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**Zsuzsanna Szeiner**

J. Selye University  
 Komárno, Slovakia

e-mail: szeinerzs@ujss.sk

**Ildikó Éva Kovács**

Hungarian University of Agriculture and Life  
 Sciences

Gödöllő, Hungary

e-mail: drkie17@gmail.com

**József Poór**

J. Selye University  
 Komárno, Slovakia

e-mail: poorj@ujss.sk

## **NEW WAYS OF MANAGING INTERNATIONAL HUMAN RESOURCES IN TIMES OF MULTIPLE GLOBAL CRISES AND DEGLOBALIZATION**

**Abstract:** First, we outline the general trends of globalization. We point out how this has influenced International Human Resource Management (IHRM) trends. After that, we briefly refer to how COVID -19 affected the HR practices of foreign-owned companies. In the next part of our article, we will show how similar the HR practice was in the case of domestic and foreign-owned companies in Hungary in the light of our research conducted during the first and second wave of Covid 19. In our study, we try to show that there is a difference between the HR practices of domestic and foreign-owned companies and organizations.

**Keywords:** Globalization, IHRM, MNCs, COVID-19

### **INTRODUCTION**

According to the official theory, the Sars-Covid virus that started the pandemic is believed to have first appeared in China in December 2019 and then spread to other parts of the globe. In just two months, it had spread to 114 countries and had already claimed the lives of over 4,000 individuals. In March 2020, the WHO made the pandemic's existence known. Around the time that governments in Europe and other regions started to implement policies to halt the virus. The virus-fighting efforts over the following two years had a profound effect on global trade, and other parts of economy and working life. Some economic sectors have been very seriously affected (e.g. catering, tourism, personal services, passenger and freight transport). On the other side, some industries have started to expand (e.g. the IT sector, PC sales, online services, sales of health masks, disinfectants, vaccines). At the same time, there was no economic branch that was not affected in some way by the pandemic or the measures taken to curb it. The organization of work and the retention of employees and key talents in the radically changed environment caused a serious challenge for the HR departments of businesses and other organizations.

In this article, we present the results of our empirical research carried out during the period of Covid-19 pandemic. The research analyzes the disruption meant by the pandemic for the HRM practices of organizations and the reactions HR managers take to stand on the arisen challenges. The results published in current paper are only a part of the entire research. In this article we have been focusing on a comparison of HRM practices of domestic and foreign-owned companies during the pandemic.

### **1. LITERATURE REVIEW**

Human resource management has undergone significant development and change over the past century, which was generated by the disturbances provided by the everchanging environment (Dajnoki-Héder, 2017). However, the first appearances or traditional HR functions such as performance evaluation, employee selection, motivation, development or retention can be traced back to the early 1900s, they gained real importance only in the modern era. Personnel

administration has gradually been replaced by strategic human resource management, where employees' competencies are of particular importance (Poór-Roberson, 2003). Strategic HRM focuses on how employees are hired, managed, and developed to help the company achieve its strategic objectives (Armstrong & Taylor, 2020: 3). This was disrupted by the pandemic, which forced managers to devise radical, novel solutions in all aspects of HRM, including hiring, performance management, development, training, compensation, safety, and health management (Hamouche, 2021). Strategic agility is required to ensure the achievement of corporate goals, especially during times of uncertainty (Liu, Lee & Lee 2020). The pandemic presented a major challenge that could jeopardize the accomplishment of organizational goals.

Several sources however claim that Covid-19 only accelerated existing HR patterns rather than disrupting them (Caligiuri et al., 2020; Gartner, 2021; Parry et al., 2021; Ulrich, 2021). The COVID-19 crisis has highlighted the significance of the global viewpoint, according to Budhwar and Cumming (2020). They contend that the pandemic demonstrates the unusual extent of globalization. For today, numerous theoretical (Collings et al, 2020; Liang et al, 2022; Przytuła et al., 2020) and empirical studies (Kalogiannidis, 2021; Gigauri, 2020; Adikaram et al., 2021) can be found in the scientific literature on the subject matter. Particularly in situations like the resolution of the pandemic situation, studies from different regions can provide crucial local insights and aid in the discovery of global solutions (Sipos et al., 2020:73).

