

**Euba Tomčíková, Nella Svetozarovová**

## **CURRENT TRENDS IN HUMAN RESOURCES MANAGEMENT AS IMPORTANT IMPLICATIONS OF THE GLOBAL COVID-19 PANDEMIC**

### **AKTUÁLNE TRENDY V OBLASTI RIADENIA ĽUDSKÝCH ZDROJOV AKO VÝZNAMNÉ IMPLIKÁCIE GLOBÁLNEJ PANDÉMIE COVID-19**

#### **Abstract (summary)**

*The paper deals with the issue of human resources management during the Covid-19 pandemic and provides a theoretical and analytical view of the most important trends in the field. At the theoretical level, the paper describes the process of human resource management, its basic practices and assesses the influence the global pandemic caused by Covid-19 has on the current business environment. At the same time, the paper points to the results of a global survey of “top 10” trends in human resource management at a time of the global pandemic. The paper also presents the results of research which was carried out on a sample of human resource managers working in companies operating in the Slovak Republic in the IT and communications sector, the services sector, trade and other areas of business. For research purposes, a research hypothesis was established. The aim of the hypothesis was to examine the existence of a statistically significant relationship between the industry in which the surveyed company operates and the degree of significance of current trends in human resources management as important implications of the global pandemic Covid-19. The hypothesis was verified by correlation analysis using the methods of inductive statistics. In the context of dramatic changes in connection with the Covid-19 pandemic, organizations not only in Slovakia but around the world must respond to change and adapt to new trends.*

#### **Key words**

*Human resources management, global covid-19 pandemic, implications, current trends.*

#### **JEL Classification**

*M12, M19, M21.*

#### **Introduction**

In today's business environment, which is marked by the effects of the globalization process and affected by the current Covid-19 pandemic, human resource management is becoming a challenge for all organizations in a global context, regardless of the country in which they operate. During the Covid-19 pandemic, concerns about global supply chain vulnerabilities and financial resilience came to the fore, along with significant strategic concerns about human resources and talent. During this period of global stress and uncertainty, organizations (especially multinationals) should choose three critical competences in the field of cultural skills, which are: tolerance for ambiguity, resilience and curiosity [2]. Employees who work with clients virtually, salespeople or colleagues from different cultures will now need these competencies more than ever to work effectively. Companies can also use this time to better assess the strength of their cultural talents to understand who will be the most effective in

situations of growing uncertainty. It is clear that the management of human resources under the influence of the above has a direct impact on each employee. Today, human resources are more important to the success of a business than in the past. The current times bring along many challenges and trends, and these are also felt by companies operating in the Slovak Republic. Thus, Slovak companies must pay attention to these in order to survive.

### **Theoretical background**

As we entered the new millennium, the impact of globalization became visible everywhere, as it plays a significant role in sustaining the economic expansion of the global economy. At present, the economy is affected by the impact of the Covid-19 pandemic, which caused almost three billion people around the world to work from their homes as a result of Covid-19 measures being implemented. In practice, this means that four out of five employees exchanged the corporate environment for a home office overnight. Over the past few months, leaders have had to mobilize and have been forced to make quick and bold decisions in an effort to mitigate the effects of these sudden circumstances. It was remarkable how quickly companies were able to connect people and technology and move to virtual world – something unimaginable before the pandemic. The human factor, much like the human resource management, became the key to success in such unfavourable market conditions. Author [10] sees human resource management as an integral part of the overall management of the organization, which together with other functional areas of management helps achieve the set goals and also contributes to objectives of the organization as a whole. Authors [4] describe two modern ways of managing human resources: the hard version emphasizes the use of employees in a formal and material way, in line with other resources used by the organization; on the other hand, the soft version of human resource management emphasizes the need to develop the potential and ingenuity of employees, which will lead to greater involvement in work and, of course, higher performance. The hard and soft version of human resource management presuppose a close integration of human resources management activities, policies and systems within the company's business strategy. Hard version prioritizes the use of human resources to achieve the organization's strategic goals, with human capital being the equivalent of other factors of production, while the soft version takes human resources into account not only as a cost factor but as a valuable asset and sees its employees as trustworthy and capable people [7]. Human resource management involves the assumption that performance of the organization can only be improved through human resources [7]. In order to effectively fulfill the basic tasks of human resource management, it is necessary to implement all its basic functions such as human resource planning, recruitment and selection of employees, the process of adaptation, training and development, performance appraisal, employee remuneration and others. Authors [13] state that the basic functions of human resource management are the development and training of employees, creation of training strategies, public relations, marketing in the field of human resource management, the concept of a learning organization and implementation of a learning culture. Human resource management must ensure that managers and their employees are properly managed. If an organization wants to remain competitive, it must clarify the role of human resource management [6].

