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SELECTED CHANGES IN HUMAN CAPITAL MANAGEMENT RESULTING FROM COVID-19 EPIDEMIC

Introduction

The Covid-19 epidemic had an impact on the labor market and economy in Poland and the whole world. It resulted in numerous changes in various areas regarding both private and professional life. The epidemic played a significant role in the promotion and availability of remote work for a wide group of employees. Before 2020, remote working concerned a small group of the labor market participants. Remote work was frequently offered by corporations as a benefit. At the moment when this article is being written, legislative proceedings on remote work in Poland are in progress; some changes in the Labor Code have been presented. Before the pandemic, an act regulated teleworking in Poland. When the pandemic started, an act was passed and then modified on special solutions related to the prevention, counteraction and combating COVID-19, other infectious diseases and the resulting crisis situations[1]. The act introduced the term *remote work* to Poland. It should be emphasized that the regulation is temporary; it was passed because of the COVID-19 pandemic and it is in force only during the state of pandemic or the state of pandemic emergency and can be applied for three months after the state in question is called off. As the objective of the article is not to discuss legal differences between teleworking and remote working, the Author will use the term *remote work* to refer to work from home (*home office*) or any other place with the use of IT equipment.

1. Frequency and popularity of remote work before and during the pandemic

Before the pandemic, remote work was common in such sectors as IT, new technologies, education, real estate, telecommunication, finance, insurance, HR and creative and publishing industry. In numerous sectors, especially among knowledge workers, remote work was frequently applied as an occasional or regular (e.g. a few times a month) form of working.

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[1] Act of 2 March 2020, (Journal of LAws 2020, item 1842, as amended).

According to data presented in the international report *Decoding Global Ways of Working,* the ratios of remote workers changed significantly[2].

Table 1. Frequency of occasional or completely remote work among respondents

Period	Percentage of respondents who occasionally worked remotely
Before the COVID-19 pandemic	31%
October – November 2020	51%
After the pandemic (as declared)	89%

Source: Author's research based on Proprietary web survey and analysis, BCG/The Network, 2020[3].

The above figures show that the popularity and willingness to work remotely are increasing significantly among the global population of employees. This may be caused by the fact that due to the COVID -19 pandemic many workers had the opportunity to experience the benefits of remote work.

The Network and Boston Consulting Group also conducted analyses on the Polish market. Their Polish partner in the investigation , the Pracuj.pl portal presented the following figures according to which in Poland before the pandemic (N = 1708 respondents):

- only 5% employees worked fully remotely,
- 21% respondents worked in a hybrid work model,
- 74% respondents worked solely on-site.

The above report shows that during the pandemic (data collected in October-December 2020) in Poland:

- 30% workers worked completely remotely,
- 35% in the hybrid model,
- 5% worked onsite[4].

Obviously, the percentage distribution was subject to change during the pandemic due to various limitations and restrictions. In the analysis of the popularity and availability of remote work the following other factors should be considered:

- the size of the company,
- the location of the company,

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[2] https://web-assets.bcg.com/74/33/14077446434fa8685891ba0e2e69/bcg-decoding-global-ways-of-working-mar-2021.pdf (accessed: 28 March 2022).

[3] Ibidem, pp. 4 and 8.

[4] https://media.pracuj.pl/135929-polacy-na-tle-swiata-zdalni-i-elastyczni-w-pracy (accessed: 25 March 2022).

- the nature of work performed by an employee,
- the sector in which the company operates.

These data make it possible to conclude that the COVID-19 epidemic resulted in the popularization of hybrid and remote work. The pandemic triggered the development of remote work. The situation forced the employers and employees to implement appropriate procedures and processes to support and make remote work possible.

Before the pandemic, fully remote work was offered mainly by foreign employers. Hybrid work was mainly available in bigger organizations. There was a common belief among employers in Poland that employees can only work onsite under the supervision of the employer. Many employers would not imagine that employees could work effectively from home. Numerous CEOs and managers assumed that they should personally monitor the work of their workers so that the company would function more effectively and generate profits. Such attitude may frequently result from old-fashioned management methods. It is also associated with a lack of trust in organizations, which is a clear indicator of organizational culture. According to P.Lencioni, the absence of trust is one of the five teamwork dysfunctions in business[5].

Empty office spaces became a natural consequence of the transition to remote work in many companies. Unused office premises became an inconvenient cost. Numerous companies in Poland decided to terminate lease agreements for all or part of their office space or to renegotiate the lease terms[6]. When introducing hybrid or remote work, companies take advantage of the possibility to optimize office space and for example use the so-called *hot desks*, where the employee is not assigned to a permanent workplace and reserves it through an ICT system. The system of hot desks was also used before the pandemic by some big corporations, e.g. HP, IBM, American Express, Sun Microsystems[7].