## 2. RESEARCH METHODOLOGY

The KoronaHR research group was founded in Hungary in May 2020, a few months after the first European diseases brought on by COVID-19. Gradually, other researchers from the Central European countries joined. The first phase of our online survey was conducted between June 12 and July 31, 2020, followed by the second phase between August 1 and November 15, 2020, and the third phase between March 1 and April 20, 2021. During the first period we collected 508 evaluable questionnaires, during the second period, we received 1,014 analyzable responses from organizations, mainly companies and institutions, and finally, in the third research phase, 288 organizations honored us with their answers. Our empirical investigation is basically ex-post (Usunier et al., 2017), i.e. relying on opinions and factual data related to the observation period, we examined the impact of the crisis caused by Covid-19 on the human resource management practices of the domestic corporate/institutional sphere. However, based on the geographic distribution of the respondents, the research does cover the whole country even though it is not representative. The responses collected were analyzed with multivariate statistical methods using SPSS data analysis software.

## 3. DISCUSSION AND ANALYSIS

In this part of our article, we present the similarities and differences in the HR practices of domestic and foreign-owned companies in Hungary in the light of the research conducted during the first and second waves of Covid-19.

In the examined sample, nearly half of the 1,401 responding organizations represent the domestic private sector, more than a quarter are foreign or mixed-owned, while nearly a fifth belong to the state/municipal sector.

**Table 1:** Composition of the sample

	Frequency	%
State, municipal	269	19,2
Domestic private	697	49,8
Foreign or mixed	387	27,6
Non-profit	48	3,4
Altogether	1401	100,0

Source: authors' own compilation

### 3.1. HYPOTHESES TESTING

**H#1:** We assume that there is a significant difference between the HR practices of domestic and foreign-owned companies. Foreign-owned companies tend to have an HR department, and human resources are more likely to be considered of strategic importance, and they also pay more attention to crisis management, so they tend to have a crisis plan and in a crisis situation, they attach more importance to professional HR work.

The table below shows that only one fifth of overseas enterprises lack an HR department, compared to nearly three-quarters of local private sector companies. HR departments with a large number of employees are also primarily found in foreign companies and in state/municipal organizations, which can of course also be attributed to the fact that in these two categories there is a higher proportion of organizations with a large number of employees. The relationship between the variables (owner – HR department size) is significant (Chi-square test), the relationship is medium strong (Cramer's V= 0.317).

**Table 2:** Existence and size of HR department

Size of the HR department	Owner				Total
	State, municipal	Domestic Private	Foreign or mixed	Non-profit	
No HR department	26,6%	73,0%	19,6%	66,0%	49,0%
1-5 people	25,8%	19,9%	36,6%	27,7%	25,9%
6-10 people	13,1%	3,0%	15,4%	6,4%	8,5%
11-30 people	19,4%	1,9%	14,0%		8,5%
Over 30 people	15,1%	2,3%	14,5%		8,1%
Total	100,0%	100,0%	100,0%	100,0%	100,0%

Source: authors' own compilation

The results regarding the action plan developed for the pandemic situation are shown in the following table. It can be seen that while one-fifth of domestic private sector companies do not have any action plan and do not see it as necessary, only 4% of foreign companies said so, and among state/municipal organizations even less, then 1.5%. The relationship between the variables (owner - action plan) is significant (Chi-square test), the relationship is weak (Cramer's V= 0.214).

**Table 3:** Existence of an action plan developed for unpredictable situations

Existence of an action plan developed for unpredictable situations	Owner				Total
	State, municipal	Domestic Private	Foreign or mixed	Non-profit	
We had and apply it unchanged	11,2%	7,8%	7,5%	6,3%	8,3%
We had one that was updated	28,7%	8,9%	18,1%	10,4%	15,3%
Had not before, it has been developed during the pandemic	54,5%	49,3%	66,6%	60,4%	55,4%
Still do not have but planned	4,1%	13,2%	3,9%	8,3%	8,7%
Do not have and not planned	1,5%	20,8%	3,9%	14,6%	12,2%
Total	100,0%	100,0%	100,0%	100,0%	100,0%

