

**Executive summary on research of  
“Factors threatening corporate organisational stability - or governance,  
management and HR in the shadow of war”<sup>1</sup>**

The aim of the research ‘Factors threatening corporate organisational stability - or governance, management and HR in the shadow of war’ was to create a picture of the situation: after the recovery from the coronavirus crisis of the past two years, what is the situation like in the wake of Russia's war in Ukraine on February 24 last year? Do business organizations and institutions operating in the Czech Republic, Hungary and Slovakia face challenges and impacts in the various areas of management and HR work? In our survey we processed questionnaires from 1.370 responding organizations from the three countries surveyed.

- **Participating countries:** 25.8 million people lived in 2023 in the three countries examined (Czech Republic, Hungary and Slovakia). Economic growth was positive in all countries in the year before the outbreak of the coronavirus crisis (2019). The same cannot be said for the year 2020, when the decline ranged from -3.34% to -5.40%. In the year 2021, an increase (3.55-7.20%) was again observed in the examined countries. The values in 2022 were lower than a year ago (1.67-4.87%), but the growth was positive. While in 2023 there was GDP growth in Slovakia (+1.1%), the Czech Republic (+0.18%) and Hungary (-0.9%). With the exception of the first period of the coronavirus pandemic, unemployment in all three countries increased in 2020, after which it continuously decreased. today, among the active population, it is 1.5% in the Czech Republic, 3.5% in Hungary and 4.5% in Slovakia. The price increase in 2023 was 17% in Hungary, 12% in the Czech Republic and 11% in Slovakia.
- **State of war:** This situation occurred exactly at the time when the countries of the world, including the organizations of the three countries examined, were trying to restart their economies after two exhausting years of the pandemic. The leaders of the nation states were still dealing with reversing the losses of human capital

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caused by Covid-19, as well as developing measures to mitigate the negative economic effects, when the world was faced with another serious challenge. In addition to the humanitarian crisis, Russia's invasion of Ukraine further worsened the short-term prospects for the recovery of the world economy. With this war, among other things, Russia is working to restore the Great Russian Empire battered by history. We believe that amid the flurry of shocks of the past four years, the global economy has proven to be surprisingly resilient. Major economies have mostly emerged unscathed from the fastest rate rise in 40 years - without the usual scars of steep unemployment rates or financial meltdowns

- **The investigated organizations:** A quarter of them were privately owned organizations. Nearly 28 percent were foreign-owned companies. Two-thirds of the respondents employed less than 250 people. Almost 50% of the respondent organizations were located in the capitals of the three examined countries and in the regions of the countries. The main market/place of the organizations' products or services is located within the borders of the examined countries (e.g. local, regional or national). Together, 20.3% of the organizations deliver to the European market, and 17.8% conduct worldwide trade. Comparing exports and imports, the proportion of responding organizations dealing with imports (18.2%) is slightly higher than that of exporters (17.7%).
- **Preparedness for the war situation:** Examining the organizations of all three countries together, it can be said that only 12.1% of the respondents had such a plan of action even before the outbreak of the war.
- **Macro-level opinions of the responding organizations:** The expectations of the 1,370 organizations examined are significantly more gloomy compared to the inflation forecast of 11.0-12.6% in the reports of international (OECD) and local national organizations (e.g. national banks) that make macro forecasts, because more than a third of respondents calculate with a value above 15%. A third of the respondents believe that a significant upswing will occur soon.
- **Impact of the war on the examined organizations:** If we examine the three countries together, it can be stated that the most endangered areas are the

"Increase in purchase prices due to the war" (28.4% - largely typical) and the "Negative change in the exchange rate of the domestic currency effect" (24.9%) can be considered. The responding organizations often say "If it happened like this once..." or "Let us get the best out of the given situation!".

- **Adaptation of organizations to a war situation:** The obtained results clearly confirm the uncertainty, more than 40 percent of the respondents cannot even really see the situation and are not aware of the situation and possible losses. Based on the answers received, it can be said that most people consider increasing organizational efficiency to be the primary task, in which the retention of key people and innovation play the main role. Due to the uncertain situation, most of the responding organizations do not currently plan to enter foreign markets, even with the help of subsidies. In addition, they are satisfied with their current raw material sources and procurement channels.
- **Future opportunities:** Given the different causes of the pandemic, the war triggered different response measures from companies than before the Covid-19 (Dajnoki et al., 2023). The respondents also considered it important that a new type of energy strategy could be a solution to the problems that the war drew attention to. The results indicate that while the crisis caused by the pandemic is a threat to human resources, the war crisis is primarily caused by the disruption of supply chains.