

# POST-PANDEMIC HR TRENDS IN ROMANIA AND BEYOND

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**Abstract:** *Based on discussions with business leaders and managers, as well as on information provided by commercial media, in this short essay I introduce and analyze six HR trends that will affect Romania and other countries. Ranging from issues of health and safety, meritocracy, legality, branding to issues of work migration and digitalization, these trends not only portray a possible future for organizations, but they also provide the necessary tools for strategy and decision making.*

**Keywords:** *HR trends, health and safety, meritocracy, employer branding, work migration, teleworking, digitalization*

## 1. Introduction

A lot of us are wondering what will happen once this pandemic has passed. Many are already announcing a grim future characterized by the deepest financial crisis of the last century. But what are the implications for HR?

Trend analysis has always been the basis of any planning or strategy process. We need to recognize internal and external influences that will shape the future of our businesses in order to integrate strategic plans with HR plans.

Based on virtual discussions with business leaders and managers, as well as on information provided by commercial media, in this short essay, I try to analyze six HR trends that will affect Romania and other countries. Although I do not have enough information from other countries to take into consideration, I believe that our country's situation is not that different from other countries in the EU or even outside the EU.

I will start my analysis with what I believe is the core element of this crisis, health and safety as a priority. HR specialists in health and safety will be in high demand in the future, and consultancy companies specialized in health and safety will have to do much more than just prepare the paperwork for future possible inspections. Then, I will focus on meritocracy and legality because I believe these two elements go hand in hand. Meritocracy systems will have to be instituted especially for essential and critical jobs in the public sector, and legality will be demanded by candidates in order to ensure their future in times of possible crisis. Thirdly, I believe that both organizations and

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candidates will have to master the tools of branding. Organizations will have to increase their use of employer branding techniques to attract the best and the brightest on the market as a way to ensure a competitive advantage. And candidates will have to use imagological techniques to survive in a highly competitive post-pandemic candidate surplus. In the fourth place, even though Romania has had high levels of work immigration during the last two years, I envisage that this trend will be reversed and we will focus again on and prefer local candidates. In the fifth place, I talk about the paradox of teleworking and the fact that even though teleworking is offering us the much-needed social distancing, we will not use it so much in the future as it tends to create a total institution. Last but not least, I tackle the increased digitalization, the software, and technology use that this crisis has brought about and I argue for the necessity of high specialization or even career reorientation for those who fulfill basic jobs, at the bottom of the organizational hierarchy.

## **2. HR Trends in Romania and Beyond**

### **2.1. “We know better...” - Health and safety as a priority**

During the COVID crisis, organizations have started to prioritize health above all to ensure the safety of their employees and the continuance of their activity. In Romania, some factories instituted a minimum of 3 m length between employee working posts and a 20-minute factory-wide alarm that reminded people it was time to wash their hands.

Some of these health measures will stay in place not only during this pandemic but also in the years to come. Mandatory face-masks, gloves, uniforms and other work protection gear will become an enforced standard in many organizations.

What was once an ignored HR job and a cozy place for mediocrity, the health and safety specialist, will become a central actor in the HR department. This crisis has brought to the forefront the importance of the health and safety specialist, especially in hospitals, where s/he, together with the acquisition department was supposed to ensure the stock of protection gear. And we all saw that it wasn't just a lack of supply, but also a lack of preparation, planning, and investment.

In Romania, the last 20 years have witnessed an increase in the number of health and safety consultancy companies that offered their services especially to small and medium-sized organizations that did not have the financial means of creating and sustaining a health and safety specialist position in their organization. These health and safety consultancy companies came in with a Rolodex of ready-made solutions and paperwork tailored for your industry profile, that was immediately printed and filed, signed by managers and employees, all for a neglectable fee of 5-10 euro/employee/semester. The mandatory health and safety instructions and trainings have been done only on paper because nobody believed that they meant anything more than just wasting time. So, we all colluded to minimize the significance of health and safety issues and we were all happy that what we need is just to sign some papers and pay some consultancy fees. For the Department of Work, our organization's health and safety paperwork were perfect.