Source: authors' own compilation

Companies with foreign or mixed ownership tend to regard human resources as of strategic importance, this is highly characteristic of 61.8% of the respondents, with an average of 3.43 on the four-point scale. In the case of domestically owned private companies, however, 17.7% say this is not typical for them, their average is 3.0. However, in the case of the latter, the dispersion of responses is greater (Std.dev: 1.147), while the response of foreigners is more homogeneous (Std.dev: 0.838). There are also significant differences in the assessment of the importance of professional HR work. According to almost half of the domestic companies (42.6%), it is not typical that the importance of this would further increase as a result of the crisis, and only a fifth of them (20.8%) consider this to be very typical. Among foreign owned companies, however, 37.9% think it is very typical, while only 12.2% consider it not typical. This difference is also reflected in the averages: 2.17 and 2.98. The dispersion of the answers to this question is, however, very similar for the two forms of ownership, the standard deviation values are 1.191 and 1.015.

There is also a significant difference in the assessment of the importance of training. Almost half of the domestic companies (42.4%) considered their role in making the organization less affected by the crisis, and only 16% considered it very typical. On the other hand, 22.3% of foreign owned companies say that this is characteristic of them to a large extent, while only 22.2% do not consider it important. The averages also show difference between the two types of companies: 2.07 and 2.52, in this case there is no significant difference in the dispersion of the answers either (1.111 and 1.071). On the other hand, there is quite a lot of agreement between foreign and domestic companies regarding the damage resulting from the intellectual capital flowing out due to layoffs related to the crisis, as well as unique, hard-to-

copy knowledge and expertise, as a way out of the crisis, and the importance of retaining key people and talents. In the latter case, however, the responses of foreign companies show greater agreement than those of domestic private companies (Standard deviation: 0.996 vs. 1.107). Examining the answers of domestic and foreign/mixed ownership companies with a two-sample t-test and Mann-Whitney test, the answers of the two groups differ significantly in six of the eight questions. However, this cannot be said in two cases, these are: the damage resulting from the intellectual capital flowing out due to layoffs related to the crisis (Mann-Whitney Sig=0.233, t-test Sig=0.237) and the importance of retaining key people and talents (Mann-Whitney Sig=0.170, t-test Sig=0.073). Based on all this, we accept H1.

**Table 4:** Importance of HR

Importance of HR	State, municipal	Domestic Private	Foreign or mixed	Non-profit	Total
Human resources are of strategic importance to our organization	3,22	3,00	3,43	3,17	3,17
We pay attention to reduce the unpleasant effects of the crisis on the private sector	2,30	2,39	2,65	2,42	2,45
The importance of professional HR work continues to increase	2,61	2,17	2,98	2,20	2,49
The unique, hard-to-copy knowledge and expertise inherent in our organization can be a way out of the crisis	2,41	2,55	2,76	2,48	2,58
Layoffs related to the crisis are harmful in the long term, because significant intellectual capital leaves our organization	1,86	2,17	2,27	2,00	2,13
Retaining key people and talents has now become especially important for us	2,95	3,09	3,21	3,02	3,09
The importance of continuous and well-organized training is outstanding so that the crisis affects our organization less	2,26	2,07	2,52	1,98	2,23
Rethinking workplace and employment conditions	2,57	2,35	2,72	2,36	2,50

**Source:** authors' own compilation

**H#2:** There is a difference between the practices of domestic and foreign-owned companies with regard to HR functions, which play an increasing role. Foreign-owned companies responded more to job preservation, education and training, and the possibility of working from home in the case of Covid-19.

Only 557 organizations gave evaluable answer to the related question, which is probably due to the fact that it was an open question, which was coded afterwards. The values discussed below represent percentage distributions within these 557 organizations.

From the table below, it can be seen that "Retention, motivation, incentive, commitment" as an area of increasing importance in HR work, appears rather in the practice of domestic organizations, be they state/municipal or private. Some of 28% and 26% highlighted this area, while only 18% of foreigners did. The field of "Training and development, online education, e-learning" was highlighted in a slightly higher proportion by foreign-owned companies than by domestic private sector companies (19% vs. 12%). There is hardly any difference in terms of "Home-office, remote work, atypical employment", 10% of foreign or mixed-owned companies and 11% of the domestic companies consider this to be an area of increasing importance. This area was marked by state/municipal organizations in a slightly higher proportion (15%). Significant differences between the domestic private sector and foreign or mixed-owned companies are also found in "Internal/personal/online communication, contact, information" (18% and 26%) and "Administration, labor law, labor affairs" (23% and 16%), although the differences cannot be said to be significant in these cases either. Furthermore, it can be said that in the case of the latter, the responses of the state/municipal sector are closer to the responses of domestic private companies (20% and 28%).

