

Working conditions and sustainable work

Business not as usual: How EU companies adapted to the COVID-19 pandemic



Business not as usual: How EU companies adapted to the COVID-19 pandemic



When citing this report, please use the following wording:

Eurofound (2021), *Business not as usual: How EU companies adapted to the COVID-19 pandemic*, Publications Office of the European Union, Luxembourg.

Author: Franz Ferdinand Eiffe

Research manager: Franz Ferdinand Eiffe

Research project: The impact of COVID-19 on workplaces and workplace practices

Peer reviewers: Jasper van Loo (Cedefop), Gijs van Houten (Eurofound) and Barbara Gerstenberger (Eurofound)

Contributors: Victoria Cojocariu, Stavroula Demetriades, Irene Mandl, Sara Riso and Tina Weber (case studies); and Michele Consolini and Gijs van Houten (European Company Survey)

Provider: Network of Eurofound Correspondents (case studies)

Acknowledgements: This report draws on, among other sources, data from the COVID-19 online follow-up survey of the European Company Survey 2019, jointly conducted by Eurofound and the European Centre for the Development of Vocational Training (Cedefop). The author would also like to express his gratitude to Jasper van Loo (Cedefop) for his support to this project and to Kirsi Ahola (Finnish Institute of Occupational Health) and Steven Dhondt (TNO) for suggestions and comments.

Luxembourg: Publications Office of the European Union

Print: ISBN 978-92-897-2223-0 doi:10.2806/928032 TJ-05-21-333-EN-C

PDF: ISBN 978-92-897-2224-7 doi:10.2806/98958 TJ-05-21-333-EN-N

This report and any associated materials are available online at <http://eurofound.link/ef21033>

© European Foundation for the Improvement of Living and Working Conditions, 2021

Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

Cover image: © littlewolf1989/AdobeStock

Any queries on copyright must be addressed in writing to: copyright@eurofound.europa.eu

Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu

Contents

	Executive summary	1
	Introduction	3
	Impact on business and workplaces	3
	Objectives of the report	3
	EU policy context	4
	Methodological notes	6
	Report structure	8
1.	Immediate effects on staff: Employment and working time	11
	Changes in employment	11
	Reduction in working time	12
	Summary	14
2.	How COVID-19 affected outcomes: Establishment performance and workplace well-being	15
	Establishment performance: No business, no gains	15
	Workplace well-being: Fall in motivation levels was slight	16
	Summary	17
3.	Business continuity and operational resilience	19
	Suspended business activities	19
	Reorienting businesses, shifting staff	21
	Motivation in affected workplaces	25
	Summary	26
4.	Workplace transformation	27
	Physical workplace: Ensuring social distancing	27
	Organisational rearrangements: Stay connected	30
	Telework: Exiting the workplace	31
	Summary	36
5.	Challenges for human resource management	39
	Work autonomy, job complexity and supervision	39
	Workplace behaviour: What matters?	42
	Summary	43
6.	Internal communication and crisis management	45
	How to communicate: internal communication channels	45
	Were managers prepared for this crisis?	48
	Summary	49
7.	Health and well-being in the workplace	51
	Workplace observations	51
	Managing health and well-being in a public health emergency	52
	Summary	55
8.	Workplace social dialogue and employee involvement during COVID-19	57
	Social dialogue and workplace relations	57
	Employee voice: Less to say in times of pandemic?	59
	Conclusions from the Eurofound workshop	60
	Summary	61
9.	Conclusions and policy pointers	63
	Lessons learnt from the pandemic	63
	Policy recommendations	64
	References	67
	Annex	71

Country codes

AT	Austria	ES	Spain	LV	Latvia
BE	Belgium	FI	Finland	MT	Malta
BG	Bulgaria	FR	France	NL	Netherlands
CY	Cyprus	HR	Croatia	PL	Poland
CZ	Czechia	HU	Hungary	PT	Portugal
DE	Germany	IE	Ireland	RO	Romania
DK	Denmark	IT	Italy	SE	Sweden
EE	Estonia	LT	Lithuania	SI	Slovenia
EL	Greece	LU	Luxembourg	SK	Slovakia

Executive summary

Introduction

The first full nationwide lockdown in response to the spread of COVID-19 in the European Union was announced in Italy in March 2020, restricting the movement of the population and temporarily closing non-essential shops and businesses. Many other Member States followed suit. Business activities in the EU were massively disrupted by these public health measures. As the pandemic continues, there is an unprecedented and pressing need for companies to rethink and reconfigure the way they do business in cooperation with social partners. This demands a thorough reflection on which changes are likely to remain in the medium to long run, and their implications for operations, supply chains, liquidity and particularly the workforce.

This report investigates how EU establishments initially reacted to the external shock brought about by the outbreak of the pandemic and how workplaces and workplace practices were adapted. It also explores the impact of the pandemic on the health and well-being of workers and how management reacted to it.

EU policy context

The EU has been working on all fronts to contain the spread of the pandemic, support national health systems and counter the socioeconomic impact of the pandemic by taking unprecedented measures at both national and EU levels. These include securing safe and effective vaccines for Europe and the world; setting out economic measures in a recovery package; implementing public health measures; taking a coordinated approach to borders and mobility; and fighting disinformation around the COVID-19 pandemic.

The European Pillar of Social Rights (EPSR), ratified in 2017, is a crucial tool for the EU to organise recovery. It sets out 20 key principles and rights essential for fair and well-functioning labour markets, and reiterates the importance of working conditions conducive to health. The EPSR Action Plan of 4 March 2021 sets out concrete actions implementing these principles and proposes headline targets for the EU to reach by 2030. Stakeholders and heads of state or government welcomed the plan during the Social Summit in Porto on 7–8 May 2021.

A sustainable long-term recovery embracing the core elements of the EPSR and the action plan will focus on three main aspects: skills, social and economic security, and a competitive level playing field for businesses.

Key findings

- COVID-19 hit establishments across the EU hard. Employment decreased in almost 1 in 5 establishments in 2020. Almost 40% of establishments required employees to reduce their working hours. In 23% of establishments, this affected most workers. Overall, the sectors worst hit by the public health measures in terms of employment and working time reductions were commerce and hospitality, and financial and other services.
- Small and medium-sized establishments were more affected by the public health measures than larger companies: they were more likely to suspend operations completely or to reduce the working hours of staff, and drops in establishment performance were consequently more pronounced.
- In 2020, establishment performance dropped by 32% compared with the previous year. More than a quarter of managers reported losses. Similarly, production volume decreased substantially in 2020; 41% of managers reported decreases, compared with 8% in 2019. Decreases in the overall performance of establishments were more pronounced in small and medium-sized establishments than in large ones.
- COVID-19 has disrupted business activities across the EU and pushed managers and their teams to react quickly to continue delivering services and products. Almost half of all establishments had to cease operations to some extent because of COVID-19, especially providers of financial and other services, transport companies, and those in the commerce and hospitality sector.
- Over one-third of establishments changed their main business activity to some extent in response to COVID-19. Around 4 in 10 did not change their main business activity at all. Many companies shifted their main production lines to producing urgently needed protective equipment, respirators, sanitising tools and other apparatus.
- For many businesses, the shift to remote working arrangements in reaction to public health measures marked their most radical change in work organisation. In 2019, telework was not the norm in most companies. At the height of the first wave, in April 2020, this changed completely. Many establishments with no previous teleworking experience quickly adapted to the situation and saw it as an opportunity to make future work more flexible.

- In 2020, more than half of managers reported that the organisational consequences of COVID-19 made it crucial to allow worker autonomy, but 4 in 10 managers responded that the establishment had become more controlling. These figures indicate less focus on autonomy and a more controlling approach than before COVID-19.
- The physical and emotional challenges have been different for on-site and home-based workers. For teleworkers, these have involved the poor ergonomic design of many remote workplaces, the difficulties of home schooling and frustration with monotonous environments. For on-site workers, they have included fear of contagion and radically changed workplace practices due to social distancing requirements. Both types of workers mentioned pandemic fatigue and low motivation.
- There was a risk of less consultation with employees or their representatives, as management had to take swift decisions and often regarded involving staff as cumbersome and time-consuming. However, where official employee representatives existed, they were usually members of ad hoc crisis management teams.

Policy pointers

- The pandemic has underlined that physical health and safety and mental well-being need to be addressed jointly in the workplace. Resources such as employee assistance programmes and counselling, as well as occupational health services, should be provided to support employees.
- The massive and rapid adoption of telework has led to increased discussion in many Member States on how to implement regulations on telework at national or sectoral level, through legislation or collective agreements. For example, Spain adopted Royal Decree-Law 28/2020 in September 2020, introducing comprehensive legislation covering remote work.
- A business continuity plan may help increase a company's capacity to overcome future shocks and can support employees in challenging times. Establishments that invest in crisis management can manage a crisis better and react more efficiently.
- COVID-19 has pushed managers to reassess their approach towards employees. The enormous rate at which workplaces are changing and the increasing proportion of off-site work require more measures to build mutual trust and to shift towards management by objectives.
- Social partners need to further explore the impact of telework on work-life balance and to trigger discussions on the matter to protect workers' interests. Equally, establishments need to set clear objectives to ensure that workers are efficient and productive regardless of where work is performed.

Introduction

Since governments imposed the first measures in response to the outbreak of COVID-19 in early January 2020 and the World Health Organization declared it a pandemic on 11 March, the impact on societies and economies has been massive. The first full nationwide lockdown in the EU was announced in Italy by its then prime minister, Giuseppe Conte, as early as 9 March. It restricted the movement of the population and mandated the temporary closure of non-essential shops and businesses. Many other Member States followed in due course.

Impact on business and workplaces

Business activities in the EU were massively disrupted by the public health measures adopted. In April 2020, nights spent in tourist accommodation dropped by 96% (Eurostat, 2021a), accommodation and food services turnover by 58%, exports by 24% and industrial production by 19% compared with the same month one year earlier, according to Eurostat (2021b). Overall, gross domestic product (GDP) dropped by 11% in the second quarter of 2020 (Eurostat, 2021c), and by the third quarter, as a result of public support measures, government debts peaked at 89% of GDP, compared with 78% in the fourth quarter of 2019 (Eurostat, 2021d).

Businesses around the world faced massive challenges: the collapse of customer demand, interruptions of supply chains, new regulations to comply with and increased uncertainty. Companies across the EU had to adjust their business models, processes and workplaces substantially to keep business running. The health and safety of clients and staff had priority. The radical changes that organisations and their employees experienced have reshaped the world of work: workplaces were rearranged to ensure social distancing, telework took off, and the pandemic accelerated the digital transformation.

Eurofound's European Restructuring Monitor shows that the health crisis doubled restructuring job losses in the first half of 2020, with the transport sector and the commerce and hospitality sector most severely affected (Eurofound, 2020a). The skills forecast scenario for COVID-19 of the European Centre for the Development of Vocational Training (Cedefop, 2021) shows the pandemic is likely to accelerate megatrends that have been present for a long time. These trends include the structural shift to growing employment in services, automation/digitisation and labour market polarisation towards high-skilled jobs.

As the pandemic continues, there is an unprecedented and pressing need for employers to rethink and reconfigure their businesses (PwC, 2021) in cooperation with the social partners. This demands thorough reflection on which changes will remain, and why, in the medium to long run and their implications for operations, supply chains, liquidity and particularly the workforce.

Objectives of the report

This report aspires to support European businesses in navigating the challenges of the COVID-19 pandemic. The focus is on workplace practices and features that have helped establishments across the EU to develop operational resilience while keeping employees and customers safe.

The report investigates how EU establishments initially reacted to the external shock brought about by the outbreak of the pandemic and how they subsequently adapted their workplaces. It also explores the impact of the pandemic on the health and well-being of workers and how management reacted to it. It draws on unique data about EU establishments and companies collected by Eurofound and Cedefop in November 2020 through an online follow-up to the European Company Survey (ECS) 2019 (see Eurofound and Cedefop, 2020) and in-depth interviews conducted in early 2021 with managers and employees or their representatives, drawing from the same sample of establishments.

The research explores how the COVID-19 outbreak and subsequent disruptions affected business operations and work organisation. The focus is on measures at the physical workplace, changes in workplace practices and work organisation, internal communication, crisis management and the role of workplace social dialogue.

The contexts within which these reactions have taken place differ across countries (owing to the variety of approaches taken by national governments), sectors and subsectors. Some subsectors, such as hospitality and retail, were affected by lengthy closures, while others kept operating without major interruptions. As these circumstances were beyond the control of managers, the report explores the factors that helped in overcoming the challenges establishments faced because of governmental decisions. There were advantages for establishments that had previously invested in the digitalisation of work processes and those that were able to quickly transition to remote working. Indeed, for many businesses, remote working

arrangements marked the most radical change to work organisation in their history. The capability of establishments to provide necessary equipment and infrastructures and the preparedness of managers to deal with these changes to keep the business in operation have been central drivers of success.

Although there is no final verdict on how successfully EU businesses will eventually emerge from the pandemic, the report uncovers what business features helped turn the deep impact of the pandemic into favourable outcomes for their workplaces. First and foremost, the report concludes that establishments with forward-looking management, a good workplace climate and an effective strategy for communicating with staff (and clients) are likely to emerge faster from the crisis than others and can be expected to be more resilient to future disruptive events. However, many lessons that can be drawn from what happened during the COVID-19 crisis are relevant to the functioning of businesses in general.

EU policy context

The EU has been working on all fronts to contain the spread of COVID-19, support national health systems and counter the socioeconomic impact of the pandemic, taking unprecedented measures at both national and EU levels.¹ These include:

- securing safe and effective vaccines for Europe and the world
- setting out economic measures in a recovery package
- implementing public health measures
- taking a coordinated approach to borders and mobility
- fighting disinformation around the coronavirus pandemic

On 10 February 2021, the European Commission welcomed the European Parliament's approval of the €672.5 billion Recovery and Resilience Facility available to EU Member States to support reforms and investments under NextGenerationEU (European Commission, 2021b), the temporary instrument designed to boost recovery and help Europe emerge stronger from the crisis. The facility is closely linked with the Commission's priorities for a greener, more digital and more resilient Europe. To benefit from the support of the facility, Member States have to submit their recovery and resilience plans for assessment by the Commission and approval by the Council of the EU. The plans set out reforms and investments to be implemented up to 2026.

In March 2020, the European Central Bank initiated a €750 billion Pandemic Emergency Purchase Programme to counter the serious risks to the monetary policy transmission mechanism. This was increased by €600 billion on 4 June 2020 and by €500 billion on 10 December 2020, so that the programme totals €1,850 billion.

The EPSR, ratified in 2017, provides a crucial tool for the EU to facilitate recovery. It sets out 20 key principles and rights essential for fair and well-functioning labour markets and reiterates the importance of working conditions conducive to health. Principle 10 declares that workers have the right to healthy, safe and well-adapted work environments. Principle 8 highlights the importance of social dialogue and the involvement of workers in the 'design and implementation of economic, employment and social policies' and stresses the right of workers and their representatives to be informed of and consulted on matters relevant to them in good time. The EPSR Action Plan of 4 March 2021 sets out concrete actions implementing these principles and proposes headline targets (see Box 1) for the EU to reach by 2030, which were welcomed during the Social Summit organised by the Portuguese Council presidency in Porto on 7–8 May 2021.

The future world of work: Digitalised workplaces

COVID-19 became a catalyst of change in many workplaces by accelerating the implementation of already planned changes, such as remote work or digitalisation. In this context, in March 2021, the European Commission adopted a communication entitled *Europe's Digital Compass* (European Commission, 2021c), renewing the European digital strategy *Shaping Europe's Digital Future* (European Commission, 2020a), which outlines the plans for the digital transformation of Europe by 2030. Stepping up the implementation of digital technologies in companies, and especially small and medium-sized enterprises (SMEs), is a key priority of the communication. It is in line with previous efforts to digitalise EU businesses such as the 2016 Commission initiative *Digitising European Industry*, which was part of the Digital Single Market strategy. The EPSR Action Plan follows up on this and emphasises the important role of digital technologies in Europe's economic and social recovery after COVID-19.

Policymakers are well aware of challenges and risks that the use of advanced digital technologies in the workplace poses to employers and workers. Accelerated digitalisation is changing workplaces, work and

¹ For more information, see European Commission (2021a).

Box 1: Three EU targets set the goals for 2030

With an employment rate in the EU of 73.1% in 2019, the Europe 2020 employment rate target of 75% was almost reached. Despite the EU's best efforts, the COVID-19 crisis put an end to six years of positive progress on employment, with an employment rate of 78.3% for men and 66.6% for women by the third quarter of 2020. By setting a new headline target for 2030, the EU reaffirms its commitment to an inclusive high employment rate. In order to achieve this overall goal, Europe must strive to:

- at least halve the gender employment gap compared with 2019, which will be paramount to progress on gender equality and achieve the employment target for the entire working-age population
- increase the provision of formal early childhood education and care, thus contributing to better reconciliation between professional and private life and supporting stronger labour market participation among women
- reduce the rate of people aged 15–29 who are neither in employment nor in education or training from 12.6% (2019) to 9%, namely by improving their employment prospects

(European Commission, 2021a)

employment profoundly and can imply constant availability and connectivity. EU social partners (BusinessEurope, the European Trade Union Confederation (ETUC), the European Centre of Employers and Enterprises providing Public Services and Services of general interest, and the Association of Crafts and SMEs in Europe) acknowledged that these challenges require 'anticipation of change, [and] the delivery of skills for workers and enterprises to succeed' and signed a framework agreement on digitalisation on 22 June 2020 supporting the successful integration of digital technologies in the workplace, investment in digital skills, skills updating and the continuous employability of the workforce (BusinessEurope et al, 2020). The agreement encourages employers and unions to introduce digital transformation strategies in partnership and with a human-oriented approach at national, sectoral, company and workplace levels. These strategies could include procedures for connecting and disconnecting, respect of working time rules and appropriate measures to ensure compliance.

