

## CHANGES IN HUMAN RESOURCE MANAGEMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES DUE TO COVID-19

<sup>a</sup> JANA SOCHULÁKOVÁ

<sup>a</sup>*Alexander Dubček University in Trenčín, Študentská 2, 911 50 Trenčín, Slovak Republic*  
*email: jana.sochulakova@tuni.sk*

This paper was supported by the Slovak Ministry of Education's Scientific grant agency VEGA 1/0718/22 "Human resources development in small and medium-sized enterprises in the context of the 21st century challenges."

**Abstract:** The COVID-19 pandemic is an unprecedented health crisis that has shaken the entire world. It has significantly affected economies, companies, employees and organizations. It represents a great challenge for managers of all businesses operating in various business areas. The main challenge for companies is to constantly adapt to changes. To cope with the changing business environment in connection with the onset of the global pandemic, employers are demanding new skills and abilities from their employees. HR managers have had to adapt their strategies and practices to respond to the challenges that the pandemic has brought. The study aims to assess changes in human resource management in small and medium-sized enterprises as a result of the COVID-19 pandemic. Data were collected from 128 SME owners/managers through a questionnaire instrument.

**Keywords:** human resources management, small and medium-sized enterprises, questionnaire, COVID-19 pandemic.

### 1 Introduction

The Covid-19 pandemic is over. However, the consequences of the pandemic have had far-reaching implications, including changing many aspects of working and non-working life, forcing many organisations to introduce, adapt or improve new working arrangements to address employee wellbeing, health and safety. The pandemic has been described as a form of 'career shock', signalling how environmental changes can have a direct impact on individual work experiences. These changes are about more than just reconfiguring working practices and attitudes. Rather, they are part of an evolution in the way companies in general, and human resource management (HRM) in particular, are rethinking the nature of work for the post-pandemic era.

There are several reasons why human resource management professionals should be motivated to investigate SMEs. The first relates to the socio-economic impact of SMEs as the largest employers in the private sector. Globally, SMEs account for more than 95% of all firms and 60% of private sector employment, playing a key role in innovation, knowledge diffusion and social cohesion (OECD, 2019). In emerging markets, SMEs account for up to 40% of GDP and create 7 out of 10 new jobs. Second, the limited resources and hierarchically contractual nature of SMEs mean that the impact of HRM, whether formal or informal, intended or emerging, is all the more transparent and telling. Third, SMEs offer an ideal platform for exploring contextual issues, including when, why and under what conditions HRM does (or does not) have an impact. Finally, from a practical perspective, the resource-poor and labour-intensive nature of SMEs means that they are, by definition, more reliant on the effort, commitment and discretionary effort of employees. This implies that successful employee management can be critical to the survival and development of SMEs (Amarakoon & Colley, 2023). All of this should imply that SMEs are a standard target for human resource management and employment studies, when in fact the opposite is true. A recent review found that only 0.5% of articles published in employment/HR journals provided dedicated research on the SME context (Harney & Alkhalaf, 2021).

Small and medium-sized enterprises play a key role in the Slovak economy. Small and medium-sized enterprises in Slovakia account for 99.9% of the total number of business entities in Slovakia. Their position is important in terms of job creation, added value creation, they have a positive impact on supporting the local economy and balancing regional development disparities. Their number has a significant impact on the state and development of macroeconomic indicators. These enterprises provide employment opportunities for almost

three quarters of the active workforce in the economy. SMEs are the main job creators in the Slovak economy. Between 2015 and 2019, employment in the SME sector grew continuously. This steady increase in employment suggests that SMEs have been able to create new jobs and contribute to Slovakia's overall economic growth during this period. However, the years 2020 and 2021 were exceptional, mainly due to the coronavirus pandemic that had a negative impact on the whole world. The pandemic caused significant disruption to economic activity and SMEs were no exception. Many businesses had to adapt to the new conditions. The coronavirus pandemic and the subsequent adoption of anti-pandemic measures have left a negative impact on employment and on the overall economic development of the SME sector. The anti-pandemic measures adopted restricted business activities of a significant number of enterprises in the economy, which created pressure for redundancies even in small and medium-sized enterprises. Despite the support measures taken by the state to maintain jobs, the average number of persons employed in the SME sector in 2020 and subsequently in 2021 will decrease by almost 3% (by 40.8 thousand persons) compared to 2019. After this pandemic-induced two-year decline, the situation gradually improved the following year and employment in the SME sector began to recover (Jašková et al., 2024).