At present, human resource management is affected by many factors, in particular Covid-19. Therefore, several implications can be drawn from that. The results of a worldwide survey conducted by DELOITTE [5] point to several facts. In the world ranking, one of the key trends for 2020 in the field of human resources management is the so-called wellbeing (overall physical mental and social well-being), as pointed out by 80% of companies surveyed. This was followed by employee remuneration (79%) and the third most important trend was knowledge management, the changing role of HR and ethics. The most significant difference

was found in the perception of the importance of a multi-generational workforce. At the global level, 74% of respondents consider it important. Global companies are neither ready to integrate artificial intelligence nor to introduce technology into their teams in general. The above study identifies significant trends in human resources, making it the largest global study in human resource management, talent management and related topics to date. The study is based on findings from a survey of almost 9,000 respondents from 119 countries [5].

Organizations currently tend to adapt to different strategies to ensure that employees are not negatively affected while contributing positively to the organization's performance. It is important that human resources departments know how to adapt to the turbulent environment and personnel procedures entailed by the crisis, ensure that such new conditions do not harm employees so they are able to continue to perform their work in the best possible way [12]. The current situation, which concerns the necessary interventions and measures to prevent the spread of the Covid-19 virus, has a significant impact on many areas of working life. There has been a significant shift towards work from home thanks to the introduction of virtual work teams, but also other changes. Current changes cannot be perceived only negatively. Research to which [1] points out suggests that working from home has a positive effect on an employee's personal development. According to [14] the decisive factor for success is the effectiveness of human resource management, team development and teamwork, which we can rank among the top 10 trends in the field during the global pandemic caused by Covid-19 according to the Deloitte survey [5]. From a global perspective, teamwork is a significant trend for 59% of respondents. Many researches in this area point to the fact that virtual teams face many challenges today as many rely on working online. And not all virtual teams are equal: challenges arise as team members work separately/virtually. Communication through electronic media seems to be a problem for virtual teams: the more team members communicate via electronic media, the less effective they are. This is because when communicating via electronic media, team members share less information with each other (depending on the electronic media used) than they would normally as they find it more difficult to interpret and understand the information they receive [9]. Surveys conducted in 2020 suggest that most businesses are negatively affected by the Covid-19 pandemic. In the context of dramatic changes connected with the Covid-19 pandemic, organizations around the world need to respond and adapt to changes and manage human resources responsibly [3]. All these changes require organizations to identify and implement new strategies for recruiting and developing and rewarding key employees.

## **Methodology**

The aim of the paper was to find out which current trends in the field of human resources management, human resources managers consider to be important implications of the global Covid-19 pandemic depending on the sector of operation of the company. Respondents were given the opportunity to express, based on their views, the degree of significance for each of the global trends that have a significant impact on human resource management during the Covid-19 pandemic. The significance rate ranged from 1 to 5, where 1 represents a very significant implication of the global pandemic and 5 represents an insignificant implication of the global pandemic for human resources management. The research sample consisted of a total of 219 respondents who work as human resources managers in national and multinational companies that operate in the Slovak Republic. A questionnaire is used to obtain and collect data, as the most widely used way of obtaining relevant information. From the identification data, we focused on the year of the company's entry into the market, the industry in which the surveyed company operates and the total number of employees working in the company.