It should also be noted that the area with the highest proportion in all three ownership categories was "Recruitment, selection, headhunting, hiring, personnel management", one third of the surveyed organizations marked this as an HR area of increasing importance.

Based on all this, we reject H2.

**Table 5:** Areas of HR with increasing importance in 2020

Areas of HR with increasing importance in 2020	Owner				Total
	State, municipal	Domestic Private	Foreign or mixed	Non-profit	
Recruitment, selection, headhunting, hiring, personnel management	31%	33%	33%	7%	32%
Internal/personal/online communication, contact, information	20%	18%	26%	21%	22%
Retention, motivation, incentive, engagement	28%	26%	18%	0%	22%
Training and development, online education, e-learning	17%	12%	19%	21%	16%
Wage support, wage management, payroll	11%	15%	11%	7%	12%
Home-office, remote work, atypical employment	15%	11%	10%	21%	12%
Administration, labor law, labor affairs	28%	23%	16%	29%	22%
Occupational safety, health protection, employment etc.	10%	8%	11%	0%	9%
Performance evaluation, TM	5%	8%	5%	7%	6%
HR digitization, eHR	4%	6%	3%	0%	4%
Organizational development, change management	2%	4%	3%	7%	3%
Online recruitment, online interviews	3%	2%	3%	7%	3%
Downsizing, dismissal, termination of employment	3%	8%	5%	7%	6%
Job analysis, planning, transformation, job descriptions	9%	3%	4%	14%	5%
Pandemic-related tasks (protective equipment, tests, measures, coordination, handling of social/psychological problems, etc.)	5%	7%	10%	36%	8%

Source: authors' own compilation

**H#3:** There is a difference between the HR-level opportunities created by the pandemic and the areas of change needs in the practice of domestic and foreign companies.

As a result of the crisis, we can already find several differences between organizations with different ownership backgrounds in the assessment of HR areas that represent potential development opportunities. However, it should be emphasized that this is a closed question, yes/no answers could be given, therefore the willingness to answer is much higher, a total of 1357 organizations gave evaluable answers.

The respondents highlighted the area of "Internal communication" in the highest proportion, two-thirds of foreign or mixed-owned companies (67.7%), almost half of domestic private companies (47.3%). The second most important option is "Atypical employment/home office", two-thirds of foreign companies (66.9%), while one-third of domestic private companies (33.6%) see this as a potential development opportunity. Third in line is the field of "Occupational health and safety", more than half (54.3%) of foreign or mixed-owned companies and 39.3% of domestic private companies see this as an opportunity for development. In all three cases, there is a significant difference (according to the Chi-square test) between the individual ownership categories. Other areas where the difference is significant, but with much lower response rates: "Recruitment, selection, integration systems", "Development of social, mental and family support", "Labor relations, participation, involvement" and "Diversity management" areas.

The areas of "Manpower planning, succession planning" and "Job scope analysis and planning" also offer significant development opportunities. Overall, approximately one-third of the respondents (31.8% and 34.0%) mentioned these, however, only a minimal difference can be seen here between the foreign or in the assessment of mixed ownership and domestic private companies.

