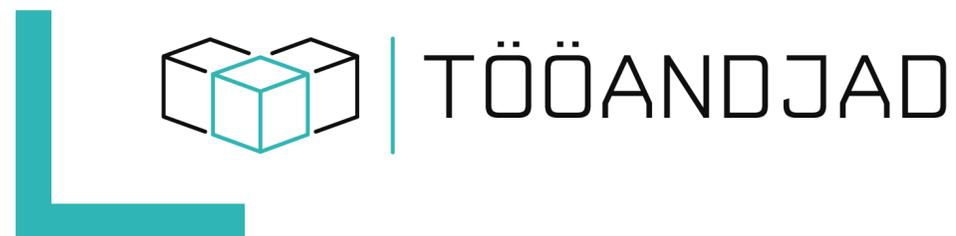


CHALLENGES RELATED TO

THE HEALTH CRISIS FROM

THE EMPLOYERS' PERSPECTIVE



Challenges related to the health crisis from the employers' perspective

In 2020, Estonian society was also hit by a major crisis caused by COVID-19, which tested the medical system, the economy, and social consensus. Although there is no doubt about the severity of the crisis – a large number of Estonians have experienced the disease first hand, and in the worst case even lost a loved one (2,531 people will have died of coronavirus in Estonia by 24 April 2022) – opinions differ about the lasting effects on the labour market or on social life in general.

Most certainly, the corona crisis permanently increased the share of telework, proved to businesses the importance of paying labour taxes and the importance of building up liquidity reserves in health and unemployment insurance to provide wage support and other measures in times of crisis. Laurimäe and Koppel estimate that without the crisis measures, COVID-19 would have resulted in more than 65,000 people leaving the labour market and an increase in the poverty rate

of nearly 4 percentage points (pp)¹.

The Estonian Employers' Confederation commissioned a study with the main objective of mapping the temporary and permanent changes in industrial relations resulting from the global health crisis and the resulting need for regulatory change and alternative solutions. Wherever not explicitly stated, the study report 'Tervisekriisiga seotud väljakutsed ning poliitikasoovitused tööandjate

vaates' ('Challenges and policy recommendations related to the health crisis from the perspective of employers') by Viilup Uuringud² is used as a basis here and hereinafter.



¹ Laurimäe, M., & Koppel, K. (2021). COVID-19 sotsiaal-majanduslik mõju: Töötukassa töötasu hüvitis 2020. Tallinn: Poliitikauuringute Keskus Praxis.

² Viilup Uuringud. Tervisekriisiga seotud väljakutsed ning poliitikasoovitused tööandjate vaates. Tallinn 2021.

Challenges related to the health crisis

The challenges related to the health crisis depended on the specific sector and the nature of the work. It was most difficult for employers who **were unable to transfer** production or customer service employees **to their home offices**. *Figure 1* gives an overview of the perceived challenges of the health crisis from an employer's perspective.

**What problems and challenges did the employer face in the health crisis?
More than one answer is possible.**

All, n=251



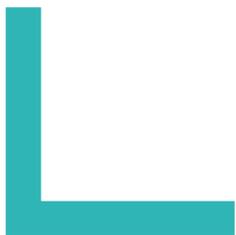
Figure 1. Problems for employers caused by the health crisis

The most frequently highlighted problems:

- ✓ The need for investment to change working practices and equipment to reduce the risk of infection.
- ✓ Some of the measures (wearing masks, vaccination) make employees feel intimidated or even want to leave. These issues also create conflicts among staff and worsen the internal climate. Employers have ethical and sensitive personal data issues.
- ✓ Some employees feared infection or were at risk, but the nature of the work did not allow them to work remotely. This created management problems and additional costs.
- ✓ The need for temporary closures, unpaid leave, and redundancies. Re-opening was accompanied by difficulties in finding staff.
- ✓ Challenges related to the supply of raw materials and goods, delays in deliveries and rising costs.

The challenges of shifting to hybrid and teleworking:

- ✓ Achieving the necessary results in the form of hybrid work was sometimes difficult. People and their home conditions are different, and telework is not for everyone.
- ✓ Managers had to learn to manage teams differently – it is harder for managers to keep track of people's mood and motivation when working remotely. Team spirit and the effectiveness of cooperation may be reduced and people's mental health may deteriorate.
- ✓ Investments were made in furnishing home offices to enable employees to work safely and in a healthy manner, and a fringe benefit tax was paid on this.
- ✓ Employers are not in a position to control conditions in employees' home offices or to monitor to ensure that employees are taking care of their health.
- ✓ It was also difficult to recruit staff from abroad due to travel restrictions and to support on-boarding when the team was teleworking.