We can state that the questionnaire survey involved companies operating in the field of industry, IT and communications, in the field of energy, transport and storage, as well as in the trade and services sector. The most numerous sectors in which the surveyed companies operate are IT and communications, as well as trade and services with almost the same percentage. In the case of the IT and communication sector, 39% of companies responded to the questionnaire, in the case of trade and services it is 36% of companies. The third most numerous sector is industry with a percentage of 16%. Companies operating in the energy, transport and storage sector are almost equally represented in terms of the composition of the research sample by sector. We can state that they form the least numerous groups of companies that are represented in the research. The percentage for all these sectors is below 5%. We chose a random selection, which according to [8] is characterized by the fact that the units are selected directly from the unsorted basic set, so that each unit has the same opportunity to be selected. Inductive statistics are used to solve the problem and test scientific research hypotheses. For the purpose of the research, the hypothesis H1 was formulated and tested, which is as follows:

***H1: We assume that there is a statistically significant relationship between the industry in which the surveyed company operates and the degree of significance of current trends in human resource management as significant implications for the global Covid-19 pandemic.***

According to [8] the basic component of inductive statistics is statistical analysis, whose task is to know the regularity, context and developmental tendencies of mass phenomena. This will make judgments from part to whole, from special to general. Statistical induction as a process of generalizing judgments about the characteristics of populations based on information from random samples. It also includes testing statistical hypotheses [11]. This is a procedure in which, based on a random selection from the distribution of a random variable X, we decide whether or not to reject the given hypothesis at the selected level  $\alpha$  (i.e. with the selected reliability  $1 - \alpha$ ). Thus, in the event of rejection, we accept the opposite hypothesis. For the purpose of hypothesis testing, a nonparametric test was used, which are special tests that do not require the fulfillment of any or almost no assumptions about the nature of the distribution of the analysed random variables, namely the Chi-square test of good agreement. We can state that if the P-value is lower than the chosen level of significance (traditionally  $5\% = 0.05$ ), the null hypothesis is rejected. If the P-value is equal to or higher than the selected level of significance, the null hypothesis cannot be rejected. This means that the difference between the frequencies found in the sample and the expected frequencies may be due to random selection, ie it is not statistically significant. In the case of correlation analysis, we emphasize the strength (intensity) of the relationship between quantities. Spearman's correlation coefficient was used in the correlation analysis.

## **Results and Discussion**

We can state that at present it is very important in the process of human resources management to hire people who are more likely to create added value, workers who are able to work in an environment with strictly defined boundaries of tasks and authority who are able to adapt to new changes and current trends. A company may be successfully, achieve organizational excellence, meets planned goals, maintains and increases performance and competitiveness, only if it has a quality organization of human resources, especially key and high-performance employees. Businesses that want to have a place in the market, outperform their competitors and increase their revenues should strive to attract, develop and retain such employees. They should constantly respond to new changes, set priorities in the field and specify the implications that arise from the current situation and have a significant impact on the management of human resources as well as the company. One of the significant trends currently in the process of

human resource management is retraining or training, which is led by employees. Organizations entitle employees to conduct their own training according to their own needs and requirements. Employees take matters into their own hands when it comes to providing opportunities for their growth and development in education. During 2019, company PageUp recorded up to an 80% increase in the number of such employees. According to surveys from 2019, almost 60% of employees want to learn at their own pace and 94% of employees say they would stay in their organization longer if they invested in their career development. According to a survey conducted by Deloitte [5] training and retraining in times of pandemic crisis is a trend for 70% of the companies surveyed. More than 71% respondents consider knowledge management as a trend in the field of human resources management, employee remuneration (79%), HR analytics (71%), and the changing role of HR (75%), ethics (75%) multigenerational workforce (74%).