As an example, at the beginning of the COVID crisis, some doctors and nurses were laughing during the safety instructions probably thinking that “it won’t come to this...” or “we know better...”. After the first few cases of COVID infections among medical staff, doctors reported that they have started to rehearse putting on their gear at home, in front of a mirror, just to make sure that this “performance” becomes routine and all instructions are followed to the letter. Suddenly, health and safety instructions became serious business and it will remain so in the long run.

Even though small and medium-sized organizations will keep retaining the services of health and safety consultancy companies because they will not have the financial means to hire a specialist of their own, things will change towards the professionalization of these services. Consultancy companies will have to organize real trainings and instructions, with real tests, real evaluations and real future measures to implement. And we will no longer consider this a waste of organizational time!

## **2.2. Meritocracy and legality as the new trend?**

Times of crisis usually bring a series of illegal practices to organizations. In 2008-2009 some organizations preferred to work with people without a contract. Other organizations preferred to employ people for the minimum wage and pay a difference off-books. The goal was the same, paying no or fewer taxes to the state and thus minimizing the financial burden of their organizations. Employees got the net wage that they have negotiated and organizations had fewer taxes to pay.

But this is a different type of crisis, that paradoxically will force both employees and organizations towards legal work contracts with real wages. Employees with no work contract realized that during this crisis they could not benefit from all the financial aid programs put in place by the state.

In Romania, the unemployment benefit is 75% of the total employment costs, but not more than the medium wage. But the condition to receive this unemployment benefit is to have a valid work contract. So, all those employees without a valid work contract are now left without any income. They have left their organizations in search of another job, mostly couriers and food deliverers.

A similar situation applies to those that had the minimum wage on paper and received extra payment off-books. The unemployment benefit of 75% applies to the official salary, so organizations have to supplement employees’ income. And this seems very difficult, especially now that organizations have very low, or no income sources. The financial burden is proportional to the size of the organization. Small organizations might identify solutions to cover the gap between the unemployment benefit and what the employee should receive, but large organizations do not have resources for this and might lose valuable employees.

What will happen to these employees? I estimate that they will not return to their former employers after the crisis. Moreover, in their future negotiations, they will press for valid contracts with full wages included. This will minimize the “black market” HR activities and will filter organizations.

Another problem identified in this crisis was that of meritocracy. The ineffectiveness

of some hospitals had deep roots in nepotism. State hospitals are managed by the government and have been a warm and cozy resting place for politicians' friends and family members. While nepotism will not be eradicated by this crisis, I envision that especially in the core sectors affected by the crisis – medical and law and order – nepotism will be replaced by meritocracy. This crisis has demonstrated that money does not make a difference, and we can no longer go out of the country in search of better treatments or better facilities. We are stuck with what we have, and if what we have is rotten by nepotism, then we need to take action and change the system, especially where it counts.

### **2.3. Branding, branding, branding**

Online services such as WeareHR and Ejobs have organized a lot of online courses on employer branding during the last month. And their efforts are very useful for organizations as I envisage a real branding war between organizations for the best and the brightest of candidates in the years to come.

The crisis has a two-pronged effect. On the one hand, organizations had and will have to lay off some of their employees. In some industries, like tourism and hospitality, the employee shortage will become an employee surplus after the crisis, as organizations will have a slow but steady restart of their engines. Therefore, organizations will compete in attracting the best and the brightest, as the best solution to generate a competitive advantage in the post-crisis market. And this will imply a surge in employer branding efforts.

Usually, we believe that in times of employee surplus, organizations have the power because they can select, control, and impose, but to have this kind of power, organizations need to be attractive. For candidates, this attractiveness will translate into stability, market centrality, and positive perspectives for the organization and their career. While in the past, candidates mostly followed the trail of short-term benefits, the crisis will reorient them towards the long-term benefits brought by stability and fidelity.

