



Labor Wars: The New Hope and the Employment Strikes Back

Zsolt Fehér, chairman of AmCham's HR Committee

At AmCham's HR Committee this year we have decided to focus on finding solutions for areas that "hurt the most" for the chamber's member companies in Hungary. We have identified three points: the lack of IT professionals; the wage increase; and the re-inclusion of baby boomers to the job market.

We have organized several meetings. One included IT "fast track" educators – the New Hope(s), such as Green Fox Academy, Codecool and Progmasters. We discussed how we can find and educate more professionals for a market that is missing tens of thousands of experts. At another recent meeting, we focused on the necessity of wage increases all around the Hungarian job market.

And then: The Employment Strikes Back. More than a decade ago, it was the unemployment rate that was commonly discussed on the street. During the last few years, however, suddenly it is the lack of workers, and the necessity for benefit rises seems to be a critical business factor for almost all sectors and locations in Hungary.

A panel of HR and compensation experts we have invited to our committee meeting all emphasized the importance of treating this issue not only as a financial matter, but to also see the importance of increasing employee engagement through other tools. They also stressed that, with the rise of digitalization, we have a new way to substitute human resources for machine resources.



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Meanwhile member company representatives at the meeting reported an unprecedented control and demand coming from the employee's side. Wage increases are unavoidable, but financial reserves are not unlimited. If low wages are the

only way to keep investors coming and staying in the country, then what should we do?

A general solution did not present itself, and no magic wand is possessed by anyone, but one thing

is sure, we have to do something, we need to act. All of us. The government, by continuing to lower taxes and by investing in education. Companies, by driving efficiencies further; improving management, and essentially moving up the value chain to bring more added-value jobs to the country. And professional organizations such as AmCham, by advocating the need for change and fostering further collaboration between all stakeholders.

For our competitiveness to be on the rise, we none of us have any time to waste.