SMEs account for around half of GDP and employ almost two-thirds of the country's workforce. This share suggests that without SMEs, the Slovak economy could not function at its current level and the country's overall economic performance would be significantly weakened. In addition to their contribution to GDP and employment, the role of SMEs is also visible in their share of total business turnover, their contribution to investment generation and their ability to produce for foreign markets. SMEs are often flexible and able to adapt quickly to changing market conditions, enabling them to compete successfully internationally. Their ability to generate business turnover and investment strengthens Slovakia's overall economic stability and growth.

### 2 Literature review

Over the last two decades we have witnessed several global crises including the Global Financial Crisis and the COVID-19 pandemic, regional crises such as the energy crisis resulting from the war in the Ukraine, and local crises such as the bushfires in Australia, the tsunami in Japan and wildfires in California. These crises, especially the COVID-19 pandemic, have fundamentally led organizations to rethink how best to manage their human resources during the early to middle stages of a crisis, which are characterized by high levels of uncertainty, and in the later stages of the crisis and post-crisis stages, as organizations and their employees readjust to the 'new normal' and in some cases return to the pre-crisis environment (Butterick & Charlwood, 2021; Collings et al., 2021).

In particular, the COVID-19 pandemic has impacted the management of human resources in several main ways that were not evident across previous crises. First, across certain sectors of the economy, such as the tourism and hospitality sectors, human resource (HR) professionals were responsible for managing the mass layoffs of workers or obtaining support from government support schemes, as businesses and consumers changed their behavior because of government imposed lockdowns and health regulations (Butterick & Charlwood, 2021; Stuart et al., 2021). Post the COVID-19 pandemic, as countries have come out of lockdown and removed health regulations, HR professionals have had to manage the rapid recruitment of replacement employees in such sectors, as demand for services have increased. This has been challenging due to almost full employment, limited migration, and resultant labour market shortages. We have also witnessed the phenomenon referred to as the 'great resignation' where an increasing proportion of

employees are re-evaluating their career options and deciding to change jobs and even occupations (Newman et al., 2022). This has exacerbated the problems faced by HR professionals in recruiting talent for their organizations (Serenko, 2023)

Second, HR professionals had to facilitate employees' transition to new ways of working as across many sectors of the economy organizations required employees to work from home because of government-imposed lockdowns and health regulations (Carnevale & Hatak, 2020). HR professionals had to support employees to work effectively at home through the provision of technology, assist employees with care responsibilities to manage work-life demands (such as having to work whilst home-schooling their children) and help employees that live alone to deal with the loneliness and boredom that resulted from working from home (Carnevale & Hatak, 2020). As employees and organizations began to understand the benefits of working from home during the crisis, flexible working arrangements have become the new normal across many industries in the post pandemic period, as organizations and their employees recognize the productivity that such arrangements bring. HR professionals were also required to balance this with an amplified focus on employee mental health and well-being (Ripamonti et al., 2020), employee psychological and physical safety, supporting where they can, employees working in environments that were not always conducive to productive work. HR professionals have had to manage employees' return to work across many industries where employers require it and manage the demands by some employees for continuing flexibility in their work arrangements (Collings et al., 2021).

Third, as the face of the organizations response to the pandemic (Collings et al., 2021), HR professionals were required to maintain currency of public health orders and government mandates, while interpreting the consequences for the organization and mitigating any associated risks. In addition, HR professionals have had to manage employees' compliance with health regulations, especially regarding the use of personal protective equipment and vaccination requirements (Collings et al., 2021; Zacher & Rudolph, 2022). In some countries, and in certain sectors of the economy, such as the education and healthcare sectors, HR professionals have had to enforce mandatory vaccination requirements and manage employees who were non-compliant.