Companies, which were forced to organize remote work during the pandemic, went through an accelerated course in mental and technological capacity to deal with the challenges related to the implementation of remote work. Remote work during the pandemic resulted in greater open-mindedness of companies to offer a hybrid work model.

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[5] P. Lencioni, *Pięć dysfunkcji pracy zespołowej*, Wydawnictwo MT Biznes, Warszawa 2016.
[6] https://businessinsider.com.pl/finanse/wynajem-biur-w-czasach-koronawirusa-renegocjacja-czynszow/t6kq2zl (accessed: 23 March 2022).
[7] https://www.americanexpress.com/en-us/business/trends-and-insights/articles/send-employees-home-to-reduce-costs-and-boost-productivity/ (accessed: 23 March 2022).

2. Remote employee recruitment and onboarding

Employing a well-fit employee has always been and will be crucial for the functioning of companies. In the case of fully remote work it is particularly necessary and important that the company/leader should be able to select a right person with whom remote relation will be developed. Before the pandemic, when companies recruited staff for remote work, they had possibilities to make sure what remote work actually meant to the candidate and why he/she wanted to work remotely. There was a chance to ask about the candidate's reservations regarding remote work. However, in companies that started remote work because of the pandemic, the recruiters and recruitees had no opportunity to focus on such issues as they were "forced" to follow the remote-work model.

Before the pandemic, the motivations of candidates to work remotely included[8]:

- the possibility to work from any place. Such a decision was often made by employees who lived in small places and towns. This option offered the opportunity to mix work with vacations (workation).

- saving time thanks to the avoidance of commuting to work, wasting time in traffic jams or covering long distances to work. Thanks to that, some employees spent the saved time with families, on self-development, hobbies or other commitments.

- flexibility of working hours. The majority of remote work positions consider the effects rather than the number of hours spent at work. Remote work frequently requires particular principles of cooperation and communication between two parties.

- overcoming mobility or health problems which made it difficult or impossible to leave home and stay at work.

- higher salaries, as complete remote work offers frequently came from foreign companies.

- higher effectiveness of work from home. Employees often chose remote work as they did not feel comfortable with small talk in the office, kitchens or in situations when they were disturbed by questions asked by co-workers.

Remote recruitment, which was a novelty for some companies during the COVID-19 pandemic, brought the opportunity to employ new people and to arrange new recruitment processes. Remote recruitment and work made it also possible for companies to expand the

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[8] K. Strzelczyk, *Jak pandemia zmieniła oczekiwania kandydatów względem pracy?* [in:] R. Czahajda, *Evidence Based HRM. Podręcznik Eksperta*, second edition, Impossible Publishing, 2021, p. 164.

geographical range of the search for new talents. In many cases this meant opening to candidates from other countries and cultures. According to The *Society for Human Resource Management (SHRM)* the lack of geographical barriers strengthened the initiatives of *diversity, equity and inclusion (DE&I)* at workplace. Team diversity may also have another practical advantage; it can give the employees and the leader a chance to look at challenges from different angles and give an insight on particular issues to people with different ways of thinking.

Onboarding is an important process in HRM. The process should concentrate on the determination of rules, technological aspects and tools that enable fluent communication. It is a good practice of the onboarding process to make sure after a month or three, how remote workers feel about this model of work. What was their greatest challenge? How did they manage? What are the usual disturbances during the work at home? And to make sure that these disturbances do not affect work quality. It is important that the leader should think things over and ask the inferiors how their talents can be developed and supported in the company[9]. Checking how workers manage their work-life balance can be a sign of interest in the employee. Thanks to a talk on these subjects, the leader or HR department can develop relations with employees, improve the recruitment process and implement remote work in the company.

An important responsibility of an HR department that learns remote working and co-working is to organize retrospective sessions. The term originates from agile management methods[10]. The sessions allow team members to think what works well and what does not and, consequently, to identify how to improve their work. In the case of the recruitment process, the sessions may concern the sources of finding candidates for specific positions or the method of the selection or organization of a remote recruitment process. As regards employee onboarding, this may concern the information what is checked in particular departments or teams and how these practices can be implemented, for example, in the whole organization.