On 21 January 2021, the European Parliament followed up and endorsed its resolution on the right to disconnect, which stated that 'respect for working time and its predictability is considered to be essential to ensure the health and safety of workers and their families in the Union' (European Parliament, 2021).²

The European Commission, in the EPSR Action Plan, states its commitment to respond to the European Parliament's own initiative resolution through a legislative act, subject to a social partner consultation under Article 154 of the Treaty on the Functioning of the

European Union. The Commission invites social partners to find commonly agreed solutions to address the challenges raised by telework, digitalisation and the right to disconnect (European Commission, 2021d).

The three key objectives of the Strategic Framework on Health and Safety at Work 2021–2027 add to these key actions by emphasising the importance of anticipating and managing change in the new world of work brought about by the green, digital and demographic transitions; improving prevention of workplace accidents and illnesses; and increasing preparedness for any potential future health crises.

Long-term recovery

European social partners have a crucial role in paving the way for a balanced recovery and making sure that the transition towards the post-pandemic world of work will sustainably benefit both businesses and workers.

A sustainable long-term recovery embracing the core elements of the EPSR and the action plan will focus on three main aspects: skills, social and economic security, and a competitive level playing field for businesses (European Commission, 2020b).

The EU is committed to having digitally skilled citizens and highly skilled digital professionals by 2030. Its targets include 80% of adults having at least basic digital skills and 20 million information and communications technology (ICT) specialists being employed in the EU by 2030, with convergence between women and men. In addition, 60% of all adults should be participating in training every year.

² The right to disconnect is a worker's right to be able to disengage from work and refrain from engaging in work-related electronic communications, such as emails or other messages, during non-work hours (Eurofound, 2019).

Targets set with a view to social and economic security include 78% of the population aged 20–64 being in employment and a reduction of at least 15 million in the number of people at risk of poverty or social exclusion by 2030. In the shorter term, as part of the EU's initial response to the pandemic, the Council has implemented the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE), which aims to have an immediate impact on employment and financially supports Member States to combat negative social and economic consequences on their territory (European Commission, 2021e). The Commission's strategic approach to gradually transitioning from emergency measures taken to preserve jobs during the pandemic to new measures for a job-rich recovery are outlined in the recommendation on effective support to employment following the COVID-19 crisis (European Commission, 2021f).

As regards business activity, targets are set for 2030 that 3 out of 4 companies should use cloud computing services, big data and artificial intelligence, and over 90% of EU SMEs should reach at least a basic level of digital intensity (European Commission, 2021g). While a minimum of 20% of the Recovery and Resilience Facility will be directed towards fostering the digital transformation, a minimum of 37% should be used for climate investments and reforms that open up opportunities for innovative and new businesses across the EU.

A further priority for the European Commission remains to identify and address barriers to the single market, the main objective being to 'unleash untapped economic potential'; this is in line with the New Industrial Strategy for Europe, which underlines that a strong, integrated single market is a 'springboard and pre-condition for competitive EU industry' (European Commission, 2020c).

Optimism, trust and democracy

The pre-condition for a successful transition towards a post-pandemic world of work and a sustainable long-term recovery is well-functioning and broadly trusted institutions at EU and Member State levels. Decreasing levels of trust in all institutions, including national governments and the EU, as observed in Eurofound's *Living, working and COVID-19 e-survey*, are a source of concern and highlight the widening of existing inequalities in the EU during the pandemic. Trust, however, as previously highlighted by Eurofound (2017), is an essential component of effective governance and crucial for well-functioning democracies. High levels of

trust in governmental institutions are correlated with compliance with regulations, willingness to pay taxes and the stability of political systems. Decreasing levels of trust reflect a lack of optimism and indicate systemic problems that should alert policymakers at all levels.

The concept that 'trust is key' was also underlined by BusinessEurope's president, Pierre Gattaz, at the panel debate on the industrial renaissance in Europe on 21 May 2021: 'Companies will only invest in Europe if they feel they can trust public authorities to create a stable and favourable economic environment' (BusinessEurope, 2021). The ETUC took a similar line from a different perspective when stating that the independence of institutions is 'vital to the balance of power in society and trust in democracy' (ETUC, 2021).

Methodological notes

This report draws on findings from two main sources: the COVID-19-focused online follow-up to the ECS 2019, carried out in November 2020, and 53 case studies based on 76 in-depth interviews with managers and workers or staff representatives across the EU, drawing from the sample of the online survey. Other materials used include the Eurofound COVID-19 EU PolicyWatch (focus on company practices), an expert workshop that took place in June 2021 (discussing findings from the survey and the interviews), literature reviews and other Eurofound data collections (such as the *Living, working and COVID-19 e-survey*).³

COVID-19 online ECS follow-up

Eurofound and Cedefop joined forces to carry out the ECS 2020, a follow-up survey to the ECS 2019 in light of the outbreak of the COVID-19 pandemic. The ECS 2020 was an online survey that collected data on workplace practices in over 1,200 establishments in the EU27 and the United Kingdom (UK). These data pertained to work organisation, human resource management, skills use, skills strategies, digitalisation, direct employee participation and workplace social dialogue. Unlike the ECS 2019, only the management respondents were addressed. Of the respondents, 670 identified as female, 601 as male and 5 as other.

Those managers who had agreed to be re-contacted for research purposes following their participation in the ECS 2019 were invited to complete an online questionnaire focusing on COVID-19, about six months after the health crisis struck. The survey questionnaire repeated a range of questions from the 2019 survey to enable comparisons over time. It also featured a set of

³ More information on the COVID-19 EU PolicyWatch database is available at <https://static.eurofound.europa.eu/covid19db/database.html>

newly developed questions on the effects of the pandemic on business operations (immediately after the start of the crisis and afterwards), work organisation, human resource policies, changes in skills needs, training, telework and other issues.

After the questionnaire was translated into 21 languages and the translations verified, invitations containing a personalised link to it were sent by email to 5,134 managers in the EU27 and the UK. In total, 1,276 managers completed the questionnaire. The data were weighted to match the population of establishments in the EU and obtain representative findings (see Annex). However, it must be noted that standard errors of point estimates based on these data are considerable.

Data collection started on Monday 9 November 2020 and concluded on Monday 30 November 2020.⁴

Approach to reporting findings

The findings reported from the survey in this report are EU27-level aggregates. In several countries, the low number of survey responses did not allow for analysis at Member State level. In the chapters that follow, other key variables that characterise establishments are used in the analysis. For all themes, issues, trends and corporate responses, it was systematically assessed whether there are differences according to economic sector, establishment size (number of employees),

employment developments in 2020 and establishment type (single-establishment company, headquarters or subsidiary site). The categorisation developed on the basis of the ECS 2019, which distinguishes four groups of establishments based on the extent to which they invest in employees and involve them in decision-making, was also used as a key background variable (see Box 2).

In-depth follow-up interviews

Eurofound and members of the Network of Eurofound Correspondents contacted respondents of the online survey who had agreed to participate in follow-up research, and asked them to participate in in-depth interviews regarding the impact of COVID-19 on their workplaces. During the interviews, managers were asked to provide contact details of staff representatives, or – if none were available – individual workers to cover the employee perspective. Overall, 53 managers and 23 employee representatives/workers were interviewed by video or phone calls in 15 EU Member States.⁵ The average interview duration was 55 minutes. Guidelines for interviews with both managers and employee representatives/workers were prepared by Eurofound and shared with the network. Interviews with each establishment/company were summarised in a case study with a pre-defined structure. All case studies are available upon request.

Box 2: Four types of establishments

High investment, high involvement: Employees have a high degree of autonomy, and management has high expectations of them, matching this with high use of incentives and comprehensive variable pay, extensive training and learning opportunities, and direct involvement of employees in decision-making. Establishments are likely to have an employee representative and are relatively often members of an employer organisation.

Selective investment, moderate involvement: Employees have some autonomy, and management has moderate expectations of them. Deployment of incentives is moderate, with selective access to variable pay and selective training and learning opportunities. Involvement of employees is irregular or focused on meetings. The percentage with an employee representation structure is average, but establishments are relatively likely to be members of an employer organisation.

Moderate investment, irregular involvement: Employees have little autonomy, while expectations of them are moderate and matched by limited use of non-monetary incentives. These establishments are relatively likely to offer variable pay and limited training and learning opportunities, and irregularly involve employees in decision-making. The percentage with employee representation is average, and they are unlikely to be members of an employer organisation.

Low investment, low involvement: Employees have little autonomy, expectations of staff are low and use of non-monetary incentives or variable pay is low. Learning opportunities are limited, as is employee involvement. Establishments are unlikely to have an official structure for employee representation and are unlikely to be members of an employer organisation.

⁴ For further information regarding weighting and the representativeness of the survey, see Annex and Eurofound (forthcoming).

⁵ They were Austria, Czechia, Denmark, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Lithuania, Netherlands, Portugal, Romania and Slovenia.

The interview was structured in four main parts with the following contents:

Part 1. Business performance (current business status, estimate of business's turnover and so on)

Part 2. The COVID-19 experience in the workplace:

- changes in core business activity
- extraordinary ad hoc measures
- changes in central business activities, redeployment, task shifts and work organisation
- teleworking
- preparedness of managers in changing circumstances
- communication with workers/employee involvement/workplace social dialogue

Part 3. Health and well-being of staff

Part 4. Résumé and lessons learnt

In-depth interviews are not meant to be representative, and no comparison across Member States is carried out. The aim of these studies is to illustrate trends and developments that are found in quantitative evidence across sectors, sizes and types of establishments. Table 1 gives an overview of the distribution of case studies across sectors, sizes and types.

Workshop with experts and social partner representatives

On 9 and 10 June 2021, Eurofound organised an online workshop with the aim of bringing together experts and practitioners including academics, social partners, works councils and other stakeholders to reflect and discuss how COVID-19 has changed the workplace. Participants attended a series of five short sessions over the course of two days, and discussions focused on the following topics:

- crisis-related workplace measures – what will be kept and why? (structural changes)

- policy recommendations for making businesses, workplaces and workers more resilient (human resource management and business strategies)
- future business strategies (competitiveness)
- conclusions for employers and trade unions (workplace social dialogue)

The workshop strongly focused on the role of social partners and workplace social dialogue in tackling the crisis. Questions discussed included the following: How was workplace social dialogue perceived by works councils during the pandemic? What is the employers' perspective on the functioning of workplace social dialogue? What is the trade union perspective?

Other crucial topics covered were workplace adaptation, post-pandemic recovery and policy conclusions: How can businesses and workplaces prepare for a post-pandemic world, and what strategies are there for bouncing back? What are the lessons learnt from a crisis management perspective, and how prepared are businesses to execute their plans and projects?

The final discussion addressed how to make businesses, workplaces and workers more resilient. The main questions debated included the following: Can we already draw conclusions on which factors made businesses, workplaces and staff more resilient? How can we ensure healthy and sustainable workplaces? What are the crucial messages to be conveyed to policymakers?

Report structure

The remainder of the report is structured as follows. Chapter 1 presents findings on how macroeconomic changes translated into the situations of establishments between spring 2019 and autumn 2020. It explores developments in employment and working time at workplace level and looks at differences among establishments according to sector, size and other characteristics.

Table 1: Distribution of Eurofound case studies

Broad sector	Case studies	Employee representative/ worker interviews	10–49 employees	50–249 employees	250+ employees
Commerce and hospitality	12	4	9	2	1
Construction	6	1	3	2	1
Industry	11	5	6	3	1
Financial services	3	2	0	1	2
Other services	19	10	11	3	4
Transport	2	1	0	1	1

Note: All case studies are available upon demand.

Source: Eurofound

Building on previous Eurofound and Cedefop research (Eurofound and Cedefop, 2020), Chapter 2 explores how two outcome indicators, namely establishment performance and workplace well-being, have developed during the pandemic. These indicators include information on production volume, profits and losses, employment developments, workplace climate and (the absence of) human resources challenges.

Chapter 3 reflects on business continuity in the ongoing pandemic and how businesses adjusted to COVID-19 and the public policy response. It presents findings on the immediate effects of disruptions in business activities on employment and economic performance. It also highlights how the reorientation of business activities helped to manage the crisis.

Chapter 4 zooms in on the workplace and provides insights on how both the physical workplace and work organisation were adapted in response to COVID-19. Changes to the physical infrastructure are discussed alongside the transition to remote work. Case studies illustrate good practices and accentuate challenges that came along with a full-blown shift to remote work.

Chapter 5 examines how work autonomy, job complexity and related supervision/management approaches have evolved during the pandemic. The chapter also explores management's expectations of staff in October 2020 compared with spring 2019.

The focus of Chapter 6 is on internal communication and crisis management. It considers which channels of communication were used and how prepared managers were to deal with the unforeseen scope of the crisis.

Chapter 7 looks at the impact of the pandemic on the health and well-being of employees. It highlights management initiatives targeted at perceived decreases in mental well-being, lack of social contact and other challenges.

Finally, Chapter 8 discusses workplace social dialogue and employee involvement during COVID-19 and looks into developments since spring 2019.

The report closes with conclusions and policy pointers.

1 Immediate effects on staff: Employment and working time

In the 12 months leading up to spring 2020, EU employment declined by 2.4%, the weekly hours of those still in work dropped by nearly one hour, and the share of workers employed but not working more than doubled to 17%. Workers with precarious employment conditions have been particularly exposed to pandemic-induced job losses: the number of temporary contracts in the EU27 shrank by 17% between spring 2019 and spring 2020, accounting for well over three-quarters of the decline in aggregate EU employment (Eurofound, 2021a).

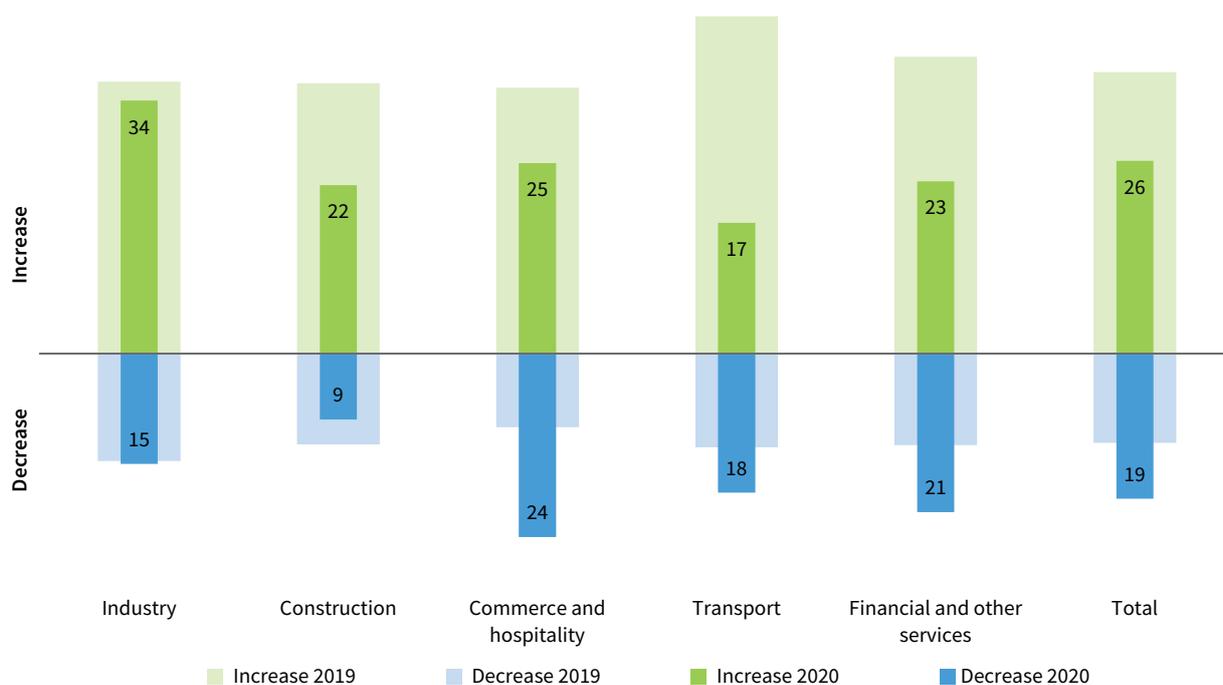
This chapter analyses how macroeconomic changes affected establishments between spring 2019 and autumn 2020. It explores developments in employment and working time at workplace level and looks at differences among establishments according to sector, size and other characteristics.

Changes in employment

In autumn 2020, almost 1 in 5 managers reported a decrease in employment, compared with only 1 in 10 in 2019 based on ECS data. A quarter of the respondents reported an increase in staff in 2020, compared with 37% in 2019. There were no substantial differences between establishments of different sizes, although managers of medium-sized establishments were slightly more likely to report employment growth (34% versus 26% average).

