

STRATEGIES FOR ADAPTING HUMAN RESOURCE MANAGEMENT POLICIES IN MINERAL RESOURCE ENTERPRISES IN THE COVID-19 CONTEX: THEORETICAL AND APPLIED ASPECTS

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ABSTRACT. The corona virus (COVID -19) pandemic has led to significant negative effects on the global, European and national economy. The reaction of business to the unforeseen and unexpected crisis is clear and objectively justified. There is an attempt at rapid and adequate adaptation while continuing to seek for the most realistic and achievable solution to deal with the situation, as well as to reach sustainable development despite the crisis and the many unknown aspects it is accompanied by. In 2021, the raw materials companies continue their attempts to adapt to the current situation. This study focuses on this very current economic and management set of issues related to the need and possibility to adapt human resource management policy in the COVID -19 context in a timely manner. The object of research is human resource management policy. The subject is the strategies that are implemented to adapt this policy in a way which is adequate, applicable, and effective in the complex and dynamic situation wherein business is located. The aim is to explore, analyse and summarise various theoretical and applied aspects of the issue so that they are employed as the basis for further timely adaptation of other enterprises' policies.

Key words: mining enterprises, mineral resource industry, human resource management, management strategy, economic crisis

СТРАТЕГИИ ЗА АДАПТИРАНЕ НА ПОЛИТИКИТЕ ПО УПРАВЛЕНИЕ НА ЧОВЕШКИТЕ РЕСУРСИ В ПРЕПРИЯТИЯТА ОТ МИНЕРАЛНО-СУРОВИННАТА ИНДУСТРИЯ В КОВИД КОНТЕКСТ: ТЕОРЕТИЧНИ И ПРИЛОЖНИ АСПЕКТИ

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РЕЗЮМЕ. Пандемията, свързана с появата и разпространението на коронавирус (COVID-19), довежда до значителни негативни ефекти върху глобалната, европейската и националната икономика. Реакцията на бизнеса към непредвидената и неочаквана криза е ясна и обективно обоснована. Налице е опит за бърза и адекватна адаптация, като продължават да се търсят най-реалистичните и постижими решения за справяне със ситуацията, а така също и за постигане на устойчиво икономическо развитие въпреки кризата и многото неизвестни, които тя поставя. През 2021 г. предприятията от минерално-суровинната индустрия продължават опитите си да се адаптират към актуалната обстановка. Настоящата статия е посветена именно на тази актуална икономическа и управленска проблематика, свързана с необходимостта и възможността за своевременно адаптиране на политиката по управление на човешките ресурси в COVID-19 контекст. Обект на изследване е политиката по управление на човешките ресурси, а предмет са прилаганите стратегии за приспособяване на тази политика, така че тя да бъде адекватна, приложима и ефективна в настоящата сложна и динамична ситуация, в която бизнесът се намира. Целта е да се проучат, анализират и обобщат различни теоретични и приложни аспекти на въпроса, така че те бъдат използвани за основа за по-нататъшна своевременна адаптация на политиките на други предприятия.

Ключови думи: добивни предприятия, минерално-суровинна индустрия, управление на човешките ресурси, управленска стратегия, икономическа криза

Introduction

The pandemic related to the occurrence and spread of the corona virus (COVID-19) had significant negative effects on the global, European, and national economies in 2020 and those have been revealed in 2021 as well. COVID-19 has affected communities, businesses, and organisations globally, inadvertently affecting the financial markets and the global economy (Nicola, 2020). In the past few months, the recession has gradually begun to affect all countries, although its strength and impact differ and vary. Measures to manage the health crisis are leading to serious economic shocks and a new crisis, this time of an economic nature. Pessimistic expectations are gaining ground and forecasts are deteriorating as the pandemic continues along with its corresponding measures that disrupt the global economic activity. According to forecast data of reputable