The COVID-19 pandemic has disrupted social life as well as economic activities across the globe (Clark et al., 2020). Some studies have found that SMEs, despite their disadvantages compared to large enterprises due to their flexibility, entrepreneurship, and community inclusiveness, have unique capabilities to respond effectively to a crisis and ultimately emerge stronger and more resilient (Wengel & Rodriguez, 2006). Human resources management is at the centre of this chaos, particularly in relation to the impact of COVID-19 on staff and the need to ensure their health and safety, as well as the need to manage staff in the new environment. There were many actions and decisions, both incidental and strategic, that HRPs had to make and enforce, such as ensuring employee health and safety, introducing new working arrangements, maintaining employee morale and commitment, and dealing with redundancies and downsizing (Adikaram et al., 2021). The pandemic crisis has severely worsened the economic, business and investment environment, with companies making mass redundancies and insolvencies, putting the financial sector at risk, and businesses postponing spending and investment. Small and medium-sized enterprises (SMEs) play an important role in the economy of most countries and have been hit the fastest and hardest by the pandemic crisis. Governments in many countries have responded proactively to compensate for SME losses and avoid bankruptcy through appropriate policy measures. A number of mechanisms were prepared and quickly implemented, while it was also very important to develop new optimal strategies for the post-crisis period (Wojcik & Ioannou, 2020).

A number of researchers have investigated cases of the negative economic impact of the COVID-19 pandemic on small and

medium-sized enterprises. The authors have conducted quantitative and qualitative research on selected samples of SMEs that were affected by the pandemic to identify the most important factors that affect entrepreneurship, workforce, supply chain and cash flow in SMEs (Al-Fadly, 2020). Wojcik and Ioannou (2020) see the impact of the pandemic in broader, macroeconomic terms. The authors also suggest that financial regulation may slow down, corporate consolidation processes may continue, and business services in the financial sector may grow because of the pandemic crisis. The authors, however, dispute the differences between local, regional and international financial centres and their importance in financial markets.

COVID-19 has changed the work experience of the vast majority of staff. It has forced organizations around the world to adapt work organization and job design. Most of the problems that directly affect human resource management practices as a result of COVID-19 are the result of people management aspects. According to Brown, Hirsh and Reilly (2019), in HRM, people management is identified as involving the strategies set by the organization in managing their workforce and changing practices.

From a general perspective, workplaces are identified as becoming more agile and responsive as a result of the changing phenomenon in the wake of the COVID-19 pandemic. Agile human resource management practices would be ready to proactively respond to changes in their business environment instead of only taking on a monitoring and reactive role. For example, if organizations continued their management practices as they did before the pandemic, their operations would be more productive and coordinated. In general, staff must now quickly learn to support the work of proactive reporting. This phenomenon is also evident in areas of performance, changing benefit scenarios and overall psychological well-being (Heilmann, Forsten-Astikainen, Kuitalahti, 2020). Most of the existing discussions on the impact of COVID-19 on work practices and human resource management are largely general and primarily focused on defining a new normal. For example, the discussions discuss the possibility that flexible working or teleworking would be the new norm (Elayan, 2021). Despite the validity of these discussions, it is essential to assess the impact of the COVID-19 pandemic on existing work practices, wellbeing and human resource management in a more specific context. Aviso et al. (2018) noted in their study that human resource management affects employees and the overall workforce. All organisations need to be prepared in their human resource management to mitigate the consequences associated with the occurrence of such pandemics. There is a need to ensure that human resource professionals facilitate the transition of employees to new ways of working, as in many sectors of the economy, organizations have required employees to work from home due to government-mandated lockouts and health regulations (Carnevale & Hatak, 2020).

The researchers also examined specific human resource practices that were effective in creating a supportive work environment during the COVID-19 crisis. For example, Vu et al. (2022) found that when employees had positive perceptions of workplace safety practices in place during a pandemic, they were less likely to experience burnout syndrome, and that such perceptions reduced the negative impact of employee perceptions of health risks associated with COVID-19. In addition, Ortiz-Bonnin et al. (2023) examined the perceived impact of strategies adopted by organizations to support employees during the COVID-19 pandemic on employee performance and well-being. They found that when employees were satisfied with the support provided by their supervisor and the organization to continue working during the pandemic, they had higher levels of satisfaction with their work-life balance, which had a positive impact on their performance and psychological well-being. These findings highlight the impact of a supportive environment in helping employees cope with a crisis. At the individual employee level, McDaniel Sumpter and Gibson (2022) identified the importance of human resource management for crisis recovery, focusing on the ways in which

employees receive energy from their colleagues to help them successfully manage their recovery from a crisis. They found that HR can harness relational energy from others to help with individual crisis, which is a positive way to help individuals recover. The COVID-19 pandemic has resulted in a new set of challenges, many of which stem from government blockades in many parts of the world. HR managers in many industries have had to manage mass layoffs of employees or obtain government support to compensate their employees, facilitate employee transitions to telecommuting, and manage employee compliance with health regulations.