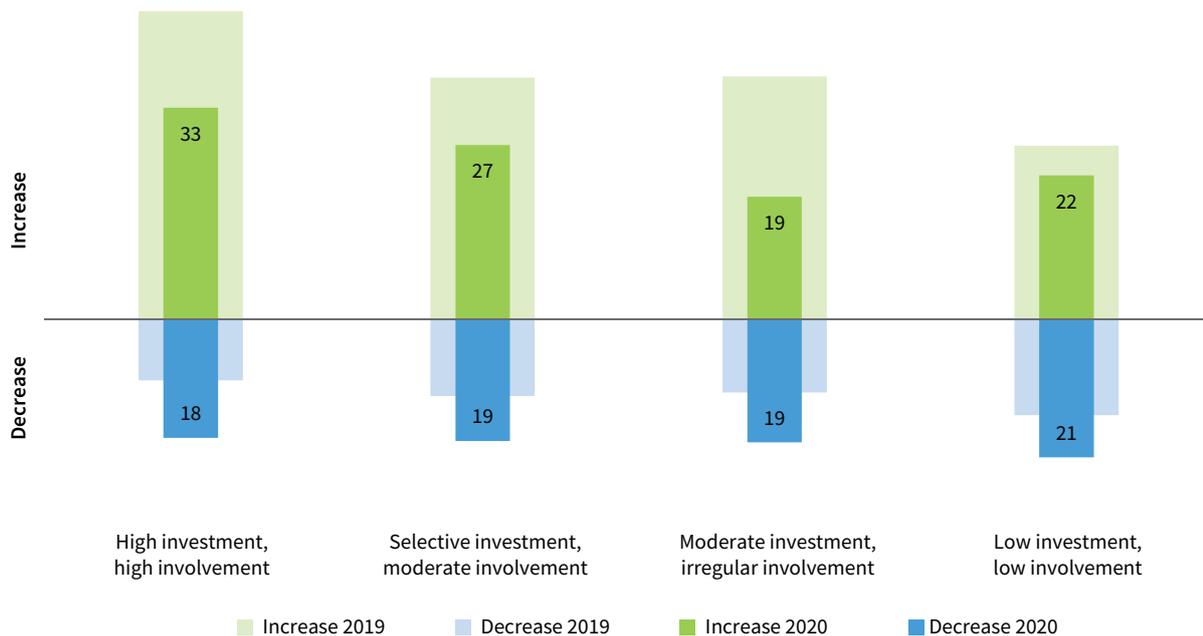
The sectoral perspective provides a more nuanced picture (Figure 1). Changes in employment in industry in 2020 were very similar to those in 2019. Construction establishments did not have greater decreases in staff in 2020 either, but they hired fewer additional employees than in 2019. The sectors with the most significant staff reductions (substantially above the 2019 level) were financial and other services and hospitality (with a reduction of 21% or more). Fewer additional staff were hired in the transport sector, but staff cuts were only slightly above the 2019 level.

Figure 1: Change in number of employees by sector, 2019 and 2020 (%)



Sources: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (ECS 2020)

Figure 2: Change in number of employees by establishment type, 2019 and 2020 (%)



Sources: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

Managers from establishments that were classified as the low-investment, low-involvement type, based on ECS 2019 data, reported the largest proportions of staff decrease and the lowest proportions of newly hired employees in 2019, while it was the other way around for high-investment, high-involvement establishments (Figure 2). In 2020, the differences between these types of establishments were less pronounced, but the high-investment, high-involvement type continued to hire new staff more than average (33% versus 26%).

The previous growth in employment based on ECS 2019 data was only weakly associated with growth reported in the ECS 2020. This is not surprising given the disruptive nature of the COVID-19 pandemic.

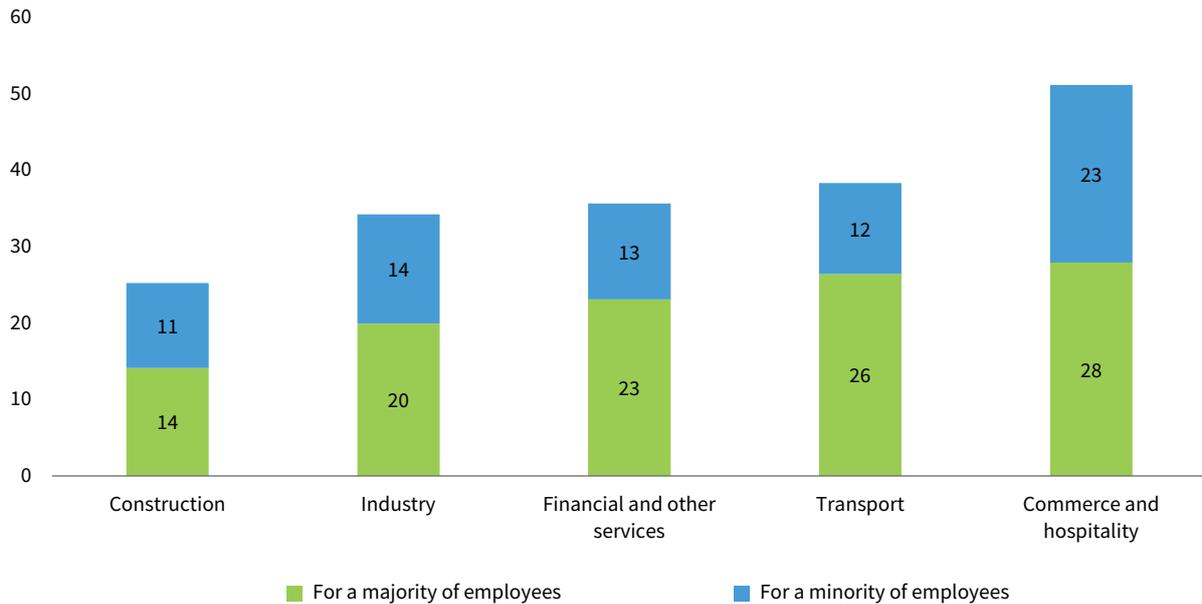
However, around 40% of managers reporting staff increases in 2019 also did so in 2020, but 1 in 5 in this category had to cut staff numbers, most likely because of the pandemic. Interestingly, 10% of establishments that reduced numbers of employees in 2019 saw growth in 2020, but 20% of them had further cuts.

According to the ECS 2020, many establishments availed themselves of public support such as short-time work schemes or financial subsidies. The use of such schemes did not always prevent staff reductions, but it did help to protect employment levels. Still, a quarter of those establishments that applied for or were granted public support had to reduce staff.

Reduction in working time

Short-time work and other public support schemes considerably helped to buffer the impact of COVID-19 on the labour market. These schemes were to the benefit of both employers, who did not have to dismiss staff, and workers, who were given the option to return to work once the situation changed. In the EU27, on average, weekly hours worked dropped by 0.9 hours between the second quarter of 2019 and the second quarter of 2020. The proportion of staff who remained employed but did not work at all increased by 10% in the same period (Eurofound, 2021a).

Figure 3: Reduction in working time due to COVID-19, by sector (%)



Source: COVID-19 ECS follow-up survey (2020)

Against this backdrop, the ECS 2020 shows that almost 40% of managers in the EU27 required employees to reduce their working hours in dealing with COVID-19. In 23% of establishments, managers reported that this affected a majority of employees. The sector most severely affected was commerce and hospitality, with more than half of the respondents reporting a reduction in hours for some or most staff, while only 1 in 4 managers in construction reported this (Figure 3).

Table 2 shows that working time reduction was associated with staff reduction. In more than 60% of establishments that had to lay off employees, working time was also reduced, while this was the case in only around 30% of establishments where staff numbers increased or didn't change. This demonstrates that COVID-19 forced managers to apply a mix of measures

to keep the business running. Interestingly, establishments with a high proportion of staff working part-time were more likely to reduce working time. The driving factor, however, was the sectoral differences. Managers in the commerce and hospitality sector and the financial and other services sector reported the highest proportions of staff working part-time. These sectors were the hardest hit by public health measures and hence were forced to activate short-time working schemes.

There were no substantial differences between establishments with different proportions of permanent contracts. Managers of establishments with formal employee representation on site were slightly less likely to report a reduction in working time, but differences were small (given the standard errors).

Table 2: Reduction in working time due to COVID-19, by establishment characteristics

	% of establishments	Standard error
Establishment size		
10–49	40	3.3
50–249	32	4.6
250 or more	36	6.1
Change in employment		
Increased	32	4.6
About the same	34	3.9
Decreased	62	6.2
Part-time (2019)		
< 20%	33	3.0
20–79%	51	6.1
≥ 80%	50	8.7
Permanent contracts 2019		
< 20%	34	9.7
20–79%	38	6.4
≥ 80%	39	3.3
Permanent contracts 2020		
< 20%	32	10.8
20–79%	40	9.7
≥ 80%	39	4.6
Employee representative		
No	41	3.4
Yes	34	4.7
Type of establishment (investment/involvement)		
High/high	34	4.7
Low/low	37	7.1
Total	39	1.9

Source: COVID-19 ECS follow-up survey (2020)

Summary

This chapter explored how the massive macroeconomic changes in the EU27 affected establishments between spring 2019 and autumn 2020. It investigated developments in employment and working time at workplace level and looked at differences among establishments according to sector, size and other characteristics.

- COVID-19 hit establishments across the EU27 hard. Employment decreased in almost 1 in 5 establishments in 2020. The sectors with the most significant staff reductions were financial and other services and commerce and hospitality. The fewest additional staff were hired in the transport sector.
- Establishments of the high-investment, high-involvement type continued to hire above the average level, but in terms of staff reductions there were no substantial differences between them and the low-involvement, low-investment type.
- Almost 40% of establishments required employees to reduce their working hours in response to COVID-19. In 23% of establishments, this affected a majority of workers. Smaller businesses were more affected than the average.
- More than two-thirds of establishments with staff reductions benefited from public support measures such as short-time work schemes or financial support.
- The sectors worst hit by the public health measures in terms of employment and working time reductions were commerce and hospitality and financial and other services. Smaller businesses were more likely to be heavily affected than medium-sized and large organisations.

2 How COVID-19 affected outcomes: Establishment performance and workplace well-being

This chapter reports how the changes COVID-19 forced on workplaces affected outcomes for workers and establishments. This builds on previous Eurofound and Cedefop research (2020), which demonstrates to what extent patterns in workplace practices and strategies in European establishments are associated with these outcomes. For this purpose, two previously constructed composite indicators have been adapted for this report based on information collected in the COVID-19 ECS online follow-up survey: establishment performance and workplace well-being.

Establishment performance: No business, no gains

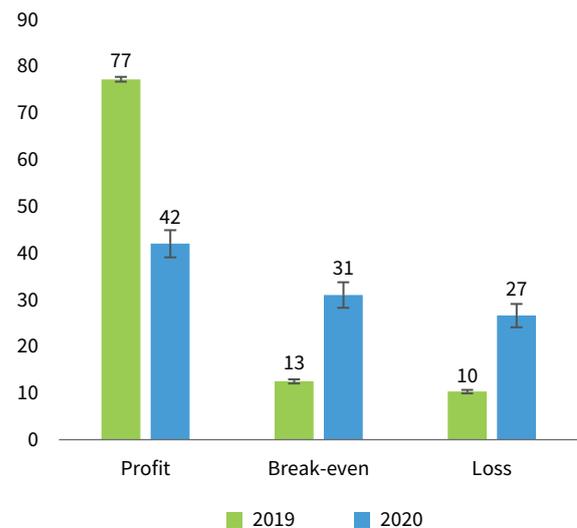
The three items included in Eurofound's performance indicator, which ranges from 0 to 100, are:

- production volume – change in the quantity of goods or services produced by the company/establishment
- profit – expected profits or losses
- changes in staff numbers – expected change in the total number of employees in the next three years

Looking at these items individually, it is no surprise that all three changed significantly between spring 2019 and autumn 2020. Back in 2019, profits were reported by 77% of the managers. In 2020, the proportion dropped to 42% (Figure 4). Losses, on the other hand, were reported by only 1 in 10 managers in 2019, but by more than a quarter of them in 2020. Similarly, production volume decreased substantially in 2020, with 42% of the respondents reporting decreases compared with only 8% in 2019 (Figure 5). Less fluctuation, with only marginal differences between 2019 and 2020, was observed for the expected change in staff numbers over the three years following the time of the interview.

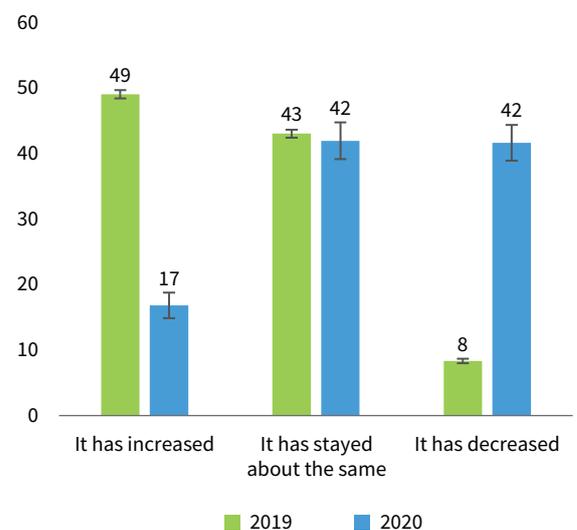
Decreases in establishment performance affected workplaces that reported staff cuts (-50%) more than those with a growing number of employees (-20%) (Table 3). Transport (-39%), commerce and hospitality (-36%) and financial and other services (-32%) were the sectors with the biggest decreases. Construction and industrial establishments had significantly lower falls.

Figure 4: Proportion of establishments reporting profit/loss, 2019 and 2020 (%)



Note: Error bars represent standard errors of point estimates. The standard error measures the accuracy with which a sample distribution represents a population by using standard deviation from the mean. **Sources:** ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

Figure 5: Proportion of establishments reporting increases/decreases in production volume, 2019 and 2020 (%)



Note: Error bars represent standard errors of point estimates. The standard error measures the accuracy with which a sample distribution represents a population by using standard deviation from the mean. **Sources:** ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

Table 3: Average establishment performance levels by establishment characteristics, indexed mean, standard errors and % change in indexed mean

	2019		2020		2019–20
	Indexed mean (total = 100)	Standard error of mean	Indexed mean (total 2019 = 100)	Standard error of mean	% change in indexed mean
Establishment size (number of employees)					
10–49	100	0.2	68	1.0	-32
50–249	102	0.4	69	1.5	-33
≥ 250	97	0.9	77	2.9	-20
Type of site					
Single-establishment	100	0.2	68	0.9	-32
Headquarters	102	0.5	65	2.2	-37
Subsidiary site	97	0.7	74	2.8	-23
Change in employment in 2020					
Increased	107	1.1	87	1.4	-20
Remained about the same	97	0.9	67	1.0	-30
Decreased	98	1.4	48	1.6	-50
Sector					
Industry	100	0.4	72	1.5	-28
Construction	102	0.6	78	2.0	-24
Commerce and hospitality	101	0.4	65	1.7	-36
Transport	101	0.9	62	3.4	-39
Financial and other services	99	0.4	67	1.4	-32
Type of establishment (investment/involvement)					
High/high	107	0.4	70	1.6	-37
Low/low	93	0.5	67	2.3	-26
Total	100	0.2	68	0.8	-32

Note: Means of the establishment performance indicator (ranging from 0 to 100) were indexed on the total level of 2019 (total 2019 = 100) to make the numbers relative and comparable. The table reads as follows: establishments with 250 or more employees had a relative mean of 97, which means that the level was 3% below the total of 2019. In 2020, the indexed mean of the same establishments was 77 and hence 23% below the total 2019 level and 20% below the performance level of establishments in the same category in 2019.

Sources: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

Managers of establishments of the high-investment, high-involvement type reported the highest levels of performance in 2019, while the low-investment, low-involvement type was at the bottom. The drops in 2020, however, were more pronounced in the former than in the latter. This difference is mainly due to loss in profit, suggesting that high-investment, high-involvement businesses took the hit by reducing profit, whereas low-investment, low-involvement businesses took the hit by laying people off and reducing production.

Workplace well-being: Fall in motivation levels was slight

The ECS is an establishment survey and does not target employees directly. Hence, no direct information on employee well-being is available. The well-being indicator is based on three items collected in both 2019 and 2020, and rather reflects the health of the workplace from a management perspective.

The following items are included:

- the general work climate
- the quality of the relationship between management and employees
- challenges with human resources – motivation and staff retention

Overall, there were almost no changes between spring 2019 and autumn 2020 regarding employee motivation and workplace climate. Regarding staff retention, shifts were more pronounced. While managers perceived staff retention as being not very difficult or not difficult at all in 73% of establishments in 2019, the proportion went up to 79% in 2020, indicating that those employees were less likely to leave their jobs. These developments are reflected in a moderate increase in the composite well-being index between 2019 and 2020. The finding should be interpreted with care and strictly against the backdrop of the situation in November 2020.

With regard to motivation, no significant changes were observed across establishments between spring 2019 and autumn 2020. However, examining sectors, motivation decreased in the construction sector (-6%) and increased in the transport sector (+7%). Changes in other sectors were marginal. Small businesses with 10–49 employees recorded no motivational changes, but motivation increased (+4%) in medium-sized establishments and decreased (-6%) in large ones.