international organisations, including the World Bank and the International Monetary Fund, the adverse effects are expected to be present for at least several consecutive years more and to affect various areas of the Bulgarian economy, including the enterprises of the industrial sector and their production activity, and hence, their financial and economic results. The development of the Bulgarian economy and the depth of the crisis will largely depend on how long the anti-epidemic measures will last and how severe they will be in this country and in the major European economies. Different sectors "feel" the effects of the crisis differently and the secondary sector is among the potential moderately affected sectors. The economic crisis affects the sustainable reduction of production and consumption, labour supply, employment and income, demand,

and also hampers the supply chain. In this situation, the economic recovery will be difficult and time consuming. The road to economic recovery is more likely to resemble a U-shaped curve, with a prolonged period of economic inactivity for years to come (Nicola, 2020). The strength, the scale, and the duration of the pandemic, along with the scope and the severity of the measures, are parameters that remain unclear. Therefore, the economic and the social aspects of the crisis should be a subject to study, in parallel with the health and the medicine aspects, as it fundamentally changes the production processes and their nature, and hence, it directly affects the strategic management and the economic status of the enterprises. In this sense, the egress for them is the adequate and timely adaptation and the compliance with the new realities and prospects for a future business development. On a micro level, the pandemic has raised many questions about the organisation of labour and human resource management in the companies which is the main focus of this study.

Conceptual framework of the study

The study is dedicated to the current economic and management issues related to the need and the opportunity for a timely adaptation of the human resource management policy in the enterprises of the mineral resource industry in Bulgaria in the context of the corona virus pandemic arisen in 2020. Issues of theoretical and applied nature are addressed. Various aspects of the research question are covered. They are conditioned by the study and the systematisation of theoretical formulations concerning the timely adaptation to the new circumstances and the need of the companies to continue their activities taking into account the changes in the external and internal environment factors. The pandemic affects this activity harshly and quickly. As a result, the transformation of the production process and the process of human resource management becomes a prerequisite not only for business survival and preservation of the previous production capacity, but also for further business development and growth. The consequences of the pandemic are significant and heterogeneous in nature. They are difficult to predict but at the same time visible, measurable, and long-lasting. This fact determines the need for a sustainable significant change of the strategies, policies, models, and practices of the human resource management, compliant with the new health, economic, social, and legal realities and regulations. The pandemic has steadily changed and continues altering the economic and management models of all systems. This requires their constant improvement, as well as more creativity, flexibility, and search for innovative opportunities.

The relevance of the research is proven by the fact that the topic is widely discussed on the national, European, and international level. The research problem transcends the limits of one enterprise, one economic sector, and one country. Its significance is determined by the great scientific interest, the constant search for new solutions, the rapid increase in the number and type of developments in national and international scientific networks in the past years. At the same time, there is still a lack of profound theoretical and applied research for the Bulgarian enterprises of the mineral resource industry, as well as at a higher level – the industry level. Developing a study with such a focus would fill this gap and would contribute to finding and supplementing new solutions to this complex research

issue. The object of the study is the policy of the human resource management. The subject is the applied strategies for adjusting this policy so that it is adequate, applicable, and effective in the current complex and dynamic situation the business is put in. The aim is to collect, summarise and analyse various theoretical formulations – a basis for transformation of the human resource management policies in enterprises of the mineral resource industry and other industrial sectors where there is a continuous labour- and time-consuming production process. To achieve this aim, the following tasks are set: clarification of theoretical formulations concerning the human resource management policies in the enterprises in the context of the impact of the corona virus pandemic and the emerging economic crisis; analysis and derivation of conclusions and recommendations on the possibility and the scope of application in respect of the transformation of the human resource management policies. The scope of the study also includes the applied aspects of the issue of how to make this transformation easy and fast by implementing selected theoretical formulations. For the purpose of the research, the following methods and research approaches are applied: literary studies, analysis, synthesis, abstraction, generalisation; systematic, heuristic, and graphical approach. Based on the use of these methods and approaches, conclusions are drawn and recommendations are made.