The challenges of digitisation:

- ✓ Some staff lack digital skills – investments needed in staff training.
- ✓ The reluctance of some staff to learn to use digital solutions.
- ✓ Technical issues related to the introduction of new software.
- ✓ The move to home offices in the wake of the health crisis brought the need for secure access and digitisation of the previously paper-based data.
- ✓ Poor quality of internet connection at home for staff.

The main problems identified by staff were the following:

- ✓ Your employer offers you reduced hours or makes you redundant.
- ✓ Insecurity and uncertainty about whether the job will be maintained and what the working arrangements will be. You quickly have to get used to restrictions imposed by your employer and the state, or to the discomfort of working in protective equipment.
- ✓ Fear for your health. Some people do not come out of the house at all anymore and their employer is worried about their mental health.
- ✓ Working remotely can sometimes make it

harder to feel like part of a team and to balance work and personal time, increasing the risk of burnout.

- ✓ Some have uncomfortable home office working conditions, lots of distractions or difficulty concentrating.
- ✓ Social polarisation and antagonism also spills over into the workplace and creates conflicts (attitudes towards vaccination, wearing masks, etc.).
- ✓ Not everyone is suited to telework, as feelings of isolation and screen fatigue are more easily generated.
- ✓ Some people's lack of technological skills makes it difficult for them to engage in teamwork online. They had to upskill quickly in a short time in order to avoid losing their jobs.



Employers' proposals on the health crisis

- ✓ To involve the social partners in the discussion of measures in the event of a crisis, as well as in the preparation for a crisis, so that any legislative changes/regulations that would apply in the event of a crisis are also approved by the social partners.
 - ✓ For example, a regulation could be put in place which would stipulate that, in a crisis situation, most of the responsibility for health and safety lies with the employee, as the employer is not in a position to provide the employee with home office facilities as quickly and with limited financial resources.
 - ✓ To motivate the self-employed persons and freelancers to pay social contributions by offering various training opportunities.
 - ✓ To move towards increasingly flexible labour regulations to reduce the need for non-standard contracts. The introduction of telework made it easier to hire people who live further away and made it possible to move to a smaller office space, saving costs.
- ✓ Employers would like to include workload ranges in contracts. In a crisis situation, they could be more lenient in this respect and make regulations more flexible in the future.
 - ✓ Financial support and wage subsidies for companies on the basis of the payment of labour taxes offer an opportunity to motivate employers to be more law-abiding and not to accept hidden wages.
 - ✓ To alleviate skills shortages, offer fast-track retraining to employees in the sectors hardest hit by the crisis (including those who are not yet unemployed but whose jobs require new skills or who fear they will soon be unemployed).
 - ✓ Possible solutions for the reimbursement of home office costs:
 - ✓ The acquisition of work equipment necessary for healthy working in home offices would be exempt from the fringe benefit tax, at least in part;
 - ✓ If the employer provides a workplace in an office but the employee wants to work in a home office, the employer is not obligated to reimburse the costs of the home office;
 - ✓ Hybrid work would be subject to less stringent requirements;
 - ✓ If an employee spends more than half of their time in the home office, they become liable for reimbursement.



- ✓ It is important to outline the employer's rights and possibilities to react in a more flexible way in crisis situations in relation to the workplace, for example, that the employee cannot expect the employer to provide all work equipment (desk, chair, etc.) in a crisis situation.
- ✓ Employers would like advice from the Health Board on what more can be done to reduce the risk of infection in production and warehouses.
- ✓ Employers need more advice and support to cope with the crisis, and flexibility in decision-making. There could be the possibility of a graduated declaration of a state of emergency to help employers react more quickly and think through restrictions.
- ✓ Multi-employer aggregation of minimum social tax rates to incentivise, where appropriate, low-load multi-employer working.
- ✓ Employers want different treatment of personal data in a crisis. For example, the right to ask about the vaccination of an employee if the results of the occupational risk assessment show that vaccination is one of the possible measures to prevent the risk of contracting a virus in the workplace.
- ✓ To pay more attention to the mental health of employees and provide employers with more support and know-how to support people with mental health problems.



- ✓ To introduce a single IT platform to better and faster align work environment risk plans with real life in the future. For example, the need to set up a COVID system to check vaccination, pass and test certificates, and to hire an IT specialist to help staff cope better with new digital solutions.
- ✓ Amend the law so that, in a crisis situation, employers have the right to require employees to work on reduced pay (temporarily) and to review the conditions under which employers can require employees to carry out tasks other than those set out in the contract (e.g., extensive restrictions of an emergency nature during a health crisis). In the tourism sector, for example, employees have had to be made redundant, but need help from time to time.
- ✓ To contribute to the training of employees in industry, ICT, agriculture, social sectors, health and education. In addition, care should be taken to ensure that people working in these sectors have sufficient motivation to work in Estonia and that all vital occupations have access to personal protective equipment, vaccines, etc.
- ✓ Further development of infrastructure, including high-speed internet.
- ✓ Necessary subsidies for training of staff digital skills.