Current research and published findings bring unquestionable existing interrelationships and influences between important concepts such as human resource management and SMEs. As a result of the pandemic situation caused by the spread of the SARS-CoV-2 virus (COVID pandemic), the importance of human resource management has increased significantly, and in the face of an unclear situation and an unpredictable future, it has become necessary to manage people in such a way that they can cope with stress and continue to work remotely, and as such, the business continues to operate. SMEs have also been greatly affected by the situation. The results of various studies show the concern of SMEs in terms of various aspects of business and the lack of knowledge in dealing with human resource management issues in SMEs. Businesses need to prepare for such possible changes, which creates scope for shaping new approaches to human resources development (Jašková et al., 2024).

COVID-19 has changed the work experience of the vast majority of staff. It has forced organizations around the world to adapt work organization and job design. Most of the problems that directly affect human resource management practices as a result of COVID-19 are the result of people management aspects. According to Brown, Hirsh and Reilly (2019), in HRM, people management is identified as involving the strategies set by the organization in managing their workforce and changing practices. From a general perspective, workplaces are identified as becoming more agile and responsive because of the changing phenomenon in the wake of the COVID-19 pandemic. Agile human resource management practices would be ready to proactively respond to changes in their business environment instead of only taking on a monitoring and reactive role. For example, if organizations continued their management practices as they did before the pandemic, their operations would be more productive and coordinated. In general, staff must now quickly learn to support the work of proactive reporting. This phenomenon is also evident in areas of performance, changing benefit scenarios and overall psychological well-being (Heilmann, Forsten-Astikainen, Kultalahti, 2020).

### 3 Methodology and Data

The aim of the study was to identify current trends, approaches and challenges related to human resource development in SMEs. Subsequently, we focused on the challenges faced by the enterprise in managing human resources in the context of the COVID-19 pandemic. Data were collected from 128 SME owners/managers through a questionnaire instrument. The questionnaire was distributed online, using Google Forms platform. It consisted of closed and open-ended questions. The respondent expresses his/her attitude (agreement) on items classified into several areas, a five-point Likert scale is used (1 - strongly disagree, 2 - disagree, 3 - neither agree nor disagree, 4 - agree, 5 - strongly agree). The questionnaire survey was carried out on a sample of 128 respondents who were part of the management or ownership structures of SMEs.

The largest group of analysed enterprises, in terms of size category, were micro-enterprises with 0-9 employees, which represented 45% of the enterprises in the survey. In absolute terms, this represents 58 entities. Micro-enterprises also have the highest number of enterprises in the Slovak Republic as a whole. They account for more than 90% of the total number of active business entities in Slovakia and their number has been growing

steadily in recent years and growing at a faster rate than the number of business entities of other size categories.

Table 1: Structure of respondents (n - frequency)

Enterprise size	n	%	Sector	n	%
Micro-enterprise	58	45	Services	77	60
Small enterprise	36	28	Production	36	28
Medium-sized enterprise	20	16	Services and production	15	12
Large enterprise	14	11	<b>Market presence</b>	n	%
<b>Region</b>	n	%	Less than 1 year	12	9
Bratislava region	42	33	1-5 years	38	30
Trnava region	15	11	6-10 years	20	16
Trenčín region	20	16	11-15 years	17	13
Žilina region	15	12	More than 15 years	41	32
Nitra region	13	10	<b>Ownership</b>	n	%
Banská Bystrica region	9	7	Owner	69	54
Košice region	8	6	Manager	59	46
Prešov region	6	5	<b>Age</b>	n	%
<b>Gender</b>	n	%	Baby Boomers	6	5
Male	74	58	Generation X	32	25
Female	52	41	Generation Y	67	52
Not specified	2	1	Generation Z	23	18

28% of the enterprises analysed were small enterprises with a maximum of 49 employees. In absolute terms, this represents 36 business entities. The structure of the surveyed business entities is further supplemented by medium-sized enterprises with 50-249 employees, which accounted for 16% of the enterprises in the survey, which means 20 entities in absolute terms. The share of large enterprises with more than 250 employees was 11% in the survey, in absolute terms it was 14 enterprises.