Summary

In this chapter, developments in establishment performance and workplace well-being – two important outcome indicators – were scrutinised.

- In 2020, establishment performance dropped by 32% compared with the previous year. Losses were reported in more than a quarter of establishments. Similarly, production volume decreased substantially in 2020, with 41% of managers reporting decreases compared with 8% in 2019.
- Decreases in establishment performance were more pronounced in small and medium-sized establishments than in large ones, and especially affected workplaces that reported dismissals.
- Commerce and hospitality, transport, and financial and other services were the most affected sectors, but performance drops were also felt by managers in industry and construction establishments.
- Motivation of staff – according to managers – remained stable during the pandemic and across establishments. However, decreases in motivation were observed in construction establishments.

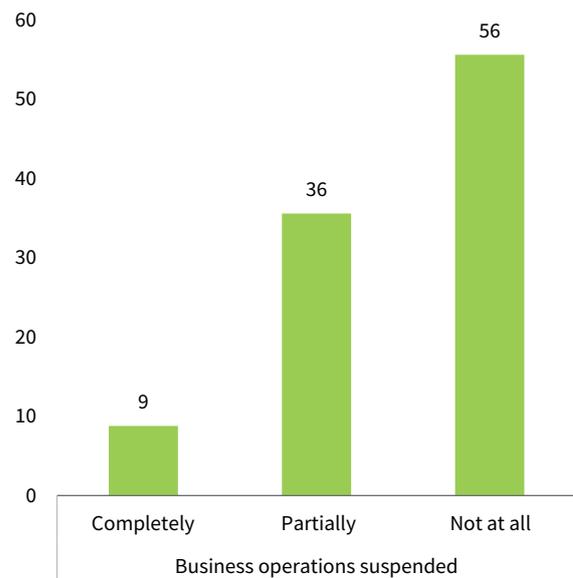
3 Business continuity and operational resilience

This chapter reflects on business continuity in the pandemic and how businesses adjusted to the external shock brought about by COVID-19. It presents findings on the immediate effects of suspensions of business activity on employment and establishment performance. It also highlights how the reorientation of business activities helped in managing the crisis. Findings from in-depth interviews and the Eurofound COVID-19 EU PolicyWatch illustrate the statistics with a couple of concrete examples.

Suspended business activities

COVID-19 has disrupted business activities across the world and pushed managers and their teams to react quickly to continue the delivery of services and products and continue planning for further disruptions to follow. Business continuity is defined as the ability of an organisation to ensure its operations and core business functions in the face of adverse operational events (Rebmann et al, 2013). The degree to which operations were affected by the public health measures was beyond the control of companies. Much depended on the sector of activity or the nature of their business and on the approach that national governments took; establishments providing products or services that involve client-facing activities, close physical contact, or cross-border operations or audiences were among those most affected. Commerce and hospitality, non-essential retail, entertainment and tourism are the most obvious subsectors to mention. Establishments that were able to transition to a remote work organisation with most of their staff working from home were obviously less affected by such suspensions.

Figure 6: Complete or partial suspension of business (%)



Source: COVID-19 ECS follow-up survey (2020)

Figure 6 shows that according to the ECS 2020 almost half of the establishments had to partially or completely cease their operations as a result of COVID-19. There were no notable differences between establishments of different sizes or types.

The differences between sectors are highlighted in Figure 7. Service establishments (financial and other services), transport firms and those operating in commerce and hospitality were most likely to face complete or partial suspensions, with one in two managers reporting having suspended operations, while construction and industry were less affected.

Figure 7 : Complete or partial suspension of business activity by sector (%)



Source: COVID-19 ECS follow-up survey (2020)

Unsurprisingly, operational suspensions were associated with staff cuts, which were reported by almost 30% of managers in establishments where business was interrupted, but only by 12% in those that continued their operations without interruption (Figure 8).

To keep the business afloat, most establishments that faced suspensions had to resort to public support measures. More than 80% of establishments with

suspensions applied for or received such support, while this was the case for only 38% of businesses without any interruptions in their activities.

Business continuity and establishment performance

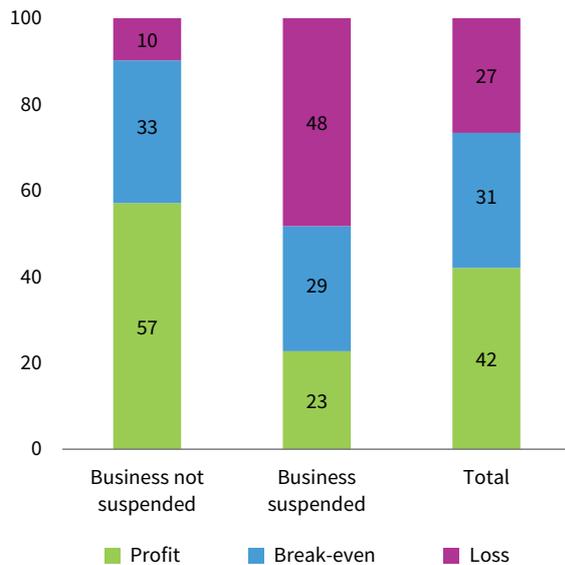
Lockdown measures and restrictions favoured some businesses such as online retailers and traders and actually boosted their overall performance. Amazon, for instance, delivered a record performance in 2020, with a net profit increase of 84% compared with 2019, as reported by Forbes (2021). Many establishments were less lucky and expected losses. The suspension of business operations played an important role, although other factors, such as a general collapse of customer demand and the interruption of supply chains, played a role as well. A Dutch transshipment company, for instance, reported a loss of 40% of its revenues in 2020, although it remained operational throughout the different phases of lockdowns in the Netherlands. As a result of government regulations and adverse economic conditions faced by its clients, demand for its services dropped substantially.

Almost half of the managers in establishments that faced suspensions reported that they expected losses in 2020, while this was reported by only 1 in 10 of those who continued business throughout the pandemic (Figure 9). Differences were equally pronounced as regards production and service volumes: almost 2 in 3 of those affected by suspensions reported decreases, while only 1 in 4 did so among enterprises that continued business (Figure 10). Production/service growth was reported by 9% of the former and by 23% of the latter.

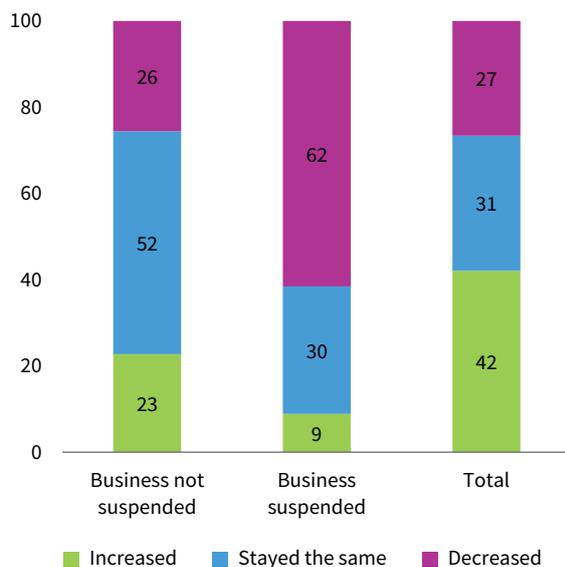
Figure 8: Change in employment by degree of business suspension (%)



Source: COVID-19 ECS follow-up survey (2020)

Figure 9: Profit outlook by business suspensions (%)

Source: COVID-19 ECS follow-up survey (2020)

Figure 10: Production/service volume developments by business suspensions (%)

Source: COVID-19 ECS follow-up survey (2020)

Establishments with no suspension of their business activities had a much milder decrease in establishment performance in 2020 than those that had to halt business activities. For the latter, the performance index dropped by 50%, while for the former it fell by only 17%.

Operational outlook

Establishments that faced fewer operational disruptions will be able to get back to normal more quickly. After the pandemic, enhanced sensitivity to employee and customer safety is very likely, at least in the medium term. This means that establishments that can reduce

infection risks either by ensuring physical distance in the workplace or by other measures such as teleworking will have an advantage, as these concerns might change workplace practices. Remote working (see Chapter 4) will play an important role. In its report *How European businesses can position themselves for recovery*, McKinsey & Company (2020a) argues that sectors that cannot support remote working may encounter greater difficulties in reopening and continuing to operate, unless other methods such as large-scale testing and tracing allow people to return to work (subsectors included are hospitality, entertainment, construction and retail).

The burden borne by establishments that have business models not fully compatible with digitalisation and remote work is well illustrated by the example of a small Irish cultural centre from the in-depth interviews. The establishment is representative of many (small to medium-sized) cultural institutions facing similar challenges across the EU. At the time of the interview, in January 2021, the centre was completely closed to the public because of the lockdown restrictions imposed by the Irish government. All cultural events and workshops had been cancelled. It had previously implemented all requirements. All staff had attended health and safety courses at the expense of the employer, as well as COVID-19-related courses, so that they would be prepared for coming back to the site. The whole building was adapted inside to comply with the safety regulations, with a substantial impact on the operating budget. Some activities went online, such as a workshop for children. Although these online workshops were successful, they could never replace shows and events in the medium run. The manager perceived theatre and performance as full-body experiences that cannot be replaced by online shows: 'People are going to the theatre to meet up with others, to have dinner and to enjoy the event. They are keen to see, hear, smell and feel the environment.' The example shows that a sustainable recovery needs to be based on flexible solutions and scenarios that also work for businesses that depend on physical presence and human interaction.

Reorienting businesses, shifting staff

Business models reflect 'the logic of the firm, the way it operates and how it creates value for its stakeholders' (Casadesus-Masanell and Ricart, 2010). Lockdown restrictions and subsequent business disruptions have forced many establishments across the EU (and globally) to rethink their business models. A survey among Irish chief executives found that two-thirds of them believe that the COVID-19 crisis will lead to a permanent change (*The Irish Times*, 2021). Other studies across Europe had similar findings. The pandemic has revealed the inadequacies of many business models, and previous

research has shown that a crisis may have negative consequences for some business models if not properly managed (Coombs, 2007). To survive the crisis, many companies had to overhaul their previous approaches and adjust their main business activities. Digital offers have been expanded significantly to meet the safety needs of customers, marketing strategies revisited, product and service portfolios critically examined, delivery options introduced and online customer service options established, among other adjustments (Tamebay, 2020).

New ideas for business models

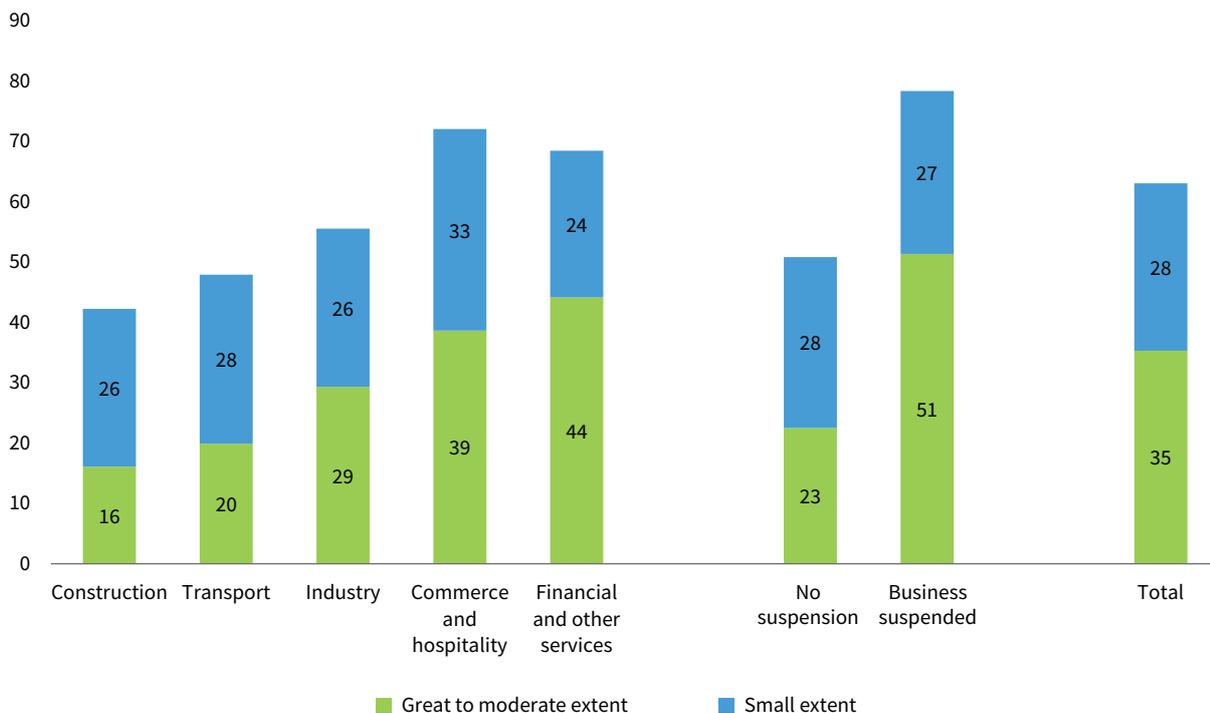
Over one-third of managers said that they had changed their main business activity to a great or moderate extent in response to COVID-19. More than 1 in 4 had done so to a small extent and 37% had not changed their main business activity at all. No huge differences were observed between establishments of different sizes. However, differences across sectors appeared to play a crucial role. This does not come as a surprise, considering the different impacts of the pandemic on the business continuity of different sectors as reported above. Commerce and hospitality and financial and other services establishments were most likely to change business activities (both around 70%), while establishments in the construction and transport sectors reported the least change (Figure 11). Obviously,

changed business activities were much more common in establishments that also reported suspensions at one point during the pandemic than in those that did not (78% versus 51%).

Eurofound’s COVID-19 EU PolicyWatch, which collates information on how governments, social partners and companies responded to the crisis, had 142 entries in summer 2021 regarding changed company practices. Of those cases, Eurofound has identified 70 measures in 24 countries regarding the reorientation of business activities. These cases include examples of companies (mostly reported in the national media) where production was changed or where innovations were made in terms of markets or processes (54 cases). They also include some examples of support instruments to facilitate such changes, such as the creation of platforms to market (new) products or support aimed at matching businesses to alleviate the impact of disrupted supply chains.

Various companies reported on in the COVID-19 EU PolicyWatch shifted their main production lines towards the production of urgently needed protective equipment, respirators, sanitation tools, surface sanitiser or hydroalcoholic gel. Other innovations included new pick-up services in shopping centres, contactless clinical analysis collection machines for regular COVID-19 testing of healthcare staff, the

Figure 11: Change in business activities by sector and disruption (%)



Source: COVID-19 ECS follow-up survey (2020)

Box 3: New business idea: Snowblowers used to diffuse disinfectants

The Tyrolean waste disposal company DAKA in Hopfgarten, Austria, converted its snow cannons to disinfect large closed areas and spaces such as production halls, stadiums, train stations, airports and other event facilities. For smaller areas and spaces, the company works with mobile nebulisers.

A decree by the Federal Ministry for Social Affairs, Health, Care and Consumer Protection, issued on 31 March 2020, laid the basis for this unorthodox measure, said a DAKA management representative. According to this decree, surfaces and devices that are regularly touched by customers must be cleaned and disinfected on a regular basis.

Extremely fine disinfecting mist is generated using special equipment, such as self-regulating generators or portable ultra-low-volume devices. The special thing about it is that the dry mist, which consists of a mixture of hydrogen peroxide and silver ions, penetrates even the smallest of gaps. Swivelling snow cannons loaded with hydrogen peroxide with a range of up to 50 metres can be used to disinfect large areas in a very short time. Dosing tanks and high-pressure pumps had to be integrated into the snow cannons.

The mobile nebulisers have been used for smaller areas, including offices, pharmacies and nursing homes. 'The second-smallest devices work autonomously,' said the DAKA project manager. Rooms are accessible again 90 minutes after disinfection. The smallest device is also suitable for reaching corners and niches. It can also be used to disinfect the interior of cars.

Source: Eurofound (2020b)

conversion of 3D printers to produce protective shields and the establishment of an 'open hotel platform' to match companies' needs for essential workers and accommodation requirements.⁶

The in-depth interview with the owner-manager of an Estonian souvenir manufacturer that mainly produces for the foreign market illustrates the survival struggle many small businesses have had. The lockdowns and other public measures and restrictions in response to COVID-19 led to a standstill of business activities in spring 2020. Customers disappeared, and consequently sales and cashflow collapsed. From the beginning of the pandemic in early 2020 until March 2021, there were only orders from two key customers, and many customers started returning goods. Overall, turnover fell by about 95% in 2020. The company received a salary subsidy from the Estonian Unemployment Insurance Fund for 11 employees. During the summer months, the owner-manager and his team completely reshaped the core business activities. They set up a children's camp, a craft camp and a souvenir museum and opened a pancake café. A series of products were designed for the Estonian market, including puppets of classic national characters from children's books. These measures helped for a while, but the situation deteriorated in autumn 2020 and sales ground to a halt.

The manager had to start gradually laying off workers. In early 2021, all that was left was the company's real estate. However, the manager was optimistic about the forthcoming summer of 2021 and the new opportunities it would bring for the company to resume business. At the time of the interview, he believed that the business would survive if the situation improved and that some of the new activities would be continued if the virus could be contained by summer.

