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REMOTE EMPLOYMENT: A SHORT-TERM STRATEGY FOR ADAPTING TO THE CRISIS OR THE NEW REALITY OF HUMAN RESOURCE MANAGEMENT

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Abstract. *The purpose of the article* is to explore the use of remote employment as a short-term adaptation strategy for the enterprise in times of crisis and as a long-term strategy for human resource management in the future. *The subject of the study* is new strategies in human resource management, which began to be widely used during the COVID-19 pandemic. The main focus of the article is on remote employment. Its spread is studied, on the one hand, as an opportunity for companies to adapt to crisis phenomena in the short term, on the other hand, as a long-term strategy in human resource management, which will become a new reality in the management process. *Methodology.* This article uses a comprehensive approach using the component method and multivariate correlation to analyze the results of public opinion surveys on the introduction of remote employment as a human resource management strategy in an unstable environment and to examine the likelihood of digitalization of labor. *Results.* An analytical assessment of sociological research on the introduction of remote employment as a strategy for human resource management in conditions of instability was carried out and trends were identified, the main ones for different countries. The probability of digitalization of labor and the use of remote employment for workers with different educational and qualification levels and different professional groups were investigated. The effectiveness of the introduction of new flexible forms of employment and adaptation to remote employment in enterprises was analyzed. It has been proven that the effectiveness and sustainability of the positive results achieved can be maintained with the clear planning of work processes in the enterprise. *The practical implications of this study* are the optimization of a set of human resource management strategies and remote employment in particular, as well as a radical revision of the format of the work organization. This study was performed as part of the research work of the Department of Finance and Economics of Borys Hrinchenko Kyiv University (№ 0118U001561) on the topic: "Development of the economy of Kyiv in terms of European integration".

Key words: human resources management, remote employment, digitalization of labor, COVID-19 crisis.

JEL Classification: M12, M15, M51, M52, M54

1. Introduction

A look into the future is conducive to the modernization of human resource management methods, given that new cloud technologies and Internet platforms now offer unlimited possibilities for the diversification of enterprise areas of activity. The digital economy creates opportunities for businesses to actively use remote employment based on information and communications technology (ICT). But digital evolution and the use of digital tools for work and education raise questions of equity,

reflecting the deep social and economic inequalities that already exist. The COVID-19 pandemic has exacerbated this situation.

Under conditions of socio-economic turbulence, the cornerstone of the human resource management strategy must be the constant development of stability, independence of judgment and flexibility. When using only machine (computer) algorithms, which are based on analysis of past development, the effectiveness of the human resource management process becomes extremely fragile. COVID-19 proved

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that under the pressure of the crisis people and businesses are able to find ways out of it. At the same time, the work of human resource management professionals is focused on the possibility of attracting and using the creative potential of employees in the most acceptable way for both employees and employers. To maximize benefits in an unstable environment, management decisions must be flexible, based on the use of various forms of employment, especially remote employment using ICTs, to motivate employees to think creatively and self-actualize.

2. Analysis of recent research and publications

The changes in social and economic conditions brought about by COVID-19 have posed new challenges for scientists, sociologists, economists, and human resource managers. O. Kazak (2020), L. Branski et al. (2022) were looking for variants of the functions to be performed by human resources management specialists during the rapid transformations of the external and internal environment caused by the COVID-19 pandemic. Conceptual issues related to organizational tensions that arose during the COVID-19 pandemic crisis were considered in the works of S. Carmin et al. (2021) and S. Prady et al. (2021). The impact of the pandemic on the mental health of employees was studied by Giorgi G. et al. (2020), and Hamouche S. (2020). The issues of adaptation and well-being of employees in the COVID-19 era are devoted to the work of Joel B. Carnevale and Isabella Hatak (2020), and Jain N. and Aggarwal S. (2021). Possibilities of implementing remote employment in connection with COVID-19 were considered in the studies of A Amin Al-Habaibeh et al. (2021) and John J. Horton et al. (2020) etc. However, the transition from standard to remote employment remains underreported among human resource management strategies. The relevant question is whether remote employment will remain an adaptation strategy in crisis situations, or whether it will become a new paradigm of enterprise activity in the medium and long term.

The aim of the article is to explore the use of remote employment as a short-term strategy for adapting the enterprise in times of crisis and as a long-term strategy for human resource management in the future.