In terms of sectoral structure, the provision of services is significantly predominant. Up to 60% of the enterprises surveyed are pure service providers. In comparison, only 28% of enterprises are engaged in product manufacturing. The remaining 12% of enterprises participating in the survey have both service provision and product manufacturing in their portfolio of activities.

The largest group among the respondents were enterprises operating on the market for more than 15 years, their share was 32% of the enterprises participating in the survey. Enterprises operating in the market for 11-15 years accounted for 13% of respondents. Enterprises operating in the market for 6-10 years accounted for 16% of respondents. 30% were enterprises operating in the market for 1-5 years and start-ups accounted for the smallest share of respondents (9%).

From the regional point of view, business entities from the Bratislava region were predominant among the respondents. They accounted for 33% of enterprises participating in the survey. This is followed by the Trenčín region, where 16% of respondents are concentrated. Small and medium-sized enterprises from 61 regions of Nitra, Trnava and Žilina participated in our survey with more than 10% share. The smallest representation was in the Banská Bystrica (7%), Košice (6%) and Prešov regions (5%).

In terms of gender, men predominate in SME ownership or management positions. In 58% of the enterprises participating in our survey, it was men who held ownership or management positions. Women managed 41% of the enterprises analysed.

### 4 Results

Human resource management practices were assessed in the questionnaire using the items listed in table 2. The initial analysis of the individual HRMP items shows that the mean values are around 3. This means that respondents expressed a neutral attitude on average when assessing the significance of the formulated aspects of human resource management procedures after the COVID-19 pandemic. We identified the highest average item score in the case of HRMP1 item. Respondents therefore

expressed strong agreement in the case of whether "The company's managers are fully aware of the needs and development of strategies in the area of human resources". However, in this case, the status of the respondent, who was the owner/manager of the surveyed company, must be considered. Given the nature of the respondents (mostly business owners), the answer to the question of whether the company's managers are fully aware of the needs and development of strategies in human resources is likely to be subjectively influenced.

Table 2: Items assessing human resource management practices (HRMP)

Item designation	Item text
HRMP1	The company's managers are fully aware of the needs and development of strategies in human resources.
HRMP2	Employees are informed about the company's financial situation, customer needs, product/service quality, costs, etc.
HRMP3	The company's human resource requirements are systematically identified, and an appropriate plan is formulated to ensure their provision.
HRMP4	All major jobs are subject to formal job analysis.
HRMP5	Performance standards are carefully developed based on employee input.
HRMP6	The company has a wide network of computerized human resources information systems with the latest software.
HRMP7	The performance evaluation system is extended to all employees of the company.
HRMP8	The company has a formal policy for employee career planning and development.
HRMP9	There are clear career paths and internal promotion standards within the company.
HRMP10	It is relatively difficult to dismiss a permanent employee from a company.
HRMP11	The company applies a formal procedure for assessing employee potential.
HRMP12	The company uses an assessment center/development center to identify and develop the potential of managers.
HRMP13	The business conducts succession planning to ensure the availability of executives to fill gaps in key management positions.
HRMP14	The business prefers to delegate authority and responsibility to individuals at a lower level of the hierarchy.
HRMP15	Employees have access to a profit-sharing/employee stock ownership plan.
HRMP16	The company has experience in conducting employee attitude/employee satisfaction surveys.
HRMP17	The company encourages employees to suggest improvements to products (services)/processes.
HRMP18	The business has employee recognition and appreciation programs in place.
HRMP19	The business manages change by integrating human resource issues with business strategies and the strategic change process.
HRMP20	Employees have room for self-realization.