This case powerfully demonstrates that flexibility, adaptability and innovation are key elements in the ongoing crisis and essential features of operational resilience in general. Indeed, research from Lithuania on the resilience of SMEs facing the COVID-19 crisis has established that there was a tendency towards defensive reactive action and a lack of innovation adaptation (Župerkienė et al, 2021). Hence, the case can be considered good practice. Many establishments lacked preparedness and consistency when dealing with unforeseen circumstances, as was also reported in the Eurofound workshop in June 2021. However, flexibility and creativity alone are not enough for small businesses to survive if they are hit hard. This calls on policymakers to encourage and facilitate SMEs' transitions of business models, changes of core business activities and innovative practices.

6 For more details on the open hotel platform, see <https://openhotels.at/>

Shifting staff

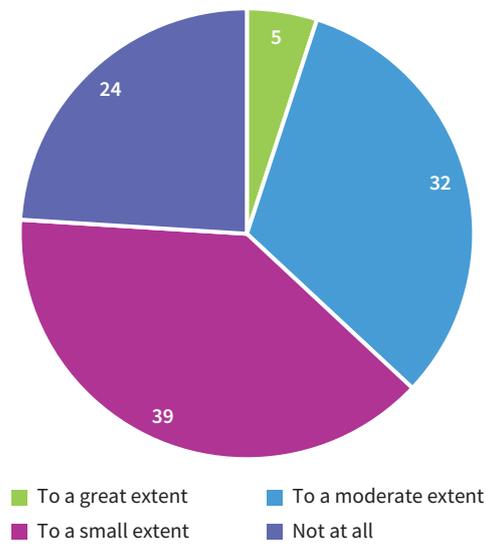
While changes (at least to some extent) in the main business activity appear to be a widespread phenomenon among EU establishments in response to COVID-19, task shifts were observed much less in the ECS 2020. While just 5% of respondents reported task shifts for a majority of staff, 1 in 5 managers reported changes in core tasks for a minority of their employees and over 70% reported no change in core tasks for employees at all.

However, a correlation between changed business activity and changes in core tasks of employees exists and is reflected in the sectoral perspective. Change in core tasks was most common in companies active in the commerce and hospitality or financial and other services sector. In construction and transport companies, the degree of change in core tasks of staff appears rather modest. Establishment size and employment dynamics appear to be related to how much core tasks changed. The larger the establishment, the more likely it is that the core tasks of a minority or majority of its employees changed. In establishments where employment decreased in 2020, staff were more likely to be confronted with changes in core tasks than in companies with stable or increasing employment.

New skills needed

Reorientation of business and task shifts have led to new skills and knowledge needs in many establishments, according to the ECS 2020. One in 20 managers reported extensive changes in knowledge and skills needs (Figure 12). About 1 in 3 experienced moderate changes, and almost 40% reported that knowledge and skills needs changed to a small extent. About 1 in 4 respondents reported no change. In companies providing financial or other services, changes in skills needs were most pronounced, while most construction companies reported little change or no change at all. Service providers (financial and other services) were among those with the most significant reshuffling of business activities and innovative new approaches, which would explain their increased knowledge and skills needs.

Figure 12: Change in knowledge and skills needs due to COVID-19, EU27 (%)

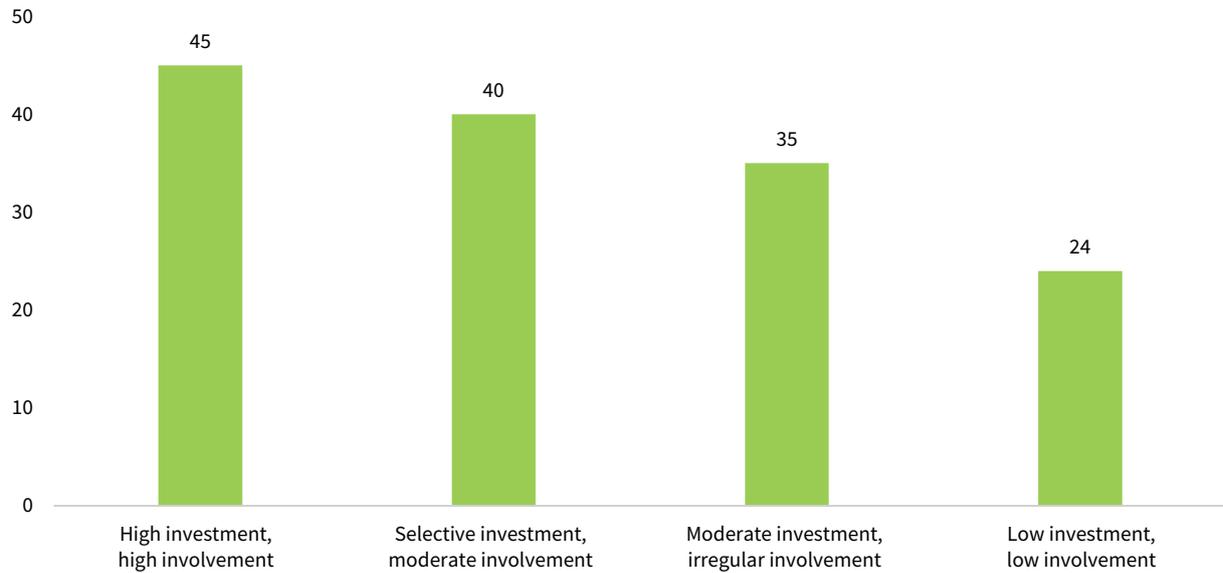


Source: COVID-19 ECS follow-up survey (2020)

Companies where employment had increased or decreased since early 2020 were less likely to report changing knowledge and skills needs than firms with stable employment. Possibly, substantial change in employment, either positive or negative, has helped companies match knowledge and skills needs to the staff they have available.

Change in knowledge and skills needs was most pronounced in companies with a high-investment, high-involvement approach to work organisation: 45% of such establishments reported substantial or moderate change (Figure 13). Only 24% of companies with a low-investment, low-involvement strategy experienced changing knowledge and skills needs to this extent. This suggests that the former were more aware of the need to quickly adapt to the crisis with new approaches to the market and flexibility in reskilling or upskilling their employees.

Figure 13: Establishments with substantial or moderate change in knowledge and skills needs due to COVID-19, by establishment type, EU27 (%)



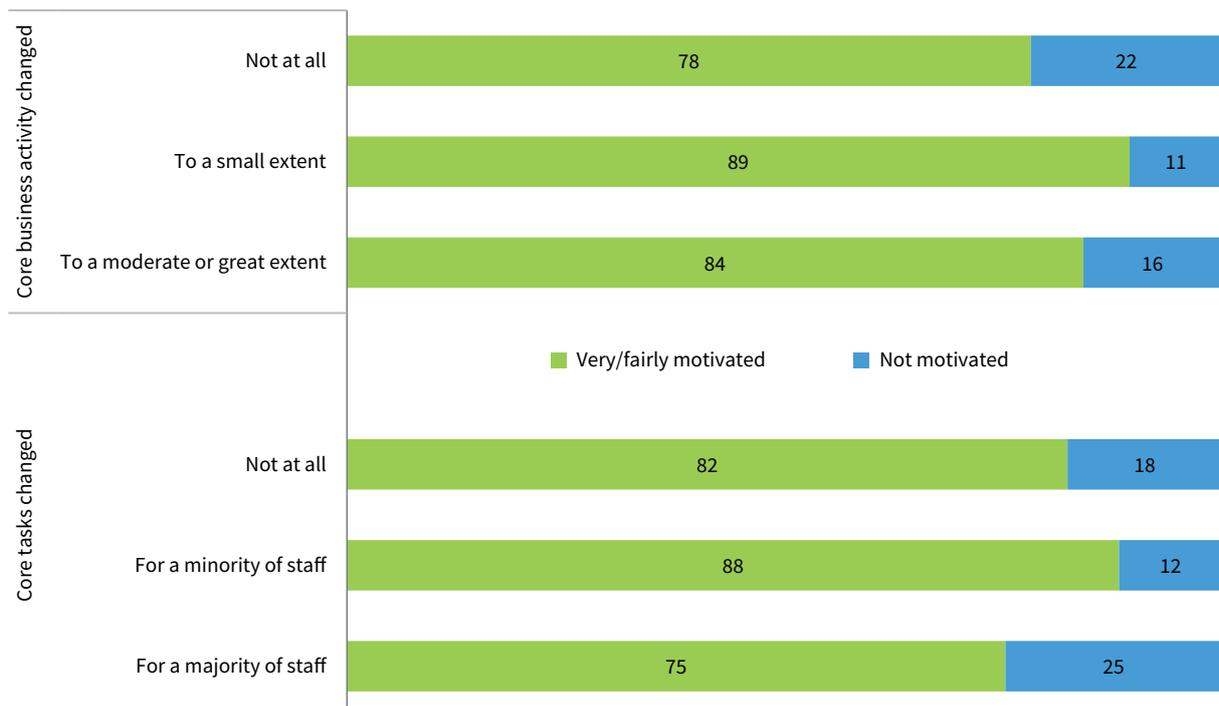
Source: COVID-19 ECS follow-up survey (2020)

Motivation in affected workplaces

In businesses where core tasks changed for a majority of staff, staff motivation was also well below average, with 25% of managers reporting that staff were not motivated (Figure 14). Changes in core business

activities in general, however, did not appear to have reduced motivation extensively, and it was higher in workplaces where such changes occurred than in those where core business activities did not change at all. Motivation was highest when core business activities changed only to a small extent or only for a minority of staff.

Figure 14: Motivation by types of change in establishments (%)



Source: COVID-19 ECS follow-up survey (2020)

Summary

This chapter presented findings on business continuity in the ongoing pandemic and on how businesses adjusted to the pandemic. It explored the immediate effects of suspensions in business activities on employment and economic performance, and emphasised how reorientation of business activities helped to manage the crisis.

- COVID-19 has disrupted business activities across the EU and pushed managers and their teams to react quickly to continue to deliver products and services. Almost half of all establishments had to cease their operations to some extent because of COVID-19, especially providers of financial and other services, transport companies and those operating in the commerce and hospitality sector.
- Most establishments that faced suspensions of their business activities had to resort to public support measures to keep the business afloat. Almost half of the establishments facing suspensions reported that they expected losses in 2020, whereas only 1 in 10 of those who continued business throughout the pandemic did so.
- Over one-third of establishments changed their main business activity to some extent in response to COVID-19. Around 4 in 10 did not change their main business activity at all.
- Many companies shifted their main production lines towards the production of urgently needed protective equipment, respirators, sanitising tools and other apparatus. Other innovations included new pick-up services in malls and contactless clinical analysis collection machines for regular COVID-19 testing of healthcare staff. Some of these changes will be temporary stopgaps; with others, 'companies will find that they have chanced upon an improved business formula and will stick to it' (McKinsey & Company, 2020b).
- In only 5% of establishments, shifts of core tasks occurred for most staff. One in five managers reported such changes for a small number of their employees. Change in core tasks was most common in companies active in the commerce and hospitality sector or in financial and other services. In construction and transport companies, the degree of change in the core tasks of staff appears rather modest.
- Reorientation of business and task shifts have led to new skills and knowledge needs in many establishments. One in 20 managers reported extensive changes in knowledge and skills needs.

4 Workplace transformation

Never have workplaces been transformed as radically and as quickly as in the time since the onset of the pandemic. COVID-19 has brought massive changes to the workplace, and more generally to workplace practices, across Europe and globally. The overarching imperative of keeping distance was the driving force behind this transformation. The world of work has changed, and, with it, managers and employees have had to adjust their practices. This chapter zooms in on the workplace and highlights how both the physical workplace and work organisation were adapted.

Physical workplace: Ensuring social distancing

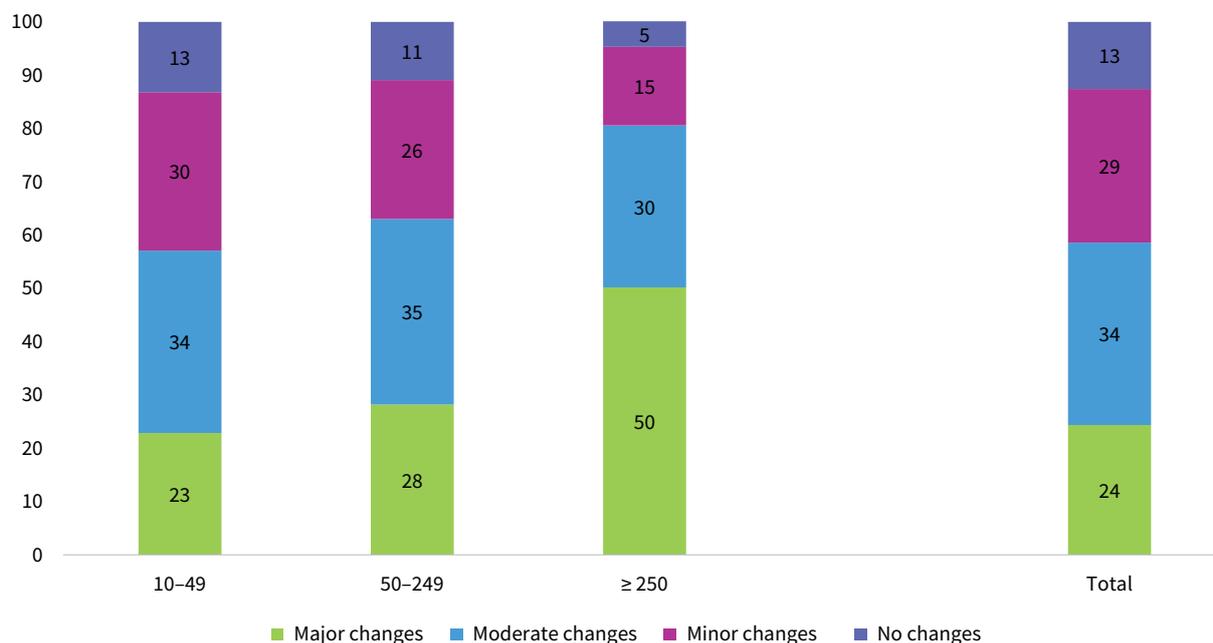
Sharing may be caring, but not during a pandemic. Social distancing has affected workplaces around the world, the main objective being to contain the spread of the virus. Remote working (to be discussed in the next section) is surely the most effective way to guarantee physical distance. However, remote working does not work for everybody, and for many establishments it was possible only to a certain extent. For some companies, the work location is more fixed; it is for instance not feasible for a shop assistant or a plant operator to work remotely (McKinsey & Company, 2020b). In both cases (remote work and site work), managers had to make sure that the new health and safety standards and other regulations were fully implemented to a high standard.

This was often easier on site than for remote workplaces, where control of occupational safety and health (OSH) standards is difficult (EU-OSHA, 2021). There is furthermore a tension between taking a comprehensive health and safety risk assessment approach to COVID-19 prevention in the workplace and following public health guidelines that do not necessarily incorporate a fully integrated hierarchy of control measures, as for instance required under biological agent regulations (*Medical Independent*, 2021).

The vast majority of establishments implemented at least minor changes to their physical infrastructure to comply with COVID-19-related health and safety regulations (Figure 15). Only 13% of managers reported that this was not the case in their establishment. Major adaptations were reported in 1 in 4 establishments. Establishment size was the main factor, with 50% of managers of large sites (≥ 250 employees) reporting major changes, compared with only 23% of establishments with 10–49 employees.

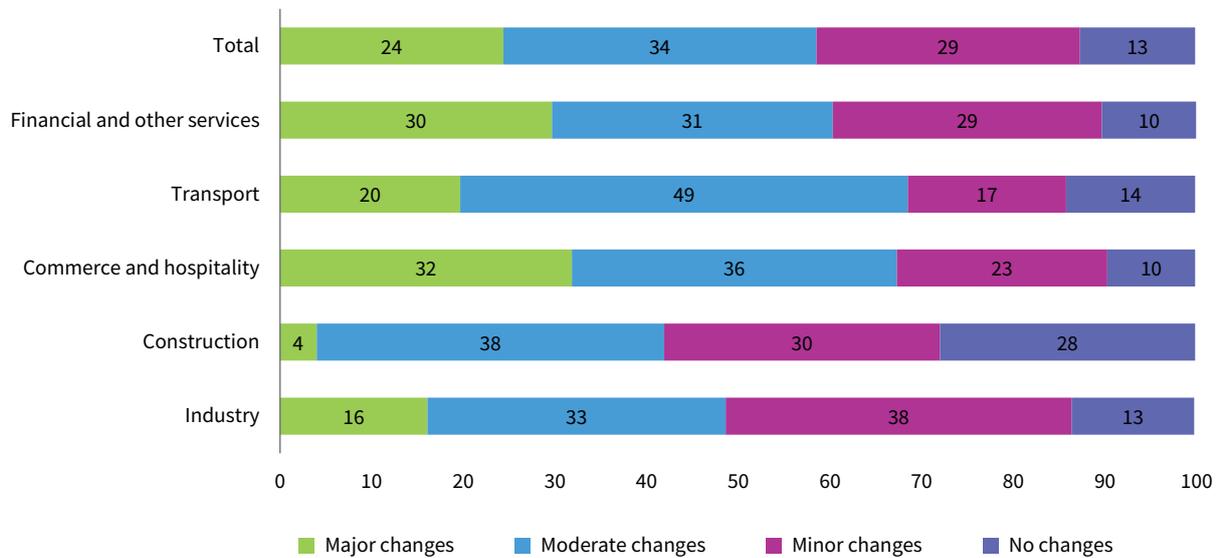
The need to adapt workplaces varied greatly across sectors (Figure 16). For instance, major changes were reported by almost one-third of managers in commerce and hospitality and in financial and other services, but by only 4% of managers in construction establishments. The latter were also most likely not to change their physical infrastructure at all (28%).