On the other hand, candidates themselves will have to be more strategic in the way they present their profiles and applications. Gone are the days of the "van recruitment" techniques, when recruiters drove a van in rural areas surrounding major cities in Romania looking for people that could work at least for the day. These recruiters were not concerned about candidate profiles, KSAO, retention, motivation, performance, etc. They just needed two able hands and some degree of understanding so that they can perform basic jobs on the factory floor. This is what employee shortage will do to an industry: organizations accept any type of available candidates hoping that training and development programs will compensate for any initial gaps in their KSAO.

After the crisis, there will be a shortage of jobs and a surplus of candidates. Therefore, organizations will no longer use mass-recruitment. On the contrary, they will thoroughly filter candidates to obtain the ideal of both job- and organization-fit, in other words, organizations will idealize their candidate profiles. This is where personal branding will come into play. Candidates will have to brand themselves, they will have to

use imagological techniques to promote their profiles, to put themselves on the map and to generate trust and professionalism.

This neo-liberal ideology, where supply and demand regulate the market, will determine a bigger and more aggressive use of branding techniques for both organizations and candidates.

#### **2.4. Nationalizing work migration**

For the last 30 years, Romania has been an important exporter of labor force in the EU and beyond. Between 2007 and 2017, 3.4 million Romanians, approximately 17% of the country's population, have left their country in search of a better life, most of them being economic migrants. The United Nations estimates that Romania comes second after Syria in terms of emigration.

While we, willingly or not, export labor force in great numbers, we have also started to receive economic migrants. More and more investments in Romania found that there is a shortage of labor force, especially in industries such as tourism, hospitality, constructions, and textiles. With so many Romanians leaving the country towards the west, employers looked for resources in the east. The Romanian General Inspectorate for Immigration was faced with a 117% rise in the number of economic migrants from 2018 to 2019, while the total number of immigrants recorded a minor 26% increase.

The COVID crisis will bring a human resource surplus on the market as a result of layoffs from both local and European organizations. At the EU level, organizations will minimize their labor force in an attempt to do more with less or to efficiently manage the financial costs of their businesses. This will mean that some Romanian workers will return to their home country in an attempt to regain stability both socially and economically. However, local organizations will also lay off parts of their employees because the restart of the economy will be much slower than their usual productivity levels.

Therefore, with Romanian workers from abroad and from within in search of a job, there will be a surplus on the market that will affect the status of economic migrants. Some companies have already taken measures in this direction. One week after the COVID pandemic officially started in Romania, one major hotel from Brasov sent all their Indian employees back home. And other companies followed its example. Still, other companies have kept their work immigrants on unemployment benefits but have a difficult time covering the costs of housing and meals that have been a standard in work contracts signed last year.

The work immigration phenomenon has been on the rise in the last two years. Companies were paying recruitment commissions of 1500-2000 euro/candidate, about 150% more than a commission paid for a Romanian candidate in the same sector. Recruitment agencies specialized in foreign labor force have flourished and positioned themselves in certain market niches (industries or countries). Nowadays, they are closed and there is no foreseeable future for them as organizations will most probably turn towards local labor force that incurs fewer costs overall. If a work immigrant requires housing and meals as a regular extra benefit, a local worker will probably accept a lower

salary and no extra benefits in an after-crisis situation.

This trend could be seen both as a nationalist move and as a move towards more suitable candidates, and who is more suited than the one that understands and speaks your company's language and culture?

## **2.5. Teleworking and flexible work arrangements**

The literature on teleworking and telecommuting (Connelly, 1995; Nie, 1999; Patterson, 1994) identified as a negative consequence the decrease in social interaction among people who work from home. Paradoxically, this negative consequence is what the COVID crisis asked from our workers: a decrease in social interaction by applying a social distancing strategy.

Connelly (1995) estimated that 50% of the workforce would primarily work from home by the year 2000. But a recent U.S. Census Bureau report (2003) suggested that only 3.5% of US workers work solely out of their home. Since 2003, these numbers have gone up, but no increase has been so significant as the one brought by the COVID crisis when almost 100% of the workforce in countries affected by the virus was forced to adopt a teleworking system.