Figures 2–4 give an overview of the importance of the proposed solutions.

On a scale of 5, please rate how important the following changes in legislation, policy, and industrial relations regulation are [%]



CONCERNING WORKING PATTERNS AND CONTRACTS

All, n=251

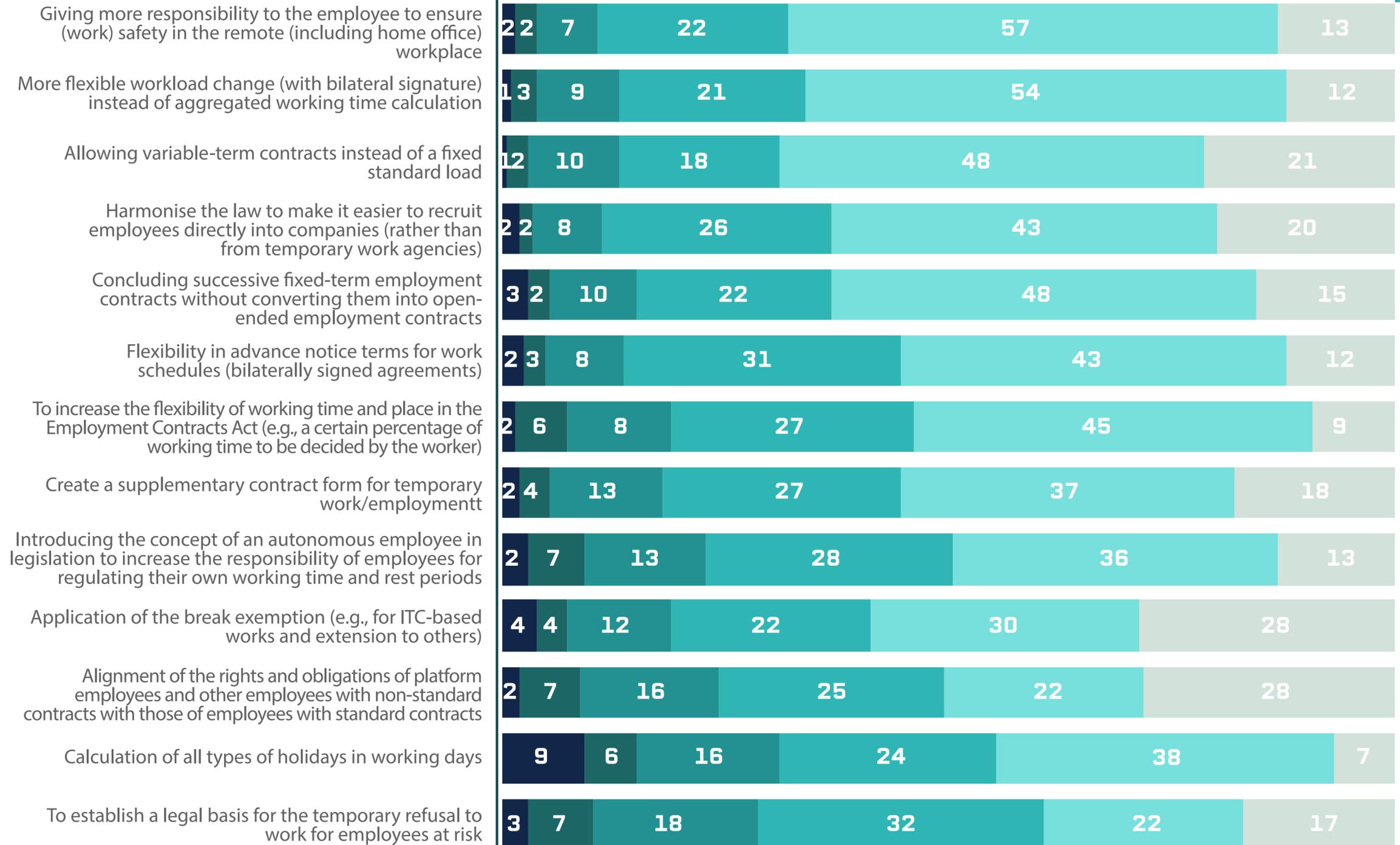


Figure 2. Importance of labour law solutions

On a scale of 5, please rate how important the following changes in legislation, policy, and industrial relations regulation are [%]

1 2 3 4 5
 Completely irrelevant Very relevant
 Cannot assess/not relevant to our organisation