Figure 15: Change in establishments' physical infrastructure due to COVID-19 (%)



Source: COVID-19 ECS follow-up survey (2020)

Figure 16: Change in establishments' physical infrastructure due to COVID-19 by sector (%)



Source: COVID-19 ECS follow-up survey (2020)

Box 4: Adapting the workplace: Social distancing in a food factory

The factory has around 90 employees, 65 of whom work in production and the rest of whom work in administration and development. The factory produces approximately 26,000 tonnes of food products a year. For this case study, both the operations manager and a staff member were interviewed.

In March 2020, several extraordinary ad hoc measures were implemented to ensure the health and safety of employees and to adhere to the guidelines issued by the Danish government and the national health authorities:

- new guidelines in the canteen
- requirements to wear a face mask, use hand sanitiser and carry out extra cleaning
- maximum of five people at the planning meetings in production
- telework for administrative staff
- a systematic COVID-19 test system

The management decided to remove 60% of the chairs and reorganise the lunch schedule for the staff in production to prevent people from sitting close together in the canteen. Administrative staff were not allowed to enter the canteen (as their presence on site was not deemed necessary) or to generally be in close contact with production employees.

The company very quickly decided that all employees should wear face masks at all facilities in the workplace at all times. The measure was easy to implement, as the employees already used face masks and other workwear such as hygiene coats, gloves and hairnets in the production facilities. Moreover, the company decided to increase cleaning in the workplace, which was outsourced to a cleaning company.

The number of employees around one blackboard or computer in the production facility was restricted to a maximum of five. Previously, the company had used a lean approach for planning production, requiring numerous meetings around blackboards or computers to update changing schedules, but with the new restrictions these meetings involved fewer participants. The company also went through the production schedule and divided the production line into several parts so that there were only a few workers present at the same time.

Another significant initiative introduced by the company from the beginning of 2021 was a systematic COVID-19 testing system. In line with the government regulation, the company recommended that all employees be tested once a day during working hours. The company paid for the COVID-19 tests and spent DKK 145,000 (€19,496) on them in the first quarter of 2021.

Facility managers had to evaluate to what degree business as usual was compatible with physical distancing. In workplaces where people worked individually with machines, this could be relatively straightforward. Logistical challenges arose where people worked in offices or in crowded places such as bars and restaurants, or in occupations that involved direct physical contact with clients or customers, many of those employees being considered essential workers (Eurofound, 2020c). When many remote workers came back to their offices between the first and second waves of the pandemic, facility readiness was also a crucial issue. The literature and guidelines on OSH developed by the European Agency for Safety and Health at Work (EU-OSHA) emphasise that key tasks to adjust physical workplaces include assessing building risks, minimising touch points, managing potential contamination of the workplace and reducing the number of people on site (EU-OSHA, 2020a; Jasgur, 2021). The in-depth interviews

illustrated activities linked to these tasks, including the following:

- reconfiguration of spaces to achieve physical distancing, including the adjustment/closure of canteens and conference rooms
- sanitisation and disinfection of open spaces and offices/comprehensive deep cleaning
- provision of hand disinfectant dispensers, face masks and personal protective equipment such as gloves and similar items
- installation of protective shields in areas of closer contact such as reception desks and other common gathering points
- strict limitation of access to facilities, restriction on number of employees at the site and introduction of rotational shifts
- closure of or limited access to coffee stations, copy and printing areas, gyms and social gathering areas
- communication of policies and practices on the safe use of areas and equipment on site

Box 5: Facility managers' role in ensuring a safe return to the workplace

Facility management is a profession that encompasses multiple disciplines to ensure the functionality, comfort, safety and efficiency of the built environment by integrating people, place, process and technology.

The work of facility managers became more important during the COVID-19 pandemic. As theirs is a contact profession, the facility managers provide the essential function of ensuring the smooth running of buildings such as hospitals, research centres, government buildings, food distribution networks and other facilities that are crucial for the COVID-19 response.

As the world returns to normality, it is becoming increasingly important to create consistency and continuity in the operation of the built environment and, in particular, to embrace the adaptability of workplaces such as offices.

Facility managers facilitate standardised workplace planning and management, arrangements for remote work, facility cleaning and observation of social distancing rules, which enabled the safe partial return to work over the summer and early autumn months of 2020, when the pandemic situation allowed.

One of the tools created and operated by facility managers is the SafeAtWork application, which is managed by facility managers active in the workplace. Using QR codes, the app allows the tracing of contact chains in case of an infection and sends a warning when this occurs. This digital solution assists the memory of an infected employee, who may not remember all their contacts in the office.



Source: International Facility Management Association

Organisational rearrangements: Stay connected

Like the physical changes discussed in the previous section, organisational changes during the COVID-19 crisis (for instance, staggered starting and finishing times, changing reporting structures, changing the frequency of meetings and moving meetings online) are aimed at reducing the risk of the virus spreading.

The proportion of establishments that introduced organisational changes is similar to the proportion that made changes to their physical infrastructure, and indeed the two aspects are highly correlated: 30% introduced major changes, 31% moderate and 22% minor (Figure 17). Financial and other services establishments were most likely to implement major organisational changes (42%); establishments in the construction sector were least likely to do so (5%).

Organisational structures are in place to support staff, structure work processes and incorporate cultural values into the functioning of an establishment. Changing them is sensitive, as they touch upon salient elements such as trust and mutual respect that create psychological safety for employees and ‘foster a sense of security and capability for employees to adapt to change’ (Edmondson, 1999).

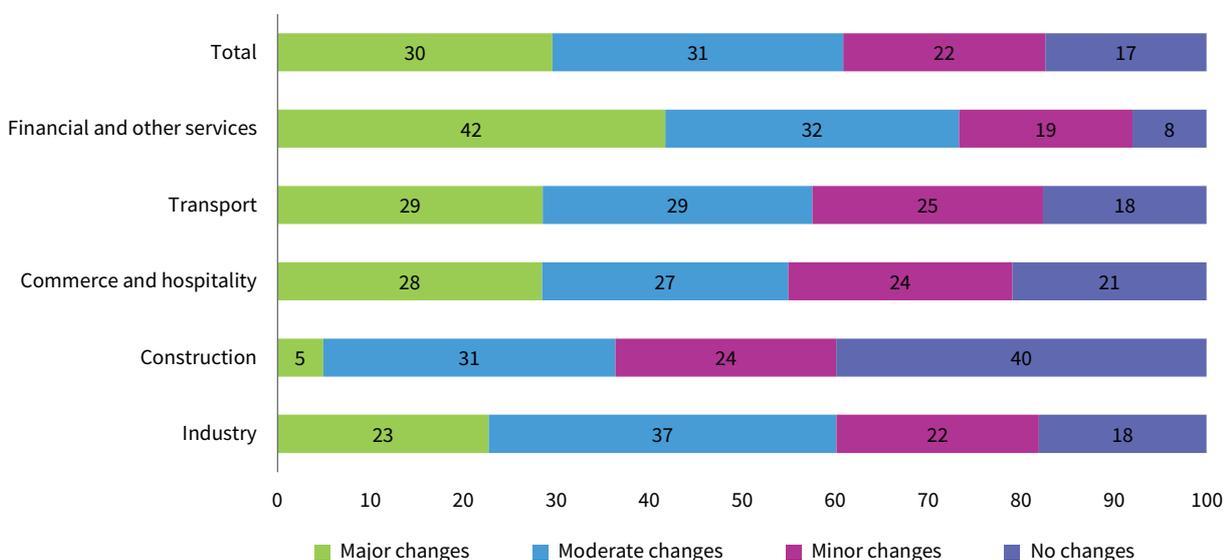
Establishments with high investment and high involvement of staff were most likely to adapt the work organisation, with 78% of managers of this type reporting moderate or major changes. Managers of establishments with low investments and low staff involvement, on the other hand, were least likely to report changes.

Changes during COVID-19 probably had a higher level of acceptance among staff than those in prior times, as they were initially flagged as temporary and urgent measures. Some of these changes will stay, however, as organisations will have to transform to adjust to the new economic environment (Amis and Janz, 2020). However, the acceptance of such measures also depends on how they are presented and communicated to staff. COVID-19 required immediate action, and careful planning was not always possible. Public Health Wales, in cooperation with the trade unions, identified a few criteria that contribute to greater acceptance of organisational change among staff (NHS Wales Welsh Partnership Forum, 2020). These include:

- rationale for change
- timeline for consultation
- communication of how long the change will be in place
- regular review and evaluation of measures
- assessment of the impact of the change on staff
- complete risk assessment

A high-tech Dutch production company interviewed by Eurofound reported that it implemented a hybrid form of teleworking and working on site. Office workers were divided into three teams. At the office, Teams 1 and 2 alternated working weeks, while Team 3, largely consisting of operational management, constantly stayed on site to oversee operations. The division into teams happened in many companies and was a useful tool for creating bubbles that could not physically interact, while efficiently organising their workflows and work processes.

Figure 17: Organisational changes due to COVID-19 by sector (%)



Source: COVID-19 ECS follow-up survey (2020)

Telework: Exiting the workplace

For many businesses, the shift to remote working arrangements in reaction to public health measures marked the most radical change of work organisation in their history. Most Member State governments have explicitly included recommendations for employers and workers to work from home where possible as part of national lockdown measures. The capability and willingness of establishments to provide necessary equipment and resources and the preparedness of managers to react to these changes (in terms of task assignments, monitoring performance, collaborative decision-making, use of ICT tools and so on) to keep the business in operation are key elements in making this transition successful.

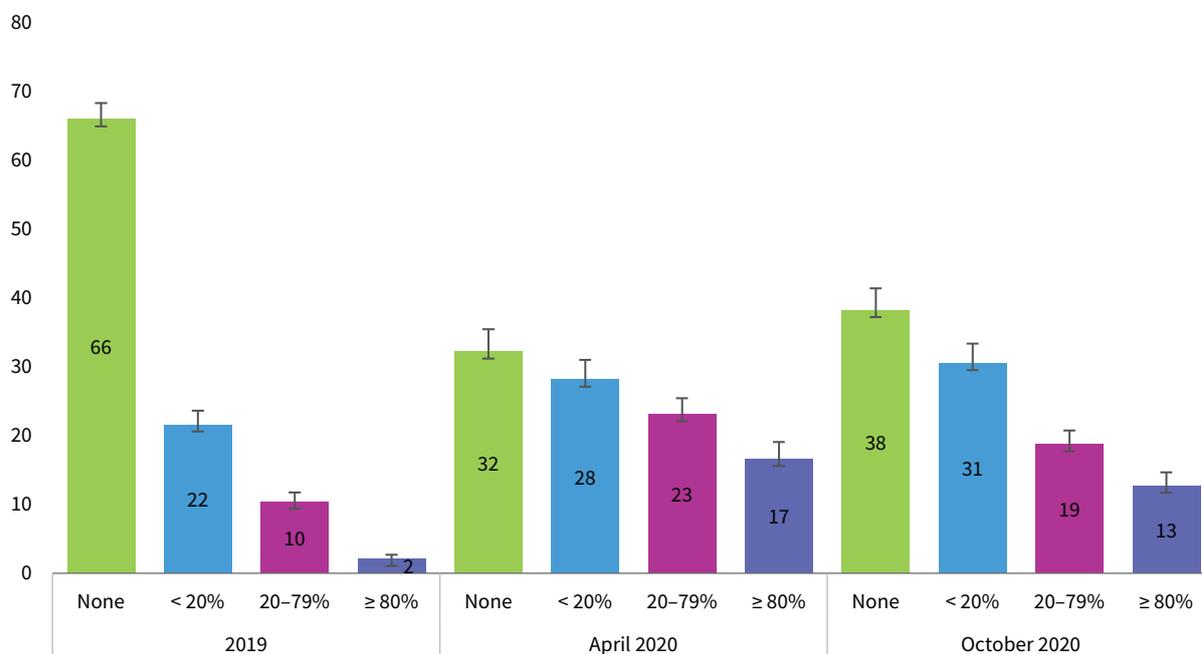
Transforming the world of work

In April 2020, data from the Eurofound *Living, working and COVID-19* e-survey (Eurofound, 2021b) showed that 37% of employed people had started working from home because of the pandemic. In the second round of the survey, in July 2020, the share had increased to 48% (34% working exclusively and 14% working partially from home). The third round, conducted in February and March 2021, found that telework had become

slightly less prevalent (24% working from home only, 18% working in a hybrid mode).⁷ Previously, Eurostat (2018) had estimated that just 5% of the EU working population worked regularly and 10% occasionally from home in 2017. Occasional telework was the privilege of well-paid and highly skilled workers with significant work autonomy. The pandemic made telework and hybrid work the working model for many employees who previously had no or only limited experience with these modes.⁸

The ECS online follow-up survey mirrors these observations (Figure 18). Managers were asked how many employees of the establishment teleworked at least one day a week in October 2020 (the month before the survey), in April 2020 (the peak of the first wave) and in 2019 (reference period). In 2019, 66% of managers reported no telework at all in their establishment. At the height of the first wave, in April 2020, this share was down to 32%, and it rose again to 38% in October 2020, the month before the interview took place. A negligible number of establishments had almost all employees (80% or more) on telework in 2019, but in April 2020 17% did. By October 2020, the share of establishments with almost all staff working remotely decreased to 13%.

Figure 18: Telework by proportion of employees and time, 2019 and 2020 (%)



Note: Error bars represent standard errors of point estimates. The standard error measures the accuracy with which a sample distribution represents a population by using standard deviation from the mean.

Source: COVID-19 ECS follow-up survey (2020)

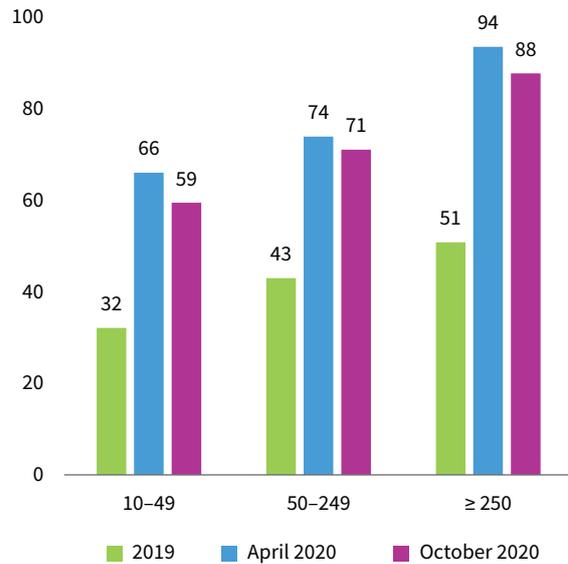
7 The most recent data from the European Union Labour Force Survey 2020 show that 11% of workers were working from home 'usually' and 8% 'sometimes'.

8 Detailed information and materials on telework in the EU can be found at <https://www.eurofound.europa.eu/topic/teleworking#s-03>

Whether telework is possible at all depends on various factors. Before the pandemic, there was a wide gap between the number of employees who could work remotely and the number who actually did. Recent estimates assume that 37% of EU employees work in occupations that are technically ‘teleworkable’ (Joint Research Centre and Eurofound, 2020). Such occupations include managers, professionals, technicians, clerks, and service and sales agents. The ECS 2020 shows that whether establishments turned to telework was also related to the size of the organisation and the sector (reflecting occupations). In 2019, half of the large organisations already had some form of telework in place, compared with 32% of establishments with 10–49 workers (Figure 19). This gap widened during the pandemic: 94% of the large and 66% of the small establishments had at least some employees working remotely in April 2020.

The financial and other services sector had by far the highest proportion of establishments with telework, with 39% reporting that almost all their employees worked remotely in April 2020. Transport, on the other hand, was unsurprisingly the sector with the least telework, with one in two establishments not having this option at all. Most establishments with high investments and high staff involvement in

Figure 19: Telework by establishment size, 2019 and 2020 (%)



Source: COVID-19 ECS follow-up survey (2020)

decision-making had telework in place in April 2020, at 74%, compared with around half of establishments with low investments and low staff involvement.

Box 6: The bright side of telework

The benefits of telework include more working time flexibility and work autonomy, increased productivity and less commuting. The COVID-19 pandemic has accelerated the transition from a ‘regular, bureaucratic and “factory-based” organisation of work to one based on flexible task allocation and management by objectives’ (Eurofound, 2020d). Furthermore, telework has provided a lifeline to many businesses, ensuring continuity and saving jobs.

Experience of a Spanish ICT consultancy firm

The frequency of telework in this establishment was very low before the pandemic, and there was no protocol or agreement regulating it. Hence, the company had to rapidly adapt to a massive shift towards remote working to keep the business going. Initial doubts about the technical infrastructure and systems to sustain remote working for the entire workforce were quickly dispelled with successful progress during the first weeks of the lockdown in spring 2020.