**Table 6:** HR areas where the impact of the crisis potentially represents an opportunity for development

HR areas where the impact of the crisis potentially represents an opportunity for development	Owner				Total	Chi-sq. Sig.	Cramer's V
	State, municipal	Domestic Private	Foreign or mixed	Non-profit			
personnel planning, succession planning	33,2%	30,1%	34,9%	25,0%	31,8%	0,273	0,054
job analysis and planning	37,4%	30,8%	36,3%	41,7%	34,0%	0,089	0,069
recruitment, selection, integration systems	26,0%	20,2%	34,4%	16,7%	25,1%	0,000	0,142
atypical employment/home office	53,2%	33,6%	66,9%	45,8%	47,0%	0,000	0,287
performance management	19,6%	24,1%	25,8%	18,8%	23,5%	0,255	0,055
incentive and compensation management	27,5%	25,6%	28,2%	12,5%	26,2%	0,121	0,065
development of social, mental and family support	29,8%	18,3%	32,5%	22,9%	24,6%	0,000	0,151
human resource development	24,5%	18,5%	25,0%	20,8%	21,5%	0,049	0,076
labor relations, participation, involvement	14,7%	10,6%	20,2%	25,0%	14,5%	0,000	0,128
occupational health and safety	44,9%	39,3%	54,3%	35,4%	44,4%	0,000	0,132
career planning	10,2%	11,5%	13,2%	8,3%	11,6%	0,588	0,038
internal communication	60,4%	47,3%	67,7%	60,4%	55,9%	0,000	0,180
retention management	27,5%	27,2%	32,3%	29,2%	28,7%	0,364	0,048
generation management	9,1%	8,9%	7,3%	8,3%	8,5%	0,800	0,027
equal opportunity	11,7%	7,7%	8,3%	10,4%	8,8%	0,263	0,054
diversity management	6,4%	4,6%	10,2%	12,5%	6,8%	0,002	0,103

Source: authors' own compilation

In addition, after examining which HR practices are especially necessary to transform as a result of the coronavirus pandemic, internal communication is also in first place. However, 58.9% of foreign or mixed-owned companies and 42% of the respondents in the domestic private sector reported the need to transform this area. Based on all this, we accept H3.

**Table 7:** HR practices that need to be transformed based on the impact of coronavirus

HR practices that need to be transformed based on the impact of coronavirus	Owner				Total	Chi-sq. Sig.	Cramer'sV
	State, municipal	Domestic Private	Foreign or mixed	Non-profit			
employment	26,8%	28,3%	25,5%	20,8%	27,0%	0,596	0,037
key person program	19,2%	20,1%	23,7%	20,8%	20,9%	0,491	0,042
pay/incentive practice	32,1%	29,0%	35,5%	27,1%	31,3%	0,163	0,061
internal communication	54,7%	42,0%	58,9%	56,3%	49,6%	0,000	0,154
administration	32,5%	23,4%	31,5%	45,8%	28,2%	0,000	0,120
supply planning	27,2%	19,9%	28,8%	12,5%	23,5%	0,001	0,107
training	33,6%	25,7%	39,0%	18,8%	30,7%	0,000	0,133
data management	13,2%	10,6%	17,7%	10,4%	13,0%	0,011	0,091
employee welfare programs	27,5%	16,4%	27,4%	10,4%	21,4%	0,000	0,142

Source: authors' own compilation

## CONCLUSION

The disruptions caused by the COVID-19 pandemic have similarly affected employers, companies and other organizations globally. We conducted our empirical research with the conscious aim of mapping the problems, spreading the creative solutions used in practice and thereby contributing to the exploration of the opportunities and solution alternatives generated by the Covid-crisis.

Our goal was also to monitor the changes in the human resources management practice of the domestic corporate/institutional sphere to the challenges of the crisis during the first and second phases of the pandemic. Within the framework of an academic collaboration, we laid the foundation for the further development of HR knowledge related to the crisis and recovery, and its integration into the curriculum. With our cooperation, we would like to support the best possible foundation of the national efforts against unpredictable happenings such as the COVID-19 pandemic, also by enabling the participants to make the dissemination of the results available through publications of the highest possible level. In this paper we presented the differences between organizations with different ownership backgrounds in the assessment of HR areas that represent potential development opportunities. We found that there is a significant difference between the HR practices of domestic and foreign-owned companies. Foreign-owned companies tend to have an HR department, and human resources are more likely to be considered of strategic importance, and they also pay more attention to crisis management, so they tend to have a crisis plan and in a crisis situation, they attach more importance to professional HR work. According to our findings, retention, motivation, incentive and commitment are the areas of increasing importance in HR work at domestic companies. The fields of training and development, online education, e-learning was highlighted in a slightly higher proportion by foreign-owned companies. There is hardly any difference in terms of home-office, remote work, atypical employment. Internal communication comes first when analyzing which HR practices must be changed as a consequence of the coronavirus pandemic. However, 42% of respondents in the domestic private sector and 58.9% of foreign or mixed-owned businesses indicated the need for this area to be transformed.

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