The “New normality” and the human resource management

The unprecedented pandemic situation with COVID-19 has opened the gateway to global health and economic shocks. According to forecast data of the International Labour Organisation, more than 300 million full-time employees from various economic sectors face a real risk of losing their jobs in the second quarter of 2021. In order to protect the health and safety of employees, many enterprises temporarily stop production. The supply chain starts to slow down or has been completely suspended for a certain period of time. Commodity markets and world markets for products from the mineral and raw material industry are affected. The significant slowdown of the global economic development has forced companies to adopt new directions in the human resource management in order to adapt to the difficult conditions and to survive in this "new norm". The pandemic has highlighted the fragility of the foundations of the 21st century economy which is characterised by a great technological advance and a remarkable globalisation, centred on globally interconnected production chains seeking maximum profitability. The blocking measures have led to a large-scale economic collapse with significant consequences on the production and employment and a strong impact on all activities due to the sharp decrease in the consumption. The mining sector is not immune to these impacts, and the crisis has the potential to have severe consequences in the short, medium, and long-term for the industry (Laing, 2020).

The available literature on the topic focuses on targeted government support to affirm job and wage retention throughout the pandemic, as well as on strict adherence to health and safety standards that will ensure protection of all employees in the companies in the mineral and raw material sector. Attention is also paid to intensifying social dialogue, including with trade unions, in order to guarantee working conditions. At the same time, if the adverse effects after the pandemic continue after 2022, the global supply of mineral resources will be deeply

affected as a number of companies will lose investor interest. Therefore, the focus on human resource, strategies, and models for their management needs to be clearer. The few available studies on this topic are focused on providing appropriate solutions that prevent occupational injuries, protect the health and lives of the employees, and strengthen the business. The activities of the companies have not been bypassed by the outbreaks of the corona virus and a number of foreign organisations stop or limit their production. Thus, with hindsight, experts are yet to begin assessing the long-term impact of the pandemic on the future demand for goods, the prospects for extraction, as well as the tactical and strategic steps of the companies in the mineral resource industry to quickly and effectively overcome the current crisis. Short-term economic impact of COVID-19 on the mining industry has already been huge (Laing, 2020). Medium- and long-term impacts are highly uncertain but have implications for companies, communities, and countries (Laing, 2020).

The issues in the human resource management in a COVID-19 context are still poorly studied in the Bulgarian and foreign literature, which opens a field for new research. A number of authors and international organisations share the thesis that it is not very likely that the pandemic be overpowered soon and, respectively, that lasting changes in the management processes are likely to be imposed. Modelling the epidemiology of this crisis suggests that resuming and removing restrictions will be a slow process and there is no guarantee that the next waves will be prevented or at least mitigated. In this sense, the companies' priority areas are related to the timely and adequate adaptation to manage quickly during a crisis, to orient and reorient if necessary. Moreover, their goal would not only be risk management, but also building sustainable management. This cannot happen without development and implementation of innovative practices and flexible human resource management strategies and models that should not be postponed, especially in times of crisis. Against this background, the business devotes significant resources to developing messages through which key strategies and goals to be achieved.

One of the most important moments in which such messages develop is related to the crisis response. In recent years, there have been a number of international studies that focus on how organisations respond during a crisis. In general, they always react flexibly as different situations force managers to think quickly and to analyse. While high levels of uncertainty hinder accurate planning, understanding the situation is paramount: what risks the enterprise faces, what its organisational readiness is, what it can learn, and what the impact of the crisis on its business model is. A significant amount of public relations research has identified and investigated different types of crises, together with the specific strategies for these situations (Coombs, 2007). Gerdeman (2020) found that to cope with the pandemic situation, organisations are revising and initialising new practices and seeking innovative leadership for executing new ideas to break the glass of barriers for survival. Some research defines specific types of crises, identifying the organisation as a victim and the crisis as accidental or preventable. Subsequently, research outlines details for successful strategies for these situations, such as denying, reducing, or apologising for the "incident" (Coombs & Holladay, 2002; Coombs, 2007; Claeys & Cauberghe, 2014). Changes are often needed and they can involve shaping markets, designing innovative solutions, or using middle managers as agents of change. Change itself should be seen