The lowest average item score was recorded for indicator HRMP15 (Employees have access to a profit-sharing/employee share ownership plan). The average response was 2.53 and the most frequently occurring response was 3. Also interesting is the assessment of item HRMP12, whether the company uses an assessment center/development center to identify and develop the potential of managers. In this case, the most frequent response was disagreed. The survey shows that the education of managers/owners has a significant impact on the implementation of some HRM practices. The difference found concerned managers/owners with secondary education with a high school

diploma and managers/owners with a university degree of the 2nd degree.

The size category of the company has an impact on the following items of human resource management practices:

- an established computerized human resources information system with the latest software,
- performance evaluation systems extended to all company employees,
- the existence of clear career paths and internal promotion standards,
- using development centers to identify and develop the potential of managers,
- established employee recognition and appreciation programs.

In the given areas, large enterprises mostly expressed a positive opinion, while micro and small enterprises, on the contrary, had a more negative opinion.

When assessing the challenges businesses faced in connection with the COVID-19 pandemic, we focused on the following areas:

Table 3: Problems related to the COVID-19 pandemic

Item designation	Item text
C1	Employee absence
C2	Supply chain disruption
C3	Transportation (materials, goods)
C4	Financial problems
C5	Production reduction
C6	Profit reduction
C7	Sales decline
C8	Reducing demand

The respondents' answers showed that the biggest problem for the owners/managers of the surveyed companies was the aspect of employee absence. The largest number of answers (84), of the type "I definitely agree" or "I agree", concerned problems with employee absence. Financial problems were considered a problem by up to 76 respondents. The least problematic aspect was the perceived reduction in production.

Table 4: Frequency of responses to COVID-19 pandemic issues (n - frequency)

	1		2		3		4		5	
	n	%	n	%	n	%	n	%	n	%
C1	23	18	7	6	14	11	35	27	49	38
C2	22	17	14	11	31	24	32	25	29	23
C3	31	24	17	13	26	20	28	22	26	20
C4	14	11	16	12	21	16	34	27	42	33
C5	10	8	13	10	30	23	39	31	36	28
C6	24	19	17	13	18	14	35	28	34	27
C7	20	15	20	16	23	18	31	24	34	27
C8	24	19	16	13	29	23	29	23	30	22

In small businesses, agreement prevails with disruption of the supply chain and reduced profits, the fewest respondents expressed agreement with the absence of employees. Similarly, in medium-sized businesses, the biggest problem was disruption of the supply chain. In contrast, in large businesses, the absence of employees was the biggest problem. And large businesses perceived the reduction in production as the smallest problem.

The problems with employee absence were most differently felt by owners/managers of micro-enterprises and small businesses, in micro-enterprises the problem of employee absence was not perceived as strongly as in small and medium-sized enterprises.

The different perception of supply chain disruption was significant between micro-enterprises and medium-sized enterprises. Owners/owners of medium-sized enterprises felt this problem more strongly. According to respondents, financial problems caused more serious problems in micro-enterprises than in small and medium-sized enterprises. We did not observe

a difference between small enterprises, medium-sized enterprises and enterprises with more than 250 employees.

Microenterprises also differed from other enterprises in their perception of problems with reduced production. The largest difference is between microenterprises and enterprises with more than 250 employees. The difference in the average item score is 1.581 in favour of large enterprises. Owners/managers of large enterprises expressed an average of up to 1.5 greater average agreement with problems with reduced production than owners/managers of microenterprises.

Decreased profits and decreased demand were assessed very similarly by enterprises of all size categories as problems caused by the COVID-19 pandemic. Regarding problems with reduced sales, the largest difference was identified between medium-sized enterprises and enterprises with more than 250 employees. We can conclude that for medium-sized enterprises, the problem with reduced sales and demand represented a much more prominent problem than for other enterprises.

Given that the biggest problem arising from the COVID-19 pandemic was perceived as the problem of employee absence, employees in most companies were allowed to work from home. In our survey, 56.3% of the analysed companies allowed working from home. Subsequently, we evaluated in the survey which facts respondents perceived as advantages of working from home, and which, on the contrary, they perceived as disadvantages of working from home.

Table 5: Advantages of working from home

Item designation	Item text
A1	Creating a sense of belonging to the organization
A2	Increased employee satisfaction due to work-life balance
A3	Stress reduction
A4	Reducing commuting time
A5	Increasing work flexibility in the organization
A6	Creating social distancing during the pandemic and optimizing the work environment

Businesses of all sizes agreed that the biggest benefit of working from home was creating social distancing, optimizing the work environment, and reducing stress. Fewer businesses agreed with creating a sense of belonging to the organization, so this item is not considered an advantage of working from home by managers and owners of small and medium-sized businesses.