3. Employee wellbeing during the COVID-19 pandemic

Self-care and taking care for wellbeing in remote work of both employees and employers is an important challenge. During her psychological practice, the Author was frequently told

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[9] https://www.gallup.com/workplace/267899/remote-workers-feel-seen.aspx?utm_source=workplace-newsletter&utm_medium=email&utm_campaign=WorkplaceNewsletter_November_111919&utm_content=digdeeper-CTA-1&elqTrackId=0f2facc1e6a942119457bca9ce8e7b0c&elq=5307263da59d4118bcd18511e3953d56&elqaid=2654&elqat=1&elqCampaignId=609 (Accessed: 23 March 2022).
[10] J. Sutherland, J. O. Coplien, *Księga Scrum Sprawdzone wzorce*, Wydawnictwo Naukowe PWN, Warszawa 2020.

from remote workers that taking care for themselves and their resources was a real challenge. EZOP I, the investigation of the Institute of Psychiatry and Neurology (IPiN) on mental health of Poles which followed WHO standards, already in 2012 indicated that almost ¼ of Poles experienced various kinds of mental disturbances[11]. At present, we live in a world that is characterized by VUCA, i.e. volatility, uncertainty, complexity, ambiguity[12]. Considering the fact that for many employees the pandemic was a difficult experience involving fear, loneliness, uncertainty and isolation, the scope of mental problems increased significantly.

While people who worked remotely before the pandemic had a chance to develop their routines of taking care for their wellbeing in peaceful times, the others who had to switch to remote work overnight did not have the opportunity to build healthy habits. Appearance and taking care of themselves have a big impact on how employees feel and how they perceive themselves. Staying at home the whole day may also be wearisome. For many employees who do not feel an urge for physical activity such situation may deteriorate their mental and physical health.

Before the pandemic, the employee wellbeing was not a widely discussed issue in Poland. While negative effects of the pandemic should not be ignored, some positive elements can be found regarding the issue of mental health at workplace. Taking care for the wellness of the leaders and their teams became an important challenge that faced the leaders and HR departments during the pandemic. Employees expect that in a difficult and unusual situation they can openly talk with their superiors about problems in many spheres of life, for example about the difficulties of work-life balance. During the COVID-19 pandemic, several companies initiated the implementation of an employee assistance program. Such programs were frequently targeted to employees and their families and concerned broadly understood physical and mental health. At present, employees expect more support than before. They want to reconcile their professional and private lives; the point is not in the work-life balance but in a healthy connection between different areas of life.

Remote work involves problems - for example it may trigger a sense of alienation[13]- that can be coped with through the development of various solutions and response methods. The

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[11] J. Moskalewicz, A. Kiejna, B. Wojtyniak, *Kondycja psychiczna mieszkańców Polski: raport z badań „Epidemiologia zaburzeń psychiatrycznych i dostęp do psychiatrycznej opieki zdrowotnej – EZOP Polska"*, Instytut Psychiatrii i Neurologii, Warszawa 2012.

[12] O. Mack, A. Khare, A. Krämer, T. Burgartz, *Managing in a VUCA World*, Springer International Publishing, Switzerland 2016, pp. 3-20.

[13] A. Jeran, *Praca zdalna jako źródło problemów realizacji funkcji pracy*, „Opuscula Sociologica" 2016, No. 2(16), pp. 49-61.

employees and companies with a previous experience with remote work had more time and sometimes were more open to find them and implement.

4. Managerial competencies tailored to remote work

Remote work, no matter before or during the pandemic, requires particular managerial competencies and skills that will help manage the work of a dispersed team. Obviously, it was more difficult to cope with the challenges of remote work for managers for whom micromanagement was the main style of action. Metanalyses of 21 research studies devoted to leadership in remote work (qualitative and qualitative analysis) indicate that communication skills, technology skills trust and relationship-building skills are fundamental competencies for remote team leaders[14].

On the basis of the Author's business practice with customers who worked fully remotely or used the hybrid model for years, the crucial managerial success factors are:

- **empathy and mindfulness** – understanding, open-mindedness and the ability to listen in order to be able to support employees who may face several difficulties in remote work,
- **confidence** in one's own and the team members' abilities; knowledge of their attitudes,
- **commitment** in the implementation of tasks and visions,
- **resilience** to be able to deal with challenges in an efficient and effective way,
- **mental resilience** – internal steerability, ability to manage one's own emotions, self-confidence in relationships at workplace in choosing constructive ways to deal with pressure.

The ability to *lead with listening* is and will be an important remote leadership competency. The ability to listen to employees and their needs will make it possible for leaders to take care of the wellbeing of their teams and employees[15].

The great role of HR teams will be to take care of developing the above-mentioned skills of leaders and to provide tools that will make building healthy organizational culture possible. Employees look for competent leaders with a human face – for leaders who will be emotionally stable and will act with energy and enthusiasm to keep their workers committed. Remote work

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[14] A. Aneeka, M. Charalampous, *Exploring the Significance of Remote Leadership Competencies in the Virtual Workplace: A Systematic Literature Review*. Preprint. https://doi.org/10.31124/advance.14781744.v1 (Accessed: 23 March 2022).
[15] B. Hyacinth, *The Future of Leadership: Rise of Automation, Robotics and Artificial Intelligence*, MBA Caribbean Organisation, 2017.

requires leaders to determine goals well and to have the desire to achieve objectives with the respect to the needs of employees. Employees are happy to see progress and be aware that their work is a part of something bigger; this, especially in remote work, results in their commitment to complete difficult tasks[16].