as an interconnected process involving different elements (Pedersen et al., 2020). Many authors focus on making strategies transparent, as a common model for dealing with crisis situations. Organisations have long understood the need and desire to be so. Holland et al. (2021) define transparency as "the opposite of secrecy", stating that the specific characteristics of organisational transparency are integrity, openness, trust, credibility, and ethical behaviour. Against this background, the crisis, unlike most crises so far, leads to the need for new models related to crisis management, as it subsides at different times, and then its intensity flares up again. This also affects its management in the context of the need for companies to continue their activities by restructuring it and transforming the human resource management processes.

Strategies for adapting human resource management to the current situation

The "New normality" also requires a new norm in human resource management. The crisis situation in the world implies the use of adapted human resource management strategies including a balanced approach in the measures to all stakeholders. It is of paramount importance to ensure the safety of the work process and environment, to protect the health and lives of the employees. The new reality requires businesses to be flexible and willing to continue their business without putting employees and society at risk. The flexible human resource management strategies allow companies to change in a timely manner and without significant loss of efficiency while maintaining their competitiveness when new technologies, new products, or significant changes imposed by the COVID-19 crisis occur. The following strategies can be marked as flexible: Flexible number, Flexible working hours, Flexible specialisation, Functional flexibility, and Flexible group.

The *Flexible number* is associated with the company's ability to respond in a timely manner to changes in the demand for the products and services it offers by increasing or decreasing the amount of labour invested in production. This is achieved by increasing or decreasing the hours worked or the number of employees when necessary. The following types belong to the Flexible number: seasonal employment, part-time work, joint work, work for intermediate tasks performance, remote work, and rotational employment. In terms of the COVID-19 crisis, caring for the health and safety of employees is one of the primary commitments of companies, so risk assessment, provision of safeguards, regular disinfection, even food delivery, all of which aim to limit the contact and crowds, become possible to implement because of the Flexible number.

Flexible working hours is in fact the "new normality" of the workplace. This is a specific organisation of the working time which is applied when production allows it. Under it, the human resources can choose the beginning and the end of the working time within the agreed length of the working day with certain attendance duration. This work organisation allows a more efficient use of labour to be achieved and coordination between personal and organisational interests which increases job satisfaction. This type of reorganisation of business processes is one of those that search for optimum solutions in the complex crisis situation in which we find ourselves.

Flexible specialisation requires that the company be able to change the structure of the manufactured products and services in a timely manner and without loss of efficiency, even if there is

a chance to start the production of types that are new to it. In order to implement this strategy, the company must have the necessary equipment, technology, and organisation of production which are prone to quick adjustment, as well as highly qualified staff ready to carry out this transformation. The selection of qualified staff for the implementation of the Flexible specialisation is recommended to be performed online. The online staff selection is an innovation that can be used in the context of accelerated digitisation and need to limit social contacts. Documents are sent online and interviews are conducted in the form of conference calls on an online platform. The presentation of the future job can be done in an innovative way - via a virtual tour of the office or even a video game involving performance of some of the tasks of the potential job.

Functional flexibility characterises the company's ability to bring the special knowledge and professional skills of employees in line with the new requirements of jobs or positions imposed by the new conditions. In order to use this flexible strategy, it is necessary for the organisation to have:

- staff with polyvalent training and high professional qualification;
- established and effectively functioning system for raising the qualification of the employees;
- established and continuously functioning system for performance evaluation and for assessment of the need for additional training and qualification;
- established system for encouraging the staff to achieve high results, for increasing their professional training, and for retraining.

Each organisation needs to find the path that seems most reasonable in the given circumstances, taking into account its own current situation, opportunities, goals, and tools (Zsigmond et al., 2021). The new reality requires contemporary human resource managers to be oriented not so much towards job descriptions as towards building positions based on the strengths and interests of employees. This is a very successful challenge that encourages the creative performance of employees.