Some organizations have realized that working from home means not only a reduction in the financial costs of operation (no more utilities, no more office maintenance, no more rent, etc.) but also an increase in productivity. People are more productive at home than they were when working in their office. The increased autonomy, comfort and time management leads to a better balance between professional and personal life (Shuler, 2006, p. 3).

The three already mentioned advantages – a decrease in social interaction as a social distancing strategy, lower operational costs and increased productivity – might lead to the conclusion that teleworking and telecommuting will become the new normal.

However, I believe that modern notions of organizations where people leave home to go to work will prevail. We accept teleworking now as it is the only viable solution in this time of crisis without sensing that working at home might become a total institution (Shuler, 2006), where borders between private and public, between work and personal life, might get so blurred and overlapping that people will eagerly look for more traditional arrangements when it comes to working. We value teleworking when there are no limitations to our freedom of movement, but, when isolated, teleworking becomes a mandatory house arrest that only increases stress and burnout.

Forgotten categories like academics, farmers, community organizers, small business owners, writers, salespeople, ministers, and the like (Shuler, 2006, p. 2) have always been working from home. And they will continue this trend. For the rest of us, those who have been used to waking up in the morning and leaving home to go to work, we already miss this and look forward to it once the crisis has passed. Surely, the percentage of the workforce choosing teleworking will go up, but it will not become a trend. However, once the crisis has passed, flexible work arrangements will become the new hot topic in many organizations.

## **2.6. Will robots take my job?**

A few years ago, I found out about a funny website: [willrobotstakemyjob.com](http://willrobotstakemyjob.com). I immediately searched what will happen to my job and I was relieved at finding that there is no threat to university lecturers and professors. However, a lot of jobs in HR seem to be affected by technological advancement, be they software applications or even artificial intelligence.

Even though we all knew about this trend, we all thought that there will be enough time until we reach that point when technological advancements will replace people at the bottom of the hierarchy. In Romania, this trend was accelerated in the last few months by two important events.

First, the employee shortage, especially in the automotive industry, has accelerated this trend. Ina Schaeffler, a German giant in this sector, has faced major employee shortages in the last few years, so it decided that its last investment would be a highly robotized assembly room. They planned to supplement the few employees they could find on the local market with high productivity robots. Although the initial investment is higher than using manual labor, the productivity rate that could be achieved from the start compensates it.

Second, the COVID crisis has accelerated the use of high-tech and software applications. Every company started to include cloud services, websites, social media, online software applications, etc. in their daily activities as a way to continue their existence on the market. In HR, we have started to use digital assistants, chatbots and virtual assistants and they seem more and more helpful now that we have to minimize our social interaction. Basic HR functions like payroll, vacation, absences, expenses, planning, recruitment, and selection, etc. can and will be performed by different forms of AI.

Without a doubt, this crisis has shown us not only that we need to use more technology in our daily activities, but also that technology will replace those of us that perform jobs that are at the bottom of the organizational hierarchy. For those who work in HR, greater specialization or career reorientation should be the goal for the months that come. The higher the specialization, the lower the chances to be let go or replaced by software applications.

## **3. Conclusions**

This year has brought a medical crisis like no other with a virus that affects both our health, but also our social and economical lives. Beyond the medical turmoil, beyond the loss of human lives, we all try to envisage what will happen to our national economies. We fear that we will lose our jobs, that our financial resources will be insufficient, that our future will be affected.

In this short essay, I have tried to analyze this crisis and envisage six HR trends for Romania and beyond. Even though the analysis is made using information from Romanian companies, I am sure that the trends could be applied to other countries in the EU, or even outside the EU.

While everybody focuses on economic implications (the financial crisis), I focus on HR implications, because I believe that HR has an equal place at the table, just like finance and marketing. And while everybody focuses on digitalization and increased software and technological use, I tried to shed light on trends that are not connected to this phenomenon, even though I think it should not be marginalized.

Trend analysis, especially in this context, has a double implication. On the one hand, it is an intellectual exercise meant to reduce the stress of the unknown. On the other hand, it could provide alternative futures for organizations to take into account in their decision-making processes. The more trend analyses we make, the more we can minimize the unexpected and prepare for the future.

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