3. Presentation of the main material of the study

Today's digital technologies are evolving rapidly, especially in the fields of computer technology and telecommunications. New digital methods and tools for remote work are appearing and being rapidly adopted, especially under the influence of

the COVID-19 pandemic, which requires workers to constantly improve their skills and proficiency. Therefore, the main task of human resources departments at the company and HR specialists is to determine the work tasks that can be performed remotely and those that can only be performed at the physical workplace at the company. It is important to identify a list of jobs that may be cut due to the pandemic situation, and to identify key positions and employees who need to continually develop their skills and expertise with new technologies, applications and digital devices.

The unexpected and radical organizational changes highlighted by the COVID-19 pandemic have actualized the importance of choosing certain adaptive management strategies to level out the crisis of uncertainty and instability. The results of a 2020 real-time study in the United Kingdom, the United States and Germany, conducted jointly by researchers from the universities of Oxford, Zurich and Cambridge, show that the direct impact of the COVID-19 pandemic on the labor market is significantly different. First, it varies from country to country, second, among workers employed under different models of labor relations, and third, among workers in different socio-demographic cohorts. For example, workers in Germany were less affected by the crisis than those in the United States and the United Kingdom. Germany had a well-functioning part-time/week (short-time work – STW) scheme, with 34% of workers taking advantage of this scheme during the pandemic. In the US and the UK, redundancy schemes were used: 36% of employees surveyed in the UK and 25% in the US reported that they were fired from their main job (Abi Adams-Prassl et al., 2020).

The result of this study shows that workers whose job duties cannot be performed from home are more likely to lose their jobs. In addition, there are large differences in the likelihood of losing a job across industries and occupations, mainly because the average percentage of tasks that workers can perform at home differs significantly across industries and occupations. In addition, workers with temporary contracts often lost their jobs. Women and workers without higher education were more affected by the crisis. The researchers noted that the gap in the likelihood of job loss between workers with higher education and workers without higher education can be explained entirely by their professional affiliation and the proportion of professional duties that workers can perform at home. However, these factors could not explain the gender gap in the probability of losing a job during a crisis.

The impact of the educational and qualification level of workers on the possibility of using new digital technologies and the introduction of remote employment as an adaptation strategy during the

pandemic was revealed in the survey "DGB-Index Gute Arbeit 2021". The results of this study, conducted by the Association of German Trade Unions (Deutscher Gewerkschaftsbund (DGB)), showed how much work conditions have changed over the past year and a half – in particular, in the context of digitalization of work and the growth of remote employment. A study of the effects of the pandemic on German workers included a survey of 6,400 randomly selected workers.

The pandemic caused a rapid increase in the digitalization of businesses: the use of electronic communications, networking, and digital forms of employment increased. Many employees worked with new software or new digital devices that companies gave them to set up a remote workplace. During the pandemic, many companies acquired new digital workflow tools. This was especially noticeable in the use of software or applications. Nearly one in two respondents (46%) dealt with new software at work during this period. A quarter of respondents (24%) used new hardware (digital devices or tech tools) (DGB-Index Gute Arbeit, 2021).

The level of digitalization of work processes in companies correlates with the skill level of employees (Figure 1). In the DGB Performance Index 2021, respondents assigned their job responsibilities to one of four levels (DGB-Index Gute Arbeit, 2021):

- ancillary or semi-skilled work that does not usually require professional training or no more than one year of professional experience;
- technical activities that usually require two to three years of vocational training or a degree from a vocational school or college;

- specialized activities that usually require a master's or technician's experience, or a specialist's degree, in a vocational school or a bachelor's degree;

- activities of high complexity that usually require a university education with a master's degree, a state examination, or a doctoral degree.

The ability to use digitalization differed significantly between groups of workers with different qualifications. One in five workers (21%) in low-level or semi-skilled jobs used new software, while at the highest level, where workers are in high complexity jobs, new applications and software were introduced to nearly four in five workers (78%).

In 2021, highly skilled workers were also mostly using new digital devices and equipment. New digital technologies were used by 37% of surveyed workers whose jobs involved high complexity, 29% of professionals, 23% of technicians, and 15% of the lowest-skilled workers. At the same time, three-quarters of employees who worked with the new software suggested that the new technology was introduced because of the pandemic. As for new digital devices or equipment, two-thirds (64%) saw pandemic as a key factor in their adoption.