Table 6: Frequency of responses - advantages of working from home (n - frequency)

	1		2		3		4		5	
	n	%	n	%	n	%	n	%	n	%
A1	20	16	23	18	44	34	16	12	25	20
A2	10	8	18	14	40	31	24	19	34	27
A3	11	9	17	13	42	33	29	23	29	22
A4	10	8	11	9	30	23	25	19	52	41
A5	11	9	14	11	42	33	29	22	32	25
A6	10	8	15	11	42	33	32	25	29	22

When assessing the disadvantages of working from home, most organizations agreed and therefore considered the mixing of personal and work life to be the biggest disadvantage. This is also related to the disadvantage of "Insufficient dedication to work", which was more often agreed with as a disadvantage by small and medium-sized enterprises, while large enterprises expressed a more neutral attitude in this item.

Table 7: Disadvantages of working from home

Item designation	Item text
D1	Social isolation
D2	The need for new forms of governance

D3	Mixing personal and work life
D4	Costs of setting up a home office
D5	Insufficient dedication to work

Large companies increasingly perceive the need for new forms of management, and related human resource management, as a disadvantage. This confirms the need to adapt human resource management procedures to post-crisis conditions and the need to respond to the consequences of the crisis within human resource management as well.

Table 8: Frequency of responses - disadvantages of working from home (n - frequency)

	1		2		3		4		5	
	n	%	n	%	n	%	n	%	n	%
D1	10	8	10	8	31	24	23	18	54	42
D2	12	9	10	8	33	25	39	31	34	26
D3	12	9	8	6	42	33	29	23	37	29
D4	18	14	16	12	34	27	30	23	30	23
D5	11	9	11	9	30	23	33	26	33	26

## 5 Discussion and conclusion

The present study focuses on human resource management practices in SMEs and the challenges faced by enterprises in the context of the COVID-19 pandemic. The pandemic had wider economic and social implications, with enterprises forced to seek new survival strategies and create existential forecasts for business operations. The COVID-19 pandemic brought a wide range of problems to SMEs in Slovakia. Businesses perceived some problems more intensely, some less intensely. Predictably, businesses with different numbers of employees faced different problems as a matter of priority. In our survey, we were interested in which problems associated with the COVID-19 pandemic most affected the activities of enterprises, broken down by different external characteristics of the enterprise. Staff absenteeism and financial problems appeared to be the most prominent problems. However, they were perceived differently in terms of the size category of enterprises. The problem of the absence of employees was perceived as the least serious in micro-enterprises. From the pairwise comparison, we found that the problem of employee absenteeism was the most severe in small and medium enterprises. The difference in perception of supply chain disruption was significant between micro and medium enterprises. Owners/managers of medium-sized enterprises felt this problem more strongly. Financial problems caused more serious problems in micro enterprises than in SMEs. Micro-enterprises also differed from other enterprises in their perception of the problems of reduced production. The biggest difference is between micro and large enterprises. Microenterprises perceived the greatest problem arising from the COVID-19 pandemic to be in the areas of financial performance and production reductions.

## Literature:

- Adikaram, A. S., Naotunna, N., Priyankara, H. P. R.: *Battling COVID-19 with human resource management bundling. Employee Relations*. The International Journal, 2021. 43(6), 1269–1289. <https://doi.org/10.1108/ER-08-2020-0390>
- Al-Fadly, A.: *Impact of COVID-19 on SMEs and employment*. Entrepreneurship and Sustainability 2020. Issues, 8(2), 629-648. [http://doi.org/10.9770/jesi.2020.8.2\(38\)](http://doi.org/10.9770/jesi.2020.8.2(38))
- Amarakoon, U., Colley, L.: *Attraction and retention of employees in an Australian regional SME: the importance of place and scale in human resource management*. Personnel Review, Vol. 52 No. 3, 2023 pp. 521-538. <https://doi.org/10.1108/PR-03-2021-0172>
- Brown, D., Hirsh, W., Reilly, P.: *Strategic Human Resource Management in Practice: Case Studies and Conclusions—from HRM Strategy to Strategic People Management*. Institute for Employment Studies: 2019. 71 p.
- Butterick, M., Charlwood, A.: *HRM and the COVID-19 pandemic: How can we stop making a bad situation worse?* Human Resource Management Journal, 31(4), 2021. 847–856. <https://doi.org/10.1111/1748-8583.12344>