CONCERNING TAXES AND SUBSIDIES

All, n=251

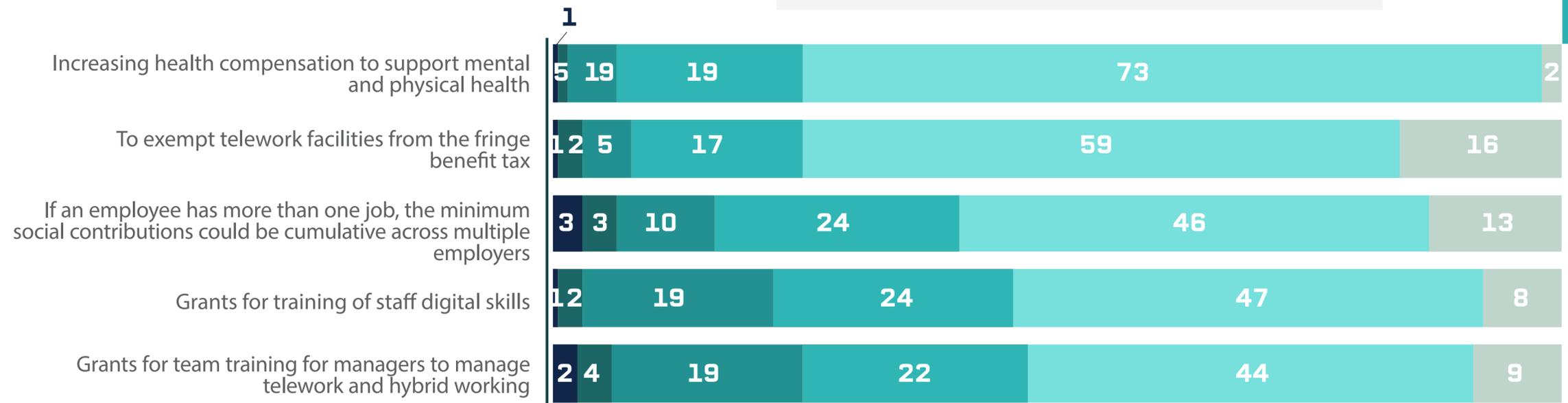


Figure 3. Importance of the taxation proposals

OTHER

All, n=251

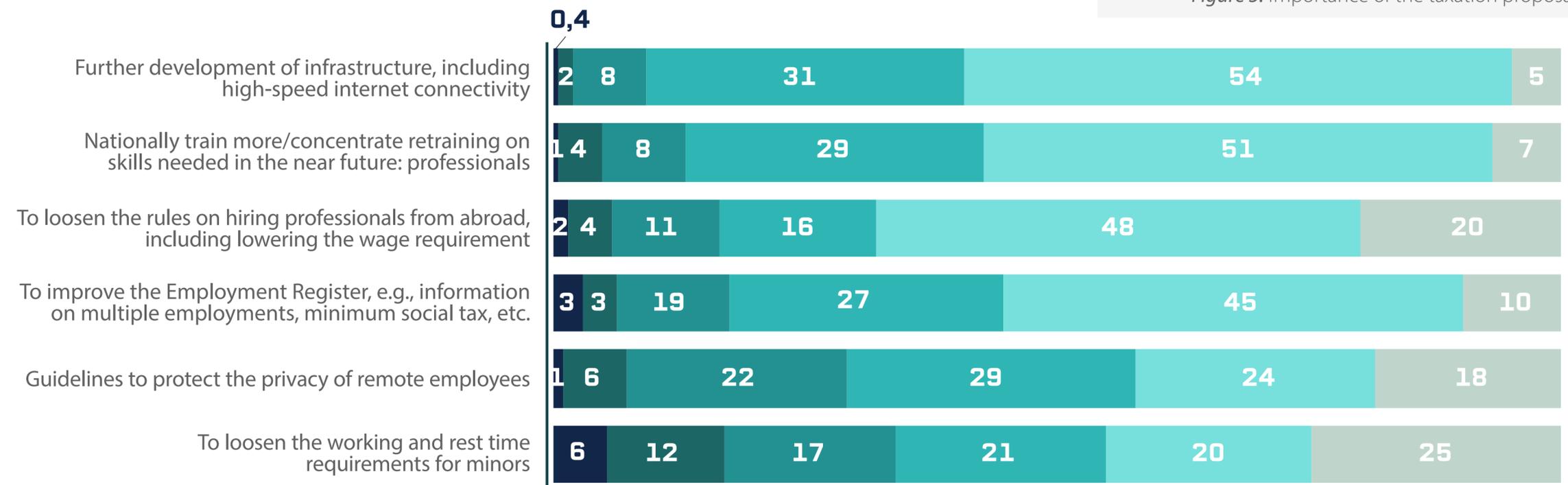


Figure 4. Significance of other proposals

Õppematerjal on valminud rahvusvahelise koostööprojekti Norway Grants „Facilitated access to work through flexible work“ raames.