According to the Decree of the German Federal Ministry of Labor and Social Affairs "On Occupational Health and Safety (Corona-ArbSchV)", employers in due to the pandemic are obliged to offer their employees the opportunity to do their work from home, "unless there are good operational reasons to the contrary." (Hubertus Heil, 2021) As a result, remote employment increased dramatically. Nearly a third of respondents (31%) had been working from home since the pandemic began. More than half of this

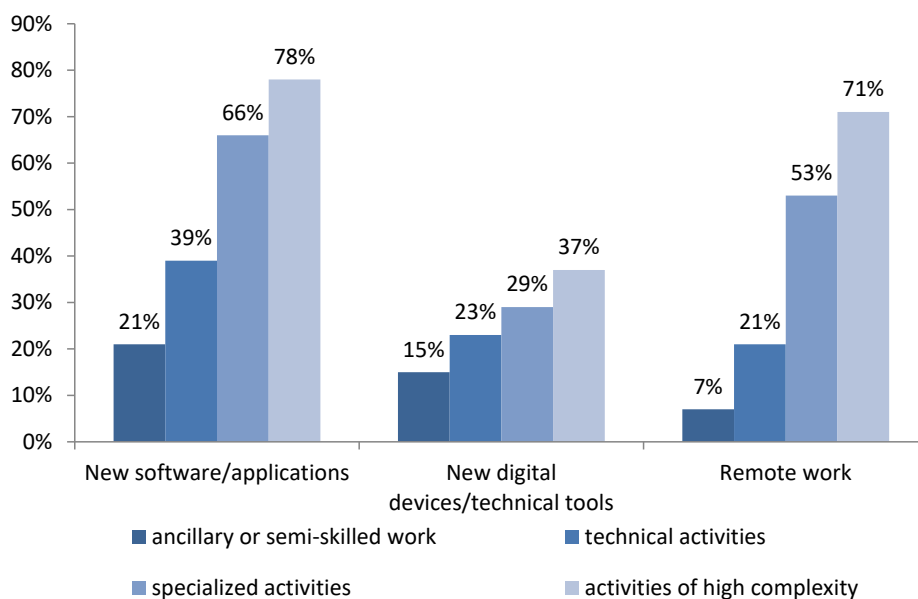


Figure 1. Digitalization and remote employment depending on the skill level of workers

Source: compiled based on DGB-Index Gute Arbeit 2021

group (54%) had not practiced it before. Remote work was introduced to a greater extent for highly skilled workers (71%), for workers of the lowest qualification group the opportunity to work remotely was minimal (7%) (DGB-Index Gute Arbeit, 2021).

The ability to work from home also clearly correlates with profession. While, for example, 94% of teachers often worked from home, the figure was 1% among geriatric nurses and 5% among construction and trade workers (DGB-Index Gute Arbeit, 2021). Only for those professions whose activities were in direct contact with clients, patients, etc., the transition to remote work was not possible.

Particular attention should be paid to the socio-psychological state of workers during the transition to remote employment. Digitalization and the transfer of the work process to remote mode, while reducing the risk of contracting infectious diseases, have contributed to the spread of psychological stress associated with additional workloads. One in three respondents (35%) perceive replacing face-to-face contacts with digital communication as additional stress; only 8% of respondents believe this change has eased their workload. Similar assessments were given to remote work. One-third of respondents (32%) reported an increase in workload at home, and 15% reported a decrease in stress. Stress is closely related to other characteristics of the work process. For example, it may be the lack of a properly equipped workplace at home (personal office, workspace, necessary equipment and software, etc.), insufficient skills with the latest applications and digital technologies, absence or poor technical support, presence of other family members, especially if they need care (children, elderly people, etc.).

The introduction of remote employment, for which the pandemic was the impetus, is now perceived not only as a short-term adaptation strategy, but also as a possible new long-term reality in human resource management. However, the new norm in the organization of work processes should not be the only goal of human resource management specialists, it should help to increase mobility, increase flexibility, and ensure the economic and psychological stability of employees. The concentration of HR

departments on mobile, predominantly highly skilled workers creates risks of labor fragmentation, stratification of workers by income and working conditions, pushing some workers into marginal employment or creating the risk of becoming unemployed.