From the questionnaire survey, which we conducted in companies operating in the conditions of Slovak national and multinational companies, training and retraining is considered a very significant impact of the global Covid-19 pandemic for almost more than 52% of human resource managers. In the questionnaire survey, we examined the top 10 global trends identified by Deloitte in 2020 [5]. We can also include the above-mentioned trends:

- ✓ *Teamwork, creating virtual teams,*
- ✓ *Retraining and training of employees,*
- ✓ *Rewarding of employees,*
- ✓ *Knowledge management,*
- ✓ *Cooperation,*
- ✓ *The changing role of HR,*
- ✓ *Ethics,*
- ✓ *Multi-generational workforce,*
- ✓ *Wellbeing,*
- ✓ *HR analytics.*

In one important part of the online questionnaire, we asked respondents to what extent they considered the above trend in human resource management to be a significant impact of the global Covid-19 pandemic. As we mentioned, the respondents had the opportunity to express themselves on an interval scale where 1 represents a very significant implication of the global pandemic and 5 means an insignificant implication of the global Covid-19 pandemic for human resources management.

Based on average values, we can observe that the trend of teamwork and the creation of virtual teams are the most important implication of the global pandemic for the companies we surveyed. On the contrary, the least significant impact of the global covid-19 pandemic is considered by respondents to be the trend of a multi-generational workforce. In connection with the mapping of a statistically significant relationship between the industry in which the surveyed company operates and the degree of significance of current trends in human resources management as important implications of the global Covid-19 pandemic, null and alternative hypotheses were established, as follows:

$H_0$  (null hypothesis):  $\theta=0$

$H_0$ : *We assume that there is not a statistically significant relationship between the industry in which the surveyed company operates and the degree of significance of current trends in human resource management as significant implications for the global Covid-19 pandemic.*

$H_1$  (alternative hypothesis):  $\theta \neq 0$

*H<sub>1</sub>: We assume that there is a statistically significant relationship between the industry in which the surveyed company operates and the degree of significance of current trends in human resource management as significant implications for the global Covid-19 pandemic.*

The results regarding the hypothesis testing are included in the following Table 1 and Table 2. In the case of testing the relationships between the above variables, all tested relationships showed  $p < 0.05$ , so we reject the null hypothesis. We can state that the difference between the frequencies found in the sample and the expected frequencies is too large to be the result of random sampling alone, so it is statistically significant.

**Tab. 1: Results of testing H1: values of Chi-Square test**

The degree of significance of current trends in human resource management*the industry	Values			
	N	%	Value	P-value
✓ <i>Teamwork, creating virtual teams</i>	219	100,00	34.625	0.000
✓ <i>Retraining and training of employees</i>	219	100,00	36.211	0.000
✓ <i>Rewarding of employees</i>	219	100,00	52.100	0.011
✓ <i>Knowledge management</i>	219	100,00	40.352	0.000
✓ <i>Cooperation</i>	219	100,00	40.531	0.021
✓ <i>The changing role of HR</i>	219	100,00	35.221	0.000
✓ <i>Ethics</i>	219	100,00	32.258	0.000
✓ <i>Multi-generational workforce</i>	219	100,00	40.122	0.002
✓ <i>Wellbeing</i>	219	100,00	38.211	0.000
✓ <i>HR analytics</i>	219	100,00	35.112	0.000

(Source: authors)

**Tab. 2: Results of testing H1: values of correlation coefficients**

The degree of significance of current trends in human resource management*the industry	Spearman Correlation	
	Value	P-Value
<i>Teamwork, creating virtual teams*the industry</i>	0.325	0.000
<i>Retraining and training of employees*the industry</i>	0.244	0.000
<i>Rewarding of employees*the industry</i>	0.112	0.000
<i>Knowledge management*the industry</i>	0.232	0.000
<i>Cooperation*the industry</i>	0.287	0.001
<i>The changing role of HR*the industry</i>	0.366	0.000
<i>Ethics*the industry</i>	0.244	0.000
<i>Multi-generational workforce*the industry</i>	0.325	0.005
<i>Wellbeing*the industry</i>	0.213	0.005
<i>HR analytics*the industry</i>	0.266	0.000

(Source: authors)

As mentioned above, the correlation analyses with the use of correlation coefficient was used. The Spearman coefficient takes values from the interval  $<-1, 1>$  and is interpreted as a selection correlation coefficient. The values close to 0 indicate a weaker dependence of the variables, the value closer to 1 or -1 indicates the closer dependence. The extreme value 1 indicates a complete match of two orders, the extreme value of -1 corresponds to exactly opposite orders. Positive values mean that the variables tend to change in the same direction, the negative values tend to change in different directions. It can be stated, that in all tested relations, the p-values of correlation coefficients are  $<0.05$ . Based on the above values, it is possible to ***verify and confirm hypothesis H1***, that there is a statistically significant relationship between the industry in which the surveyed company operates and the degree of significance of current trends in human resource management as significant implications for the global Covid-19 pandemic.