6. Carnevale, J. B., Hatak, I.: *Employee adjustment and well-being in the era of COVID-19: Implications for human resource management*. Journal of Business Research, 2020. pp. 183–187. <https://doi.org/10.1016/j.jbusres.2020.05.037>
7. Clark, C., Davila, A., Regis, M., Kraus, S.: *Predictors of COVID-19 voluntary compliance behaviors: An international investigation*. 2020. Global Transitions, 2, 76–82. <https://doi.org/10.1016/j.glt.2020.06.003>
8. Collings, D. G., Nyberg, A. J., Wright, P. M., McMackin, M.: *Leading through paradox in a COVID-19 world: Human resources comes of age*. Human Resource Management Journal, 2021. 31(4), 819–833. <https://doi.org/10.1111/1748-8583.12343>
9. Harney, B., Alkhalaf, H.: *A quarter-century review of HRM in small and medium-sized enterprises: Capturing what we know, exploring where we need to go*. Human Resource Management. 2021; 60: 5–29. <https://doi.org/10.1002/hrm.22010>
10. Heilmann, P., Forsten-Astikainen, R., Kultalahti, S. (2020) Agile HRM practices of SMEs. J. Small Bus. Manage. 1–16 <https://doi.org/10.1111/jsbm.12483>
11. Jašková, D., Kráľová, K., Sochuľáková, J.: Úspešnosť riadenia rozvoja ľudských zdrojov v malých a stredných podnikoch v kontexte výziev 21. storočia. Trenčín. 2024. 205 p. ISBN 978-80-8295-026-0
12. Newman, A., Eva, N., Bindl, U. K., Stoverink, A. C.: *Organizational and vocational behavior in times of crisis: A review of empirical work undertaken during the COVID-19 pandemic and introduction to the special issue*. Applied Psychology, 71(3), 2022. 743–764. <https://doi.org/10.1111/apps.12409>
13. OECD: *OECD SME and Entrepreneurship Outlook 2019*, OECD Publishing, Paris, <https://doi.org/10.1787/34907e9c-en>.
14. Ripamonti, S. C., Galuppo, L., Provasoli, G., Benozzo, A.: *Unmasking reflexivity in HR managers during the COVID-19 lockdown in Italy*. Frontiers in Psychology, 2020. vol. 11, 1–10. <https://doi.org/10.3389/fpsyg.2020.588128>
15. Serenko, A.: *The Great Resignation: The great knowledge exodus or the onset of the Great Knowledge Revolution?* Journal of Knowledge Management, 2023. 27(4), pp. 1042-1055. <https://doi.org/10.1108/JKM-12-2021-0920>
16. Stuart, M., Spencer, D. A., McLachlan, C. J., Forde, C.: *COVID-19 and the uncertain future of HRM: Furlough, job retention and reform*. Human Resource Management Journal, 2021. 31(4), 904–917. <https://doi.org/10.1111/1748-8583.12395>
17. Wengel, J., Rodriguez, E.: *SME Export Performance in Indonesia After the Crisis*. Small Business Economics, 2006. 26(1), 25–37. <https://doi.org/10.1007/s11187-004-6491-y>
18. Wójcik, D., Ioannou, S.: *COVID-19 and Finance: Market Developments So Far and Potential Impacts on the Financial Sector and Centres*. Tijdschrift voor Economische en Sociale Geografie, 2020. Vol. 111, No. 3, pp. 387–400. DOI:10.1111/t.esg.12434.
19. Zacher, H., Rudolph, C. W.: Researching employee experiences and behavior in times of crisis: Theoretical and methodological considerations and implications for human resource management. German Journal of Human Resource Management: Zeitschrift Für Personalforschung, 2022. 36(1), 6–31. <https://doi.org/10.1177/23970022211058812>

**Primary Paper Section: A**

**Secondary Paper Section: AH**