The successful long-term use of such a strategy in human resource management as remote employment requires employees to make a conscious and voluntary choice in favor of this form of employment. The use of new digital technologies does not automatically lead to an improvement in working conditions; the decisive factors are the creation of an ergonomic workspace and a favorable emotional and psychological climate. Taking into account the psychological propensity of employees to work remotely, their interests in creating decent working conditions for remote work and decent pay for such work will provide conditions for self-determination and full self-fulfillment of all employees.

Effective workflow management for employees who have moved to telecommuting is becoming the most pressing task for human resource professionals today. Today's digital technologies provide remote employment opportunities for many types of tasks in companies whose activities are related to various sectors of the economy. The proliferation of the latest technology, computers, and telecommunications tools is expanding the possible areas of virtual activity. Therefore, remote employment is likely to be used in the future not only as a response to the crisis, but also as a standard strategy in human resource management (Table 1).

During the pandemic in Ukraine, the number of workers for whom remote employment became an increasing priority increased. Ukrainian enterprises and organizations were also more active in offering vacancies with remote employment. This is evidenced by the results of a study conducted in 2020 by *robo.ua* at the request of AGELESS (Titarenko, 2021). More than 140 companies that operate in Ukraine and use the portal for personnel search and recruitment took part in the study. The results of the survey of company managers showed that their companies gradually adapted to remote employment (Figure 2).

Table 1

Employees' perceptions of changes in employment

	Before the pandemic	New realities
Expectations of employees	I would like to work where I am comfortable, and I understand that office work is the norm.	I have proven to be productive working remotely, so I want to be able to work remotely when I need to.
Working environment	I go to the office to do my job.	I can work where I am most productive.
Remote work	Remote work is a privilege available to those categories of workers who meet certain conditions.	The ability to work remotely is a typical condition, and only significant business circumstances affect flexibility.

Source: *Remote work in Ukraine. August 2020*. Available at: http://publications.chamber.ua/2020/Human%20Capital/EY_AmCham_Remote%20work_Presentation_August_2020.pdf?fbclid=IwAR0drD89glOHm1Q9WbUjpNKe4paDFDXvt--_7fAEGDI

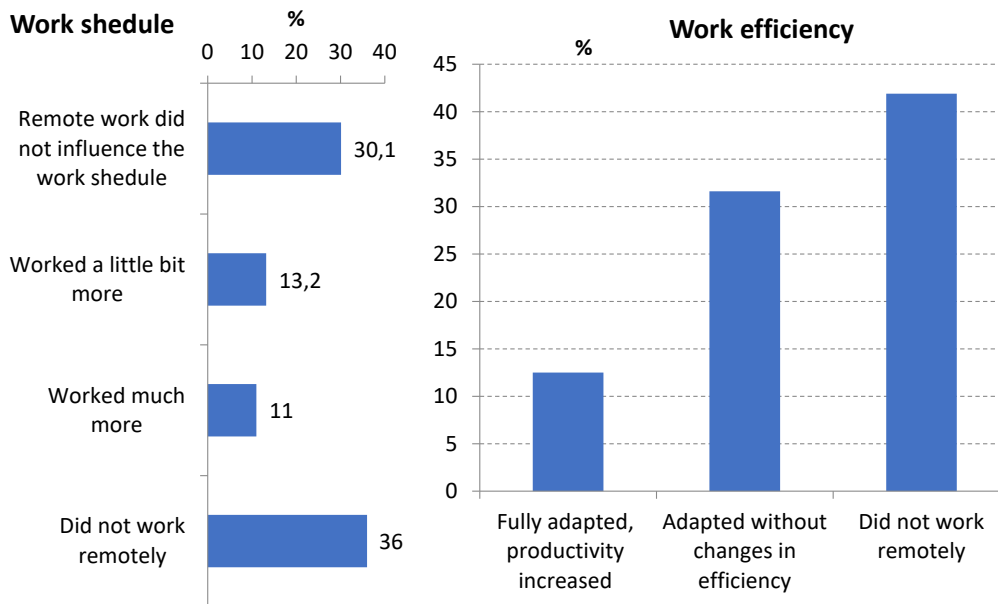


Figure 2. Distribution of answers to the question about the adaptation to remote employment of the enterprises whose activities were carried out in the Ukrainian labor market, 2020