## Conclusion

Current modern times also bring progress in the field of human resource management. To be successful, companies must incorporate new ways, methods, techniques, tools and technologies in human resource management into their management. At present, at a time influenced by the effects of the pandemic crisis, every single area of the companies is undergoing constant development and subject to change. Many trends in human resource management are coming to the fore, which are a very actual and discussed topic, especially at a time of a global pandemic that has affected the management of every company, regardless of industry. Every company or manager understands them differently. Organizations and businesses today, affected by the effects of the globalization process and marked by the current global Covid-19 pandemic, need to adapt quickly to technological innovation, ever-changing requirements and changes, whether in the domestic or foreign market. The current situation, which concerns the necessary interventions to prevent the spread of the Covid-19 virus, significantly affects many areas of working life. Employees must have a range of skills that will enable them to cope with new technologies and functions in organizations that are affected by the effects of the global pandemic. Technological development, the deployment of information and communication technologies and advancing rapid globalization are creating a business environment, and these changes are having an impact on the workforce, as well as on the methods by which human resources are managed. Finally we can conclude, that all changes and the introduction of new trends into the company must be constantly managed and accepted.

## **Záver**

Moderná doba so sebou prináša aj napredovanie v oblasti riadenia ľudských zdrojov. Ak chce byť podnik úspešný musí začleniť do riadenia nové spôsoby, metódy, techniky, nástroje a technológie v riadení ľudských zdrojov. V súčasnosti v dobe, ktorá je poznačená dopadmi pandemickej krízy každá jedna oblasť v podniku prechádza neustálym vývojom a podlieha zmenám. Do popredia sa dostávajú mnohé trendy v riadení ľudských zdrojov, ktoré sú veľmi aktuálnou a diskutovanou témou, predovšetkým v čase globálnej pandémie, ktorá zasiahla riadenie každého podniku bez ohľadu na odvetvie pôsobenia. Každý podnik, či manažér ich chápe inak. Organizácie a podniky v súčasnej dobe, ktorá je ovplyvnená dopadmi procesu globalizácie a poznačená súčasnou celosvetovou pandémiou Covid-19, potrebujú rýchle sa prispôbovať technologickým inováciám, neustále sa meniacim požiadavkám a zmenám, či už na domácom alebo zahraničnom trhu. Súčasná situácia, ktorá sa týka nevyhnutných zásahov na zabránenie šírenia vírusu Covid-19, významne ovplyvňuje mnoho oblastí pracovného života. Zamestnanci musia disponovať variétou zručností, ktoré im dovoľia zvládať nové technológie a funkcie v organizáciách, ktoré sú poznačené dopadmi globálnej pandémie. Technologický rozvoj, nasadzovanie informačne komunikačných technológií a postupujúca razantná globalizácia vytvárajú podnikateľské prostredie, a tieto zmeny majú dopady na pracovné sily, aj na metódy, akými sú ľudské zdroje riadené. Všetky zmeny a zavádzanie nových trendov do podniku je nutné neustále riadiť a akceptovať.

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**Address:**

**PhDr. Ľuba Tomčíková, PhD.**

University of Prešov in Prešov, Faculty of management  
Department of management  
Konštantínova 16, 080 01 Prešov, Slovakia  
E-mail: luba.tomcikova@unipo.sk

**Mgr. Nella Svetozarovová, PhD.**

University of Prešov in Prešov, Faculty of management  
Department of management  
Konštantínova 16, 080 01 Prešov, Slovakia  
E-mail: nella.svetozarovova@unipo.sk