Management style is certainly a challenge both to companies which worked remotely before the pandemic and to the ones which turned to remote work because of it. Remote workers often complain that they do not feel that they are a part of a team and they lack a real contact with other people. They say that their professional relationships are limited to virtual contacts. Here comes the important role of a leader who can make them feel part of a team. Using cameras and encouraging employees to activate them during videoconferences can be a substitute for real contact. Another method is to organize meetings not only to delegate and assign tasks but also to create social relationships during casual conversations. One of the roles of a remote leader is to build trust in the organization and the team leader. When employees work remotely and neglect the quality and frequency of communication some challenges are likely to appear, such as prejudices, stereotypical attitude to interlocutors and conviction of being right. While face-to-face communication is just natural, virtual communication requires more attention. Using digital tools of communication frequently results in the emergence and strengthening of cognitive distortions and additional interpretations.

In the era of meetings through IT tools, it is advisable to arrange virtual meetings that will involve team members. At the end of a business meeting, the leader who takes care of the workers' development should check with the participants what they learned and how the topics discussed in the meeting can translate into their practical work[17].

Conclusions

The following conclusions can be presented on the basis of the analysis:

1. Due to the COVID-19 pandemic new technologies and remote work were implemented in numerous companies worldwide on a much larger scale than in the pre-pandemic times.

2. There is a need to update the labor code and adapt it to the new labor market reality.

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[16] T. Amabile, S. Kramer, *Zasada postępu*, Helion S.A., Gliwice 2013.
[17] I. Bielińska, Z. Jakubczyńska, *Jeden na jeden. Odważne rozmowy z pracownikami. Dialogi i praktyczne ćwiczenia*, Wydawnictwo MT Biznes, Warszawa 2018, p. 93.

3. Remote work is popular among employees whose companies had the opportunity and implemented it as a solution.

4. The COVID-19 pandemic made the labor market more open to the employment of workers from different cultural backgrounds. It also resulted in greater readiness of employees and employers to offer and provide hybrid work.

5. Remote recruitment and work as well as new technologies enabled the access of employers to a wide range of talents without geographical limitations. This made it also possible for candidates to find employers that previously were unavailable because of their location.

6. Remote work requires new leadership competencies to manage virtual teams effectively.

7. Good coordination, clear rules and communication between the company, the leader and the employees are crucial factors influencing effective remote work.

8. Attention paid to employee well-being in the workplace is a positive consequence of the COVID-19 pandemic. Discussion on fitness and mental health in the workplace are increasingly more common in public debate.

9. The important aspects that leaders should focus on are work time organization, productivity and team spirit.

10. Remote work involves not only several opportunities such as time saving, mobility, flexibility but also some negative consequences. Remote employees should develop healthy habits.

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[10] Sutherland J., Coplien J. O., *Księga Scrum Sprawdzone wzorce*, Wydawnictwo Naukowe PWN, Warszawa 2020.

[11] Act of 2 March 2020 , Journal of Laws, 2020, item 1842, as amended

[12] https://www.americanexpress.com/en-us/business/trends-and-insights/articles/send-employees-home-to-reduce-costs-and-boost-productivity/ (Accessed: 23 March 2022).

[13] https://businessinsider.com.pl/finanse/wynajem-biur-w-czasach-koronawirusa-renegocjacja-czynszow/t6kq2zl (Accessed: 23 March 2022).

[14] https://media.pracuj.pl/135929-polacy-na-tle-swiata-zdalni-i-elastyczni-w-pracy (Accessed: 25 March 2022).

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[16] https://www.gallup.com/workplace/267899/remote-workers-feel-seen.aspx?utm_source=workplace-newsletter&utm_medium=email&utm_campaign=WorkplaceNewsletter_November_111919&utm_content=digdeeper-CTA-1&elqTrackId=0f2facc1e6a942119457bca9ce8e7b0c&elq=5307263da59d4118bcd18511e3953d56&elqaid=2654&elqat=1&elqCampaignId=609 (Accessed: 23 March 2022).

Abstract

The article deals with the impact of the COVID-19 epidemic on human capital management. Analysis was conducted of challenges that face present-day employers with regard to the area of remote work and the use of new technologies. On the basis of the literature on the subject and her own business experience the author analyzed changes in HR processes that emerged or developed due to remote work. The article presents such issues of HRM as remote employee recruitment and onboarding, the development of managerial competencies and taking care of employee wellbeing. It also points at the growing significance of remote and hybrid work in the modern labor market.