Source: *robota.ua* survey data commissioned by AGELESS. Available at: <https://ageless.com.ua/blog/doslidzhennya-robota-ua-ukrayintsi-dedali-bilshe-obyayut-viddalenu-zajnyatist/>

As can be seen from the data presented in Figure 2, 12.5% of the respondents responded that they fully adapted and the efficiency of the company increased, 31.6% of the respondents responded that they adapted without changes in efficiency, it should be noted that more than 40% of companies responded that they do not work remotely. Most respondents said that employees' work schedules have not changed due to the move to telecommuting, but one in four company executives surveyed said that remote employees have a more stressful work schedule.

During the COVID-19 crisis and in the post-pandemic period, there is an urgent need to transition to human resource management strategies that take into account the latest technological advances and the needs of employers and employees. Business leaders need to optimize the work organization process to ensure greater efficiency and productivity.

Deloitte survey Global Human Capital Trends 2021 showed that 70% of managers believe that the transition of their company to remote employment has had a positive impact on employee welfare (Deloitte, 2021). However, the stability of the results achieved by using remote methods of labor organization can be maintained under certain conditions. Specialists in human resource management of enterprises need, first of all, to determine what level, scale of functions, requirements and competencies of employees are necessary for stable operation of the enterprise in the near future. Secondly, to establish compliance or inconsistency of the available and required number of workers with the

relevant requirements of educational and qualification level; thirdly, to investigate the productivity of workers employed according to standard schemes at workplaces in the enterprise, and the productivity of workers employed remotely. According to experts whose functional responsibilities include human resource management, to ensure the sustainability of remote employment, clear workflow planning is essential (Figure 3).

At the forefront of the work of human resource managers are the tasks of setting up a workflow to support remote workers and the subsequent use of remote (virtual) employment in the enterprise. For example, the main task of managers is to provide digital platforms for remote workers to share. Human resources professionals felt it was important that the move to telecommuting was a personal choice for each employee, and it was the managers' job to set the new work schedule, standardize telecommuting, and so on. Managers were least interested in providing additional compensation and benefits (cell phone reimbursement, internet payments, energy reimbursement, etc.) to support the well-being of remote workers. Compensation and benefits ranked last among the most important actions to ensure the sustainability of remote employment.

Organization of the work process with the widespread introduction of remote employment in the future should provide employees with technical means, additional computers, monitors, laptops and the creation of conditions for obtaining appropriate skills and knowledge to work in