The *flexible group* is a type of team work applicable in crises of such nature. When innovations occur in the technique, technology, and structure of the manufactured products or in the current crisis situation, the existence of such a group allows a corresponding change in the work organisation and restructuring of the employees. For this purpose, this group needs to be composed of specialists with a broad professional qualification which will allow them to perform many different tasks, to respond adequately to changes in the environment, and to work successfully in a pandemic situation. The employees in a team thus created are more united, able to inspire confidence and calmness in difficult days, act confidently and effectively under stress. They manage to become more active, so as to control and mitigate the crisis impact not only on the team but also on the company, and even on society as a whole. This also has a positive effect on their results.

Guidelines for implementation of the flexible strategies in human resource management in the enterprises of the mineral resource industry

The "right" flexible strategy is the one that stimulates business relations not only with external contractors and public,

but also with the human resource in the enterprise. Under the changed conditions, the management of the companies has to choose whether to apply a flexible strategy and change its attitude towards the staff, or to remain static and not to adapt which in a COVID-19 context is an impossible choice. For that purpose, a stable management system and clear procedures with specific deadlines for implementation are required, as well as self-organised and responsible employees. Contemporary employees expect to be able to integrate their various family and personal responsibilities and their work commitments with no contradiction, to gain security for their health and workability satisfaction from the efforts they have put. This can be achieved if the company appreciates the individual contribution of each employee and not just count the hours physically worked.

Companies are put under pressure by external environmental factors, while they are trying to maintain their competitiveness on the aggregate markets (Zsigmond et al., 2021). To implement most of the flexible strategies, the priorities of the enterprise's activity must be the investment in human capital and its development, as well as the provision of opportunities for career growth. It is important to understand that the talent, skills, and personal qualities of the staff strongly influence the better performance of the company, especially in a crisis context. The main indicators for achieving the business goals are the increase of employees' competences, the continuous training of the personnel for acquiring new knowledge, the development of leadership skills, of professional and technical competencies. Applying one or another of the flexible strategies, the company should consider and provide tools that will allow it to:

- focus on the lifestyle of its staff, providing a flexible work schedule, income, and opportunity for social life;
- build teams of experts to use the skills, experience and knowledge of all employees;
- seek flexible ways to correct the "old rules" that are no longer applicable on the current market;
- plan and manage its talents;
- abandon traditional approaches to career management/development systems (Kanev et al., 2012).

The sustainable crisis support provided by the responsible companies is associated with the mobilisation of resources in the event of emergencies. The creation of funds for additional support for each employee, both financial and non-financial, is an excellent example of timely measures in the field of human resource management. Investing in the employees' health, both physical and mental, is an investment in the future of any enterprise. In a crisis situation, it is necessary to increasingly encourage volunteering. Through its example in this regard, a business should involve its employees in working hard on projects of public importance that can help coping with the COVID-19 crisis more quickly.

Conclusion

Restrictions on freedom of movement, disruption of the rhythm of the production process, changes in supply and demand, difficulties in the supply of means of production all slow down economy and detain the functioning and development of the industrial enterprises. To continue to work effectively, they are forced to change the human resource management policies and strategies and to use innovative methods that have not been actively applied as yet. The reaction of the business to the unforeseen and unexpected crisis is clear and objectively justified. There is an attempt for fast and adequate adaptation

and transformation while continuing the search for the most realistic and achievable solution to cope with the COVID-19 situation and the changes in the management processes it imposes. Moreover, solutions should be sought for further sustainable development despite the crisis and the many unknown aspects entrepreneurs, investors, and managers are faced with. What is certain is that the current policies, strategies, methods, and practices have undergone and will continue to undergo significant changes in order to be effective in the face of new requirements, constraints, and realities.

The crisis situation the world is put in presumes usage of adapted human resource management strategies that allow enterprises to change in a duly manner and without significant loss of efficiency while maintaining their competitiveness. In such a crisis, it is of paramount importance to ensure the safety of the work process and environment, to protect the health and the lives of the employees. Against this background, the enterprises of the mineral raw materials industry continue their attempts to adapt to the current economic, social and health

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