for tax deferrals and loan guarantees.

### **1.5.2 BOSNIA AND HERZEGOVINA**

The Bosnian government, like many other nations, imposed restrictions on social life in an attempt to stem the tide of the pandemic in 2020 and part of 2021, which affected businesses and the labour market in particular. In 2020, the unemployment rate was 15.87 percent (an increase of 0.18 percent compared to 2019). Between November 2020 and November 2021, the number of registered unemployed fell by 8.5 percent. Compared to the same quarter of the previous year, real GDP growth in the third quarter of 2021 was 8.4 percent. Employers have introduced safety measures in the workplace and allowed employees to work from home, as proposed by the FBiH government (FBiH 2020a Economic Chamber). The government itself has taken only a limited number of supportive steps. Apart from the decree on intervention measures to help vulnerable industries, companies have received little help so far (FBiH Economic Chamber 2020b). As a result, the FBiH Chamber of Commerce and the FBiH Employers' Association have jointly developed a business support package that includes a credit moratorium, co-financing of current business expenses, new credit agreements with more favourable terms and tax deferrals (FBiH Chamber of Commerce 2020c).

### **1.5.3 BULGARIA**

Almost two years ago, on 13 March 2020, the government declared a state of emergency throughout the country, which lasted until 13 May 2020. Layoffs were more frequent at the beginning of the pandemic. This was mainly in the private sector.

Measures to prevent and control COVID-19 in Bulgaria are in line with international requirements. The country has the lowest overall vaccination coverage in the European Union, at around 30% (Covid-19, 2022).

Low vaccination coverage has led to one of the highest mortality rates in Europe and the world, especially during the third COVID wave. The political

situation and the three parliamentary elections in 2021 have increased distrust of the institutions and opposition to vaccination. Increasing vaccination coverage will be a key priority for the coalition government that will take power in December 2021. The national operational plan to combat COVID-19 foresees the introduction of a number of measures to support businesses and citizens. A full pandemic lockdown was not introduced during the fourth wave.

#### **1.5.4 HUNGARY**

The government declared a state of emergency for the whole country on 11 March 2020. This has been extended several times by the government. The government has announced a wage subsidy programme, the re-introduction of the 13th month pension, the re-launch of priority sectors of the national economy, and the provision of more than HUF 2,000 billion (EUR 5.5 billion) in subsidised loans to financing companies. Redundancies were more frequent at the start of the pandemic. Redundancies were typically more frequent in the private sector. Generally speaking, in the public sector there was a greater emphasis on health promotion and protection, as well as HR-led control.

#### **1.5.5 ROMANIA**

In order to prevent the spread of COVID-19, the President of Romania declared a state of emergency from 16 March 2020, which lasted until 15 May 2020. During the state of emergency, strict curfews were established for the whole population, and quarantine obligations were imposed on infected and contact persons. Commercial centres, catering establishments, cultural and educational institutions were closed, and sports events were suspended. The state of emergency was replaced in May 2020 by a state of readiness, which, after several extensions, was in place until 8 March 2022. During the state of readiness, curfews were lifted, and disease prevention measures were applied depending on the epidemiological data in the area (UBB-FSEGA, 2022).

Romania's economy was hit harder than the European average by the pandemic in the first half of 2020, with poor agricultural performance and a drop in foreign capital investment (Bálint, 2020). Layoffs took place, job opportunities declined, and wage growth slowed (BNR, 2021).

In order to help businesses affected by the pandemic and the restrictions imposed and to protect jobs, the Romanian government has introduced a number of measures such as technical unemployment assistance, postponement of tax payment deadlines, faster VAT refunds, suspension of loan repayments and loan guarantees for SMEs. For SMEs, the government also provided subsidies for utility services, or they could request their deferral (UBB-FSEGA, 2022).

### **1.5.6 SLOVAKIA**

Slovakia, from the beginning of 2020 reported nearly 1.250.000 positive coronavirus cases from which 18.100 ended with death, another 990.000 recovered. The Slovak government declared a state of emergency on 16th of March 2020 and again on 25th of November 2021 that is still in progress. Since the outbreak, several closures have been imposed, with shops, restaurants, cafés, theatres, cinemas, gyms and spas closed for months. Hairdressers, beauticians, trainers and artists have also lost their income. Mass events were banned. The governmental measures to curb the coronavirus pandemic had a negative impact on the economy and employment. At the same time, measures taken abroad also had a significant negative impact on the Slovak economy. Foreign trade volume sharply decreased, the Slovak export fell by 6% and the import by 8%. Slovakia is an export-oriented economy, more than 92% of the goods are produced for export, the national income was by 4.8% less in 2020 compared to the previous year.

The number of employed fell the most in the industry (by 4,2%) in 2020 compared to the previous year. Meanwhile, employment in the IT sector increased by 1%. The unemployment rate rose by 1.9% in 2020, reaching 6.8%. Labour productivity also fell in 2020, by 4.6% in the EU, while Slovakia reported a slightly moderate decline of 2.5%.

Working from home has become a common option for intellectual work. Education was online from autumn 2020 to spring 2021. The government has introduced a number of state contributions for entrepreneurs, employers and self-employed. The country is not doing well in the area of vaccination, despite the government's attempts to introduce various financial incentives (e.g., vaccination lotteries, cash benefits for vaccinated elderly, etc.). Some 48.5% of the population have not yet been vaccinated, one third have already received their third dose and 20% have received two doses.



## 1.6 REFERENCES TO CHAPTER 1

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## **2 CHARACTERISTICS OF THE ORGANISATIONS AND RESPONDENTS SURVEYED (ARNOLD TÓTH & BOTOND KÁLMÁN)**