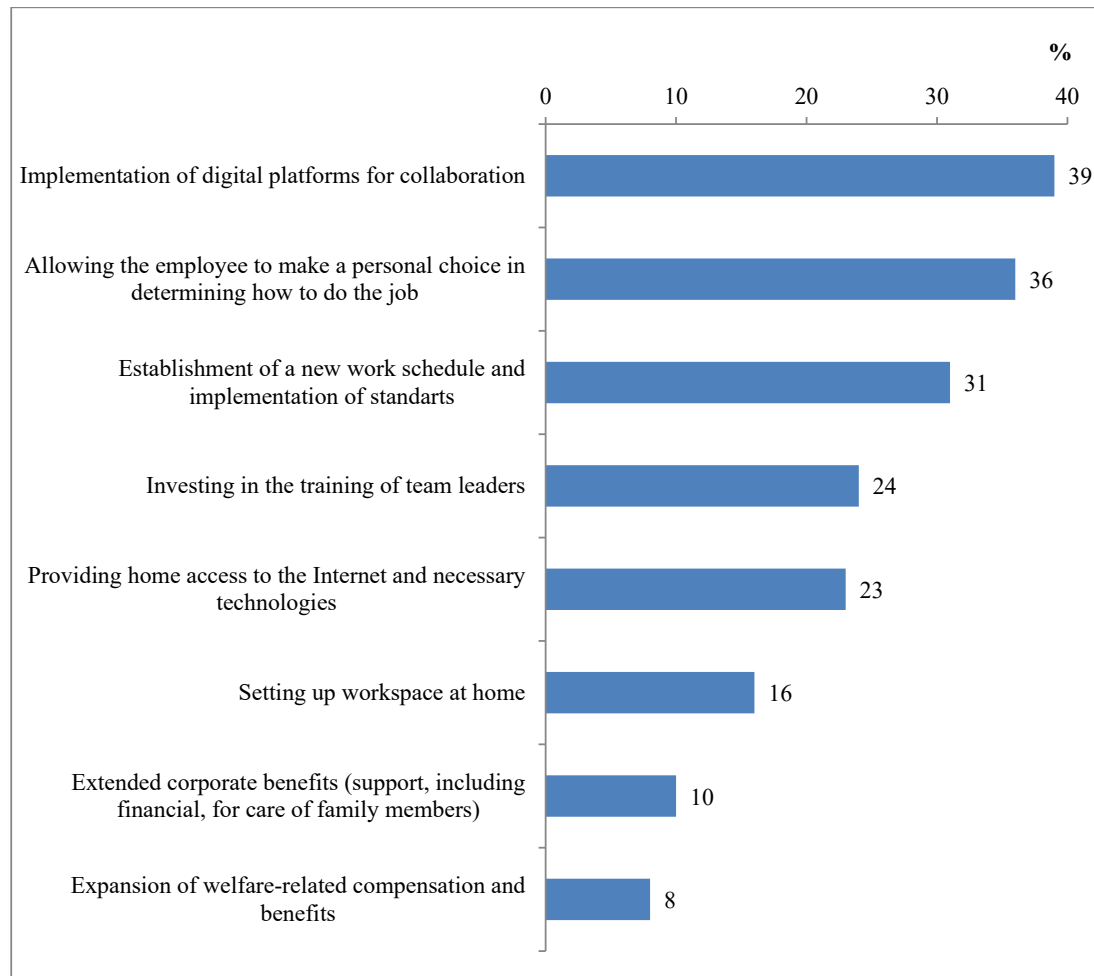


Figure 3. Distribution of responses to the question, "What factors do you think are most important in achieving sustainability of remote/virtual employment?"

Source: Deloitte research data Global Human Capital Trends survey – 2021

a virtual environment. Modern research confirms that countries that actively implement digital technologies in the development of economic processes have a high positive correlation between the indicator promoting e-business for individuals and the indicator characterizing the proportion of businesses that have conducted training to develop/improve the ICT skills of their staff (Bezrukova et al., 2022).

In addition to all of the above, under conditions of uncertainty, it is extremely important for human resource management departments to create a favorable psychological climate in the team, taking into account the individual, psychological and physiological characteristics of each employee, as well as developing new models to help mid-level managers in the management of entrusted units. Working in a virtual environment requires finding new leaders who can unite and motivate employees working remotely to work productively.

The ability to hire the most productive, highly skilled professionals will depend on the integrated

use of various human resource management strategies: the introduction of remote employment, offering flexible working hours, tiered compensation and benefits schemes, creating a corporate culture that unites all employees.

4. Conclusions

Thus, the COVID-19 pandemic underscored the importance of rethinking human resource management strategies in enterprises around the world. Different countries used different adaptation strategies during the crisis: they moved workers to temporary or part-time employment, or resorted to downsizing. However, a common strategy for all countries was the widespread introduction of remote employment.

Opportunities to use digitalization and remote employment differed significantly between groups of workers with different qualifications: the likelihood of performing their functional duties remotely was highest for highly skilled workers. During the pandemic,

the number of workers for whom remote employment became a higher priority increased, and some executives were able to improve the efficiency of their businesses during the crisis by implementing remote employment. Thus, with the gradual removal of pandemic restrictions and the further development of digital technology, remote employment, widely used as a short-term adaptation strategy, is very likely to be used in the future not only as a response to the crisis, but also as a standard strategy in human resource management.

To work steadily under uncertainty and operate effectively during a recession, a set of human resource management strategies focused on remote

employment must be optimized. The main tasks of business managers and HR specialists in the use of remote employment will be a radical revision of the format of the work organization. In addition to setting up a workflow, organizing a remote workplace, providing technical tools, establishing a new work schedule, and standardizing remote work, it's important to keep the interests of employees satisfied. To summarize, since employees are the driving force behind any enterprise, it is important in human resource management to pay more attention to leadership development, training, and employee development to ensure greater commitment and productivity.

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