The main challenge for managers and employees was the sudden adoption of telework for hundreds of employees. Work routines were redefined based on remote connectivity (for example, teamwork and collaboration dynamics), as were interactions with customers (such as invoicing from home, which proved challenging at first). Step by step, an agile methodology was implemented, a way to manage software projects involving constant collaboration between engineers and clients. Frequent online meetings accompanied the implementation, as remote work required the redefinition of certain mechanisms (for example, the use of shared digital blackboards).

By the time of the interviews in February 2021, the company had arrived at a well-functioning telework arrangement. The management did not apply any additional performance-monitoring mechanism beyond the mandatory time recording already introduced before the pandemic. This registration of working hours was facilitated through a digital portal instead of the time-clocking device in the offices.

Experience of an Austrian financial services establishment

A company agreement for telework had been in place before the pandemic hit, leaving open the option for teleworking if the head of department agreed, and clarifying the equipment provided to staff. Each staff member was provided with personal equipment such as a laptop and a mobile phone. An additional monitor was provided when telework was used more extensively from March 2020. At the time of the interviews, the management and the works council were awaiting the finalisation of the government's legislative initiative, expected later in 2021, before the agreement would be reviewed and aligned.

Telework during the pandemic

Previously, telework at the company was very limited. The works council estimated that 5% of staff were regularly working from home. With the first lockdown, 98% of staff started working remotely. The business remained fully operational. Both the interviewed manager and the works council representative reported positive effects such as increased work efficiency and positive feedback from staff.

Technical infrastructure such as cloud storage, other cloud-based services and remote log-in systems was all in place. Before the pandemic, without having a lockdown in mind, the establishment had procured 40 laptops, which helped to speed up the rollout of telework later. Very few staff were still working with desktop computers. Screens were delivered to people's homes.

There was a shared view during the first lockdown that telework functioned very smoothly and efficiently. Staff were surprisingly adaptable to handling the online communication tools such as Skype. Management, cooperation and teamwork flourished. The organisation quickly learned how to manage a remote workforce.

Managing a remote workforce

Trust was perceived as the most important value by the interviewed manager, who said, 'Work without trust doesn't work.' The top management recommended designing more concrete tasks for staff, in an effort to move to output-based assessment. However, no new control or monitoring tools were implemented. The management asked staff for feedback through repeated surveys.

Time registering was trust-based and decentralised. Employees recorded their working time in an online time management system, which had already been implemented prior to the outbreak of COVID-19. No further adaption was needed.

Future of telework

Telework will continue in the establishment. Hot desking was tested in a pilot (before the pandemic) and originally estimated a sharing ratio of 85% (assuming that 85% of staff would always be on site and 15% off site). After the pandemic, however, management expects a sharing ratio of 70%, reducing the number of staff at the site in implementing future office systems.

The staff representative believed that two to three days per week would become the new standard of teleworking across all departments. It will, however, be voluntary. There is no pressure at all, and those who prefer to come to the office daily will be able to do so. With the new setting, the establishment will be able to reduce costs and hot desking will be normal.

What managers think of it

More than half of the managers (57%) said that they believe telework will remain at the October 2020 level. As shown in Table 4, which summarises some of the findings on telework from the ECS 2020, the percentage is higher among managers with few staff teleworking than among those with a high number of staff teleworking. A further increase seemed likely to 14% of managers. Another 15% said that it will decrease but remain above 2019 levels, and only 1 in 10 responded that a decrease back to the 2019 levels is likely.

Managers from large establishments were more likely to assume an increase than those from smaller establishments (24% versus 13%). Only 1 in 10 managers had a decidedly negative view of the teleworking experience, while positive opinions and 'neither positive nor negative' opinions are balanced.

Table 4 also shows that there is a correlation between the proportions of establishments where 20% of staff or more were teleworking in October 2020 and the proportion of managers who predicted a further increase in the future. A correlation is also identified between positive attitudes towards telework and already having telework implemented for 20% of staff or more.

Table 4: Findings on telework-related aspects (%)

	Managers predict telework will ...			Teleworking in 2019	Teleworking in October 2020	Managers' attitude toward telework
	increase	stay the same	decrease	≥ 20% of staff		Positive
Overall	14	57	29	13	31	46
Size						
10–49	13	58	29	13	31	45
50–249	16	55	30	11	33	54
≥ 250	24	44	33	15	38	48
Sector						
Industry	9	63	28	5	15	33
Construction	4	74	22	9	9	37
Commerce and hospitality	15	60	26	6	20	53
Transport	5	79	17	16	25	56
Financial and other services	20	43	37	23	59	51
Type of establishment (investment/involvement)						
High/high	17	49	34	18	39	52
Low/low	11	72	17	6	12	36

Source: COVID-19 ECS follow-up survey (2020)

Box 7: The dark side of telework

Unequal access to reliable broadband services, lack of appropriate community infrastructure, lack of previous investments in digital organisation and equipment by companies, digital exhaustion of managers and employees, and demotivated workforce working in isolation or overcrowded households with no dedicated workspace are some examples of what the telework experience can look like, too. Risk factors for workers include the following, all of which can lead to burnout (Eurofound, 2020e):

- poor ergonomic design of many remote workplaces, leading to musculoskeletal disorders
- constant interruptions
- pressure from colleagues and managers
- heavy workloads
- irregular working time patterns and blurred boundaries between work and private life
- stress
- exposure to the blue light of digital screens, leading to sleeping disorders, headache, eyestrain and depression

Many managers experienced tough challenges and were not well prepared for the quick transition. Remote management requires different skills from face-to-face management, and the transition often happened without any training for managers, who may have found their roles more difficult and struggled to adapt (Parker et al, 2020). Low confidence in their ability to manage remote workers, a lack of trust in their employees, negative attitudes towards teleworking and poor organisational support are among the risk factors turning telework into a negative experience for managers, in addition to all the risks outlined for employees.

Experience of a Greek development agency

Teleworking was not widely used in the establishment prior to the pandemic. The chairperson of the works council explained that before the outbreak of COVID-19 they had introduced a pilot for 20 staff members (one-third of the staff), but no firm conclusions had been drawn. During the time of enhanced teleworking, both the interviewed manager and the staff representative noted a drop in motivation.

While working remotely, many employees were affected by poor Wi-Fi connections or data overload when everyone in the household was online. This was related to technical glitches owing to the large number of data transferred, which the local digital infrastructure could not support, especially at the beginning. Workers had to use their own equipment, as the company management did not provide them with laptops. In addition, many workers preferred office desktop computers with bigger screens.

Another challenge relates to work organisation. There is better interaction among staff when working in the same physical space: more competition but also more cooperation and support of one another. While teleworking staff communicated mainly with their teammates, exchange with colleagues on other projects suffered. 'Colleagues learn from each other in the informal day-to-day communication, which often touches upon work-related aspects,' said the manager interviewed. Both management and staff representatives believed that increased absence from the workplace could harm organisational knowledge. The manager believed that the good relationships between workers contributed to a positive work climate, but, when everybody started working on their own, the team spirit and the social aspect of work got lost.

While the monitoring of work did not change and continued via a digital platform, the new situation was a problem for the managers too. The immediate communication between line manager and staff member when discussing tasks and time schedules was lacking. Line managers could, for instance, observe delays via the system but were not able to understand the reasons or the context.

All in all, the manager therefore considered the teleworking experience negative. He did not foresee any permanent changes and believed that workers would wish to return to the office as soon as possible. The staff representative had a more nuanced view and reckoned that some staff (around 20%) might want to continue regular teleworking. However, he emphasised that this would require rules and investment. The management would buy in only if there were gains for the company in terms of space savings, operational costs and stable productivity.

Many establishments that had not had much teleworking experience quickly adapted to the situation and see it now as an opportunity to make work more flexible in the future. A German study found, for instance, that more than half of German companies (54%) were planning to extend remote work arrangements permanently (Alipour et al, 2020). One high-profile organisation that quickly developed a new teleworking concept is Siemens, which presented its New Normal Working Model in July 2020. According to this plan, employees may carry out their tasks remotely – from home or from elsewhere, for example when travelling – whenever this makes sense and line managers agree to the arrangement. The New Normal Working Model constitutes an extension of and an amendment to existing telework arrangements in the company, and covers around 140,000 employees. The arrangements are explicitly intended to set standards for post-pandemic working conditions. In July 2020, the trade union IG Metall announced that it would seek negotiations with Siemens to reach an agreement regulating the details of telework (Eurofound, 2021c).

While changes to the world of work were necessary and will remain, the overall impression gleaned from the in-depth interviews and the Eurofound workshop was that the workplace atmosphere was negatively affected. The lack of social interaction among employees was a concern. The manager of a Dutch high-tech company,

for instance, stated that 'managing from a distance was often difficult, and there were problems with the reachability of teleworkers, which had a negative impact on production'.

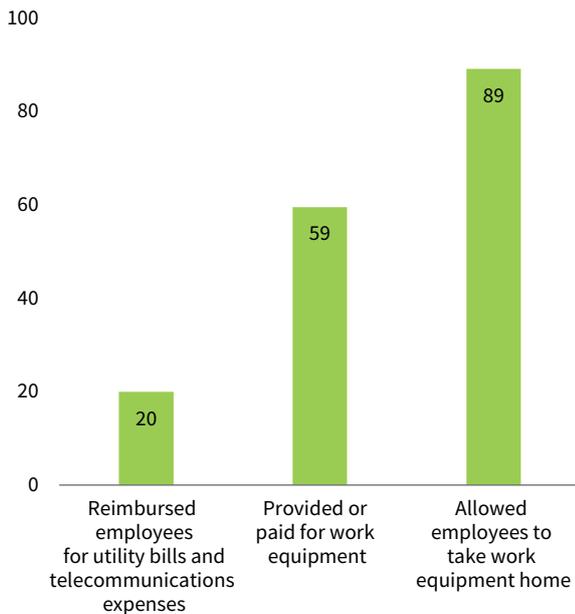
In conclusion, the telework experience changed the attitudes of many workers and managers for the better, as they enjoy the flexibility it allows, but others emphasised the negative aspects, such as reachability and connectivity issues, the lack of social element and work-life balance challenges. In this context, the type of work as well as personal and competence differences between workers matter a lot. It is clear that investments in digital infrastructure at all levels are necessary if more remote work is to become the normal mode of work organisation.

What companies provided

In many establishments across the EU, telework was implemented virtually overnight. Companies that had previously equipped their staff with laptops and invested in digitalisation of work processes had a clear advantage in this transition. For others, the initial experience was more of a horror story: they had no systems for remote work in place, no equipment was available, and it was difficult to purchase any because of the high demand. Frequently, staff had to use their own PCs and laptops to connect for work.

Where telework was implemented, the ECS 2020 shows that around 9 in 10 establishments allowed employees to take work equipment home and around 6 in 10 provided or paid for work equipment to be used at home, but only 1 in 5 compensated employees for utility bills and telecommunication expenses (Figure 20).

Figure 20: Provisions for telework made by employer (%)



Source: COVID-19 ECS follow-up survey (2020)

Establishments with a high-investment, high-involvement strategy were most likely to reimburse staff for work-related expenses or to provide or pay for equipment, especially compared with those with low investment and low staff involvement. Industrial or financial and other services establishments more often provided or paid for equipment or reimbursed expenses than establishments in other sectors.

How companies monitored telework

A vast majority of establishments (70%) did not have any specific measures in place to record and monitor the working time of teleworking employees during the pandemic, according to the ECS 2020. One in 10 establishments implemented such measures because of COVID-19, and 20% already had a system in place. The in-depth interviews illustrated that time recording systems or other telework regulations and policies were rarely in place before the outbreak of the pandemic. The existence of such systems or policies is an indicator of

the importance of telework before COVID-19 hit. It is therefore not surprising that establishments with such systems already in place tended to have a more positive attitude towards telework. In general, time recording systems are perceived as beneficial for employees, as they help to prevent excessive overtime or long working days.

One in 5 respondents to the ECS 2020 reported using data analytics to monitor employee performance, which was a lower proportion than in 2019. The in-depth interviews provided several examples of managers taking a trust-based approach and moving from time-based to more output-based management. There was no difference in the use of data analytics between establishments with more and less use of telework in October 2020, but commercial and hospitality establishments were more likely to make use of data analytics for monitoring purposes, according to the ECS 2020.

Summary

COVID-19 has massively changed the workplace and workplace practices across Europe and globally. This chapter investigated what this has meant for physical workplaces and work organisation.

- Most establishments implemented at least minor changes to their physical infrastructure to comply with COVID-19-related health and safety regulations. Organisational changes were equally common.
- The need to adapt workplaces varied greatly across sectors. Most establishments in commerce and hospitality implemented moderate to major changes. Transport companies and construction establishments were least likely to introduce any changes.
- Organisational measures included the staggering of starting and finishing times, reduced numbers of employees at the premises at the same time, changed reporting structures, changed frequency and schedules of meetings, and rotational workflows and shifts, among others. Two-thirds of establishments introduced at least moderate organisational adjustments. Establishments in the services sectors (financial and other services) and in industry were most likely to implement such changes.
- In 2019, telework was common in few companies. By the peak of the first wave of the pandemic, in April 2020, this had changed drastically. In October 2020, the share remained at a high level.

- Employees of establishments in the financial and other services sector were most likely to be teleworking. Transport establishments, on the other hand, had, unsurprisingly, the lowest proportions of telework, with one in two establishments not having this option at all.
- More than half of the managers believed telework would remain at the October 2020 level or increase further. These proportions are higher in establishments that had less telework. Around 15% expected telework to decrease but to remain above 2019 levels, and 1 in 10 responded that a decrease to the 2019 levels was likely.
- Many establishments without teleworking experience quickly adapted to the situation and saw it as an opportunity to make future work more flexible. Massive telework, however, is seen to have a negative impact on the workplace climate. The lack of social interaction among employees is a concern.
- The telework experience changed the attitudes of many workers and managers for the better, as they enjoy the flexibility that comes with it, but others had negative experiences such as reachability and connectivity issues, lack of social element and poor work-life balance.

5 Challenges for human resource management

COVID-19 has posed big challenges to human resource managers, who must ‘navigate the unprecedented’ and ‘quickly venture into the unknown unknowns’ in their effort to support their staff in coping with and adapting to massive changes in the world of work (Carnevale and Hatak, 2020). Many of those challenges are related to the fact that a high number of employees are no longer present at the physical workplace, as described above, and experience specific challenges such as blurred boundaries between work and private life, difficulties in disconnecting from work-related networks, and feelings of loneliness, lack of purpose and reduced well-being (see Chapter 6).

Other pandemic-specific challenges relate to recruitment (which in many cases went online), work autonomy and supervision, team spirit and social interaction among employees. The overall objective of human resource management in times of COVID-19 remains, however, ‘employees’ ability to thrive during such dynamic and uncertain times’ (Carnevale and Hatak, 2020). Some of these challenges are new and call for innovative methods, but others are similar to previous experiences, which can now serve as guides. Previous research has demonstrated, for instance, that the above-average well-being levels of self-employed people – although they generally operate in dynamic and uncertain environments – are related to higher work autonomy (van Gelderen, 2016; Eurofound, 2017) and their ability to design or craft their jobs themselves (Baron, 2010). Some authors suggest that integrating these elements typically associated with self-employment into more traditional work settings can be beneficial for employees (Gawke et al, 2017) and should hence be considered when appropriate.

This chapter examines how work autonomy, job complexity and related supervision/management approaches have evolved during the pandemic and how they are associated with establishment performance and workplace well-being. The chapter further explores management’s expectations of staff in October 2020 compared with 2019.

Work autonomy, job complexity and supervision

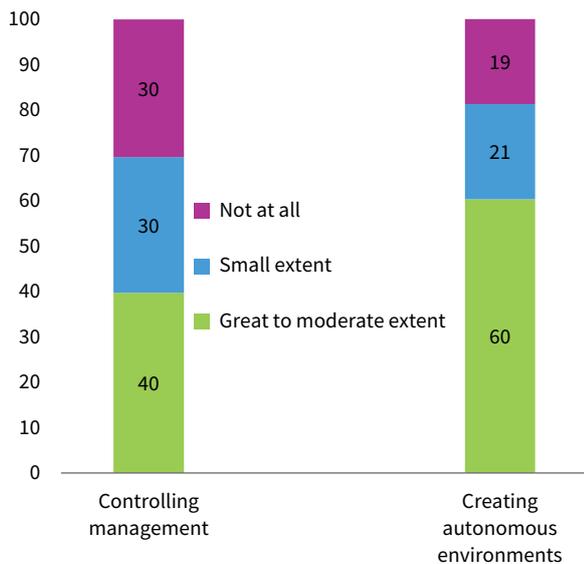
The topic of work autonomy is related to, and has recently been discussed in the context of, remote work. It can be assumed that COVID-19 and the associated surge of remote work arrangements have given a boost to work autonomy, as workers are more flexible in managing the needs of work and are generally more autonomous in organising schedules and working methods.

There is, however, also a downside to new work arrangements, stemming from employers’ fears of losing control over their workforce. This problem can be addressed either by close monitoring and control or by aligning the interests of management and employees by means of incentives and shared objectives (Eurofound, 2020f). Previous Eurofound research has shown that the most successful businesses tend to emphasise the latter. However, some businesses did invest in surveillance tools such as software tracking keystrokes or taking unnoticed sporadic screenshots. There are some concerns, for example around the unregulated functionalities of mainstream software such as Microsoft (MS) 365, data protection and potential risks for employees. With MS 365, for instance, it is possible to create profiles of individual users. MS 365 creates these profiles based on non-transparent parameters and without sufficient information being sent to the person in question. Employers could theoretically base decisions about employees (e.g. regarding career progression) on MS-processed data. Such practices based purely on the automated profiles of MS 365 are, however, considered profiling according to Article 4, paragraph 4, of the General Data Protection Regulation and would be in violation of Article 22, paragraph 1, of the regulation (Fritsch, 2021).

Changing circumstances and the massive shift to telework have prompted many companies to change their approach to managing staff. In 2019, when respondents to the ECS were asked about their managerial approach, 73% replied that they had created an environment in which tasks could be performed autonomously, while 26% said their approach was more focused on control. In the ECS 2020, this question was modified and split in two. Managers were now asked to consider each approach in terms of whether it had become more important as a consequence of COVID-19: 60% replied that allowing worker autonomy had become more important to a

moderate or great extent, but 40% replied that control had become more important (Figure 21). As the question was asked differently in 2020, the two rounds of the ECS are not comparable.⁹ However, the finding suggests a decrease in worker autonomy and an increase in management control compared with before COVID-19.

Figure 21: Extent to which each element of the management approach has become more important because of the pandemic (%)

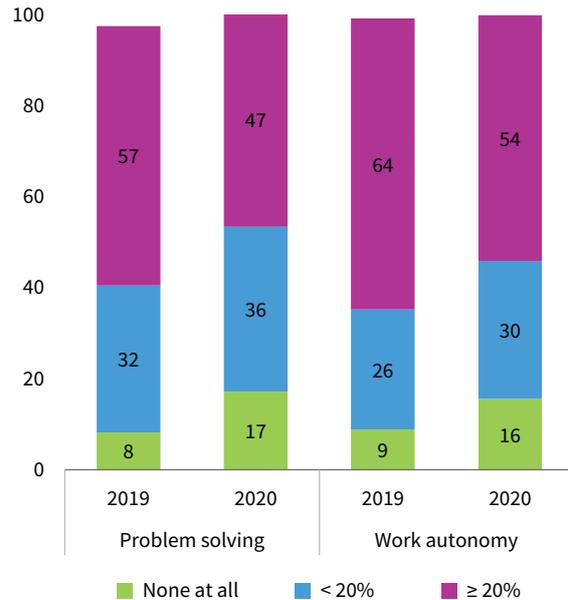


Source: COVID-19 ECS follow-up survey (2020)

This tendency is also reflected – against expectations – in the prevalence of autonomous work¹⁰ and problem solving.¹¹ In 2019, in more than half of establishments (57%), the work of at least 1 in 5 employees included independent problem solving. In 2020, this was the case in 47% of the establishments (Figure 22).

Similarly, while 64% of managers reported that at least 1 in 5 of their staff worked autonomously in 2019, in October 2020 this was down to 54%. Even though the replies of 2019 and 2020 are not strictly comparable, the data do not show any tendency towards increasing work autonomy or job complexity during the pandemic.

Figure 22: Problem solving and work autonomy, 2019 and 2020 (%)



Source: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

Figure 23 illustrates changes in relative terms as a deviation from the overall annual average in the respective year. Green bars indicate below-average job complexity and work autonomy; blue bars show above-average proportions. It appears that establishments in the financial and other services sector

9 Question in the ECS 2019: Different establishments use different approaches to manage the way employees carry out their tasks. Which of these two statements best describes the general approach to management at this establishment? Please think about the approach that is used the most by managers: a) Managers control whether employees follow the tasks assigned to them; b) Managers create an environment in which employees can autonomously carry out their tasks. Question in the COVID-19 ECS follow-up survey (2020): a) To what extent did the organisational consequences of COVID-19 make it more important for managers in this company to control whether employees complete the tasks assigned to them? (great to small extent); b) To what extent did the organisational consequences of COVID-19 make it more important for managers in this company to create an environment that allows employees to autonomously carry out their tasks? (great to small extent)

10 Question asked was: For how many employees in this company/establishment does their job include independently organising their own time and scheduling their own tasks?

11 Question asked was: For how many employees in this company does their job include finding solutions to unfamiliar problems they are confronted with?

Figure 23: Job complexity and work autonomy, indexed values (mean = 100), 2019 and 2020



Note: Light green bars represent below-average values in 2019; dark green bars represent below-average values in 2020; light-blue bars represent above-average values in 2019; and dark blue bars represent above-average values in 2020.

Sources: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

were the only ones with an increase in both items. Establishments with low-investment, low-involvement strategies improved, while work became comparatively less autonomous for staff in high-investment, high-involvement workplaces.

These findings are counterintuitive, especially as they are reported by managers who would be more inclined to interpret increased remote work as a push towards more autonomy and independence for their staff. During the pandemic it has been common to read headlines like ‘The sudden growth of employee autonomy during the coronavirus lockdown’ (Gerten and Beckmann, 2020). While it may be explained in part by the different order of questions in the survey, it is still worth reflecting on why the figures do not support the conclusion of a huge increase in work autonomy as expected.

Work autonomy, performance and well-being

Both establishment performance and workplace well-being scores were higher in establishments that had work autonomy or independent problem solving for at least some staff than in establishments that did not offer such options at all (Table 5). Establishments with a controlling management approach (to a moderate or great extent) had lower scores on both indices than those where such an approach was not followed at all. These findings confirm the results of the ECS 2019, in which higher work autonomy/job complexity and a less controlling management approach were positively associated with higher performance and well-being scores as well.

Table 5: Establishment performance and workplace well-being by work characteristics and management style, mean and standard errors

	Establishment performance		Workplace well-being	
	Distance to the mean (%)	z-score	Distance to the mean (%)	z-score
Problem solving				
None at all	-16.0	-0.3	-4.9	-0.21
< 20%	1.3	0.0	0.4	0.02
≥ 20%	4.9	0.1	1.5	0.07
Work autonomy				
None at all	-15.5	-0.27	-2.8	-0.12
< 20%	1.3	0.02	-3.1	-0.16
≥ 20%	3.7	0.07	2.6	0.12
Controlling management				
Great to moderate extent	-5.7	-0.10	-3.9	-0.17
Small extent	3.4	0.07	2.1	0.10
None at all	4.1	0.08	3.1	0.15
Management creating autonomous environment				
Great to moderate extent	-1.9	-0.03	2.2	0.11
Small extent	4.8	0.09	-3.7	-0.15
None at all	0.8	0.02	-2.9	-0.12

Note: Scores for both indicators are standardised by dividing the distance to the mean by the standard deviation, which yields z-scores. A negative score means that an establishment scores below average, and a positive score means that it scores above average. The standardisation ensures that differences on the two indicators mean the same, so a z-score of 1 on workplace well-being is equivalent to a z-score of 1 on establishment performance. This makes it possible to assess trade-offs, whereby gains in one indicator are offset by losses in the other.

Source: COVID-19 ECS follow-up survey (2020)

Workplace behaviour: What matters?

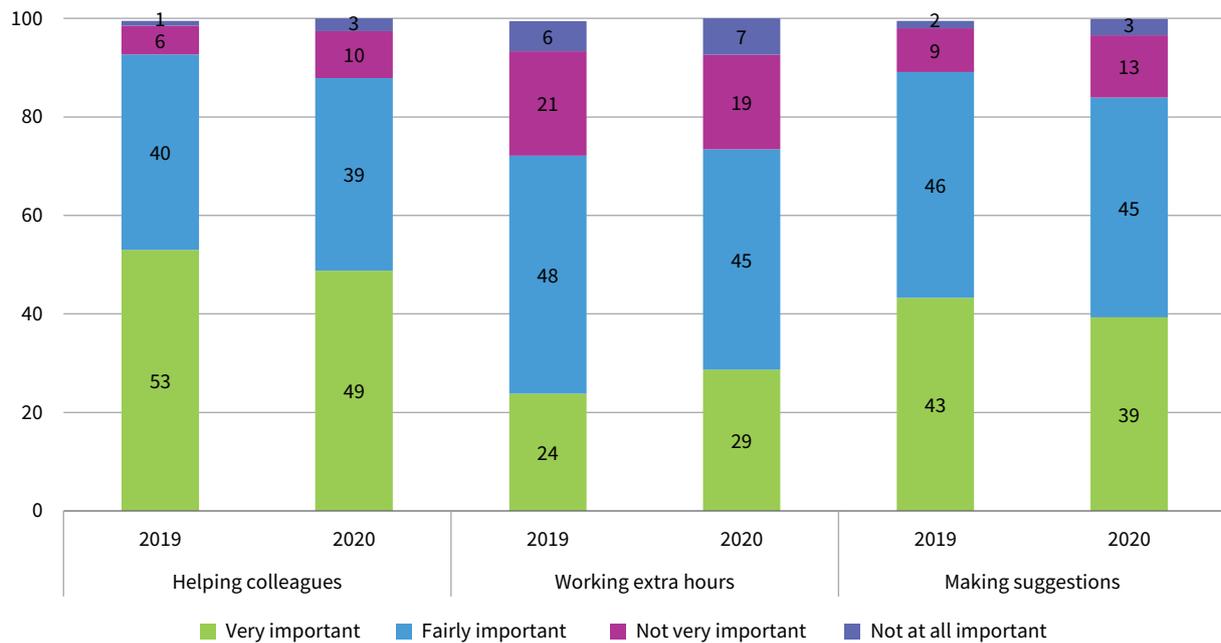
This section reflects on work-related behaviour that is important to managers in times of pandemic. It explores management's expectations of staff in terms of aspects that go beyond their job descriptions, in other words worker engagement. This includes helping colleagues (without being asked), working longer when the work requires it and making suggestions for improving the way things are done in the establishment.

Managers consider discretionary helping behaviour important. In the ECS 2019, 53% of them found helping colleagues very important, 24% believed that working longer if needed was very important, and 43% considered making suggestions a very important characteristic. However, compared with the 2019 findings, fewer managers found helping colleagues very important in 2020 (Figure 24). While in 2020 it was

regarded as slightly more important to work extra hours if needed, the perceived importance of actively making suggestions slightly dropped. These changes between 2019 and 2020 are not substantial and probably indicate that the focus during the pandemic has shifted. Employees are expected to go the extra mile if needed, while helping colleagues is also considered to be more difficult in a remote situation given the lack of face-to-face contact.

Looking at differences across establishments that have been hit differently by the crisis helps shed light on factors driving expectations. Managers of establishments that faced business disruptions, for instance, were more likely to find all types of discretionary behaviour more important than those that carried on with their business. Interestingly, establishments that reported decreases in the number of employees found helping behaviour less important than those with stable or increasing staff numbers.

Figure 24: Discretionary behaviour, 2019 and 2020 (%)



Sources: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

Summary

This chapter examined aspects of work autonomy, job complexity and related supervision/management approaches and how they have evolved following the outbreak of the COVID-19 pandemic. It further explored management's expectations of staff and how these changed during the crisis.

- In 2020, more than half of managers reported that the organisational consequences of COVID-19 made it more important to focus on worker autonomy, but 4 in 10 reported that the approach in the establishment became more controlling. These figures indicate a decrease in the focus on autonomy and an increase in the controlling approach compared with before COVID-19.
- This was also reflected in trends in perceived work autonomy and independent problem solving. The data do not suggest a tendency towards increasing work autonomy/job complexity during the pandemic. Such findings are counterintuitive and require follow-up research.
- Pronounced differences were observed across sectors. Managers from establishments providing financial and other services, and to a lesser extent managers from industrial sites, found helping behaviour and working extra hours comparatively less important. Managers in transport companies valued these types of behaviour above the average level.

6 Internal communication and crisis management

So far, this report has illustrated how the COVID-19 pandemic has changed workplaces across Europe in many respects. In this chapter, the focus is on internal communication, which communication channels were used and how prepared managers were to deal with the crisis. As has been shown, organisations were forced to urgently introduce new workplace practices, alter organisation, make changes to the physical workplace and, in some cases, make staff redundant.

Internal communication entails a broad range of tasks: day-to-day communication, management communication (Ruck, 2020), organisational engagement (Rees et al, 2013; Eurofound, 2020g), social media, internal digital platforms and others (Cardon, 2019; Ewing et al, 2019). During the pandemic, the focus of internal communication has shifted mainly towards internal crisis and risk communication, change communication, and management of employee well-being and mental health.

The main challenge for internal communication imposed by COVID-19 was how to communicate promptly, efficiently and transparently with staff, when decisions had to be made very fast and environments were changing quickly. Managers were struggling to keep employees informed of recent developments. An important principle of good internal communication was even more difficult to follow: give employees a say in what goes on, which includes managers being visible and accessible (Ruck, 2019). Feedback and constructive criticism about management decisions during and around COVID-19 were not always heard, according to the in-depth interviews.

The following will explore channels of internal communication and how their use changed between 2019 and October 2020. Insights from the in-depth interviews on difficulties and success factors in internal communication and crisis management illustrate survey findings.

How to communicate: internal communication channels

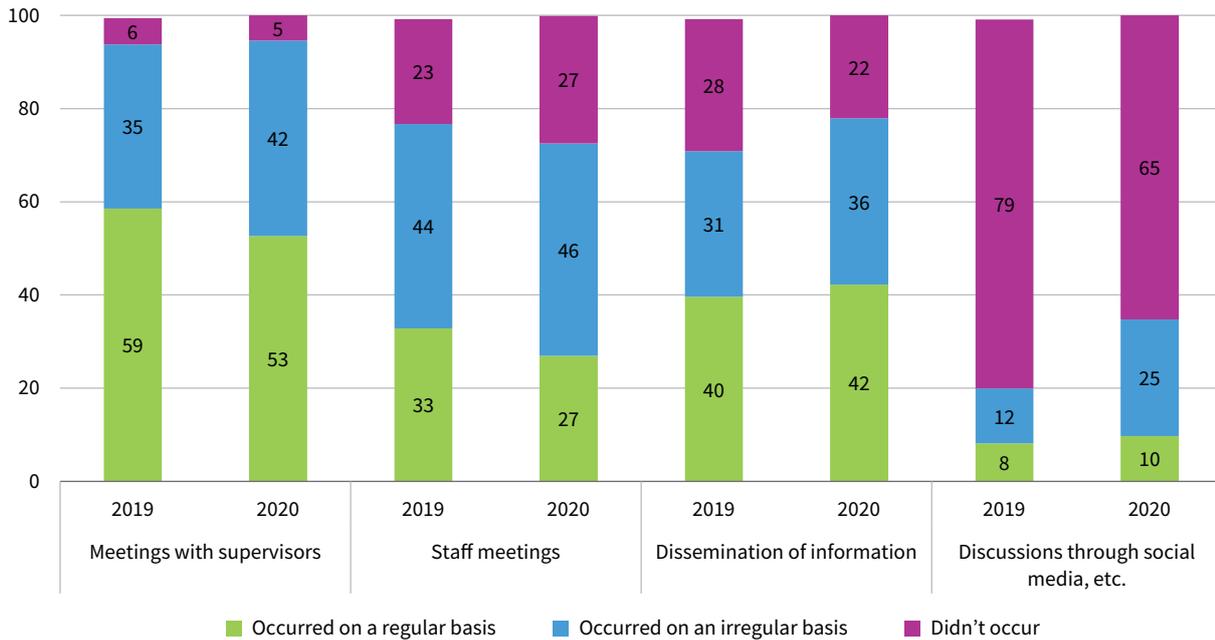
Staff meetings, team meetings, meetings with supervisors, dissemination of information via the intranet, newsletters, notice boards, emails, apps and social media are all channels of internal communication. Videoconferencing and discussion with employees through social media have become more dominant, and face-to-face meetings have decreased to comply with public health measures and keep physically distanced.

Figure 25 illustrates how the use of various communication channels changed between the ECS data collection in spring 2019 and autumn 2020.¹² The findings suggest that the regularity of staff meetings and meetings with supervisors has decreased. In 2019, 59% of managers reported that meetings with supervisors took place on a regular basis, and 33% that staff meetings did. These proportions went down to 53% and 27% respectively in 2020. While the share of establishments that did not have meetings between supervisors and subordinates at all remained about the same, the share of establishments with no staff meetings increased from 23% to 27%. One interpretation would be that, because most meetings were held online, there might have been more flexibility in planning them, while regularity decreased.

The dissemination of information has increased, on the other hand, as have discussions through social media and other online channels: whereas 79% of establishments had no such discussions in 2019, the corresponding proportion was 65% a year later. The proportion of establishments having discussions through social media on a regular basis remained stable, but the share of them doing so on an irregular basis rose from 12% to 25%.

¹² In the 2020 questionnaire it was highlighted to respondents that meetings included online meetings.

Figure 25: Use of internal communication channels, 2019 and 2020 (%)



Sources: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

There is some variation across sectors in the use of different information channels. Financial and other service establishments were most likely to have meetings between supervisor and subordinate (60%) but the proportion dropped by 8 percentage points during the pandemic (above average). Staff meetings were especially common in the financial and other services and the construction sectors (both 36% with regular staff meetings), decreasing in the former (-10 points) but increasing in the latter (+7 points). Such meetings are least common in the transport sector, with only 16% of establishments organising them regularly. Social media and other online communication channels were used on a regular basis mainly in the financial and other services sector (16%). In the construction sector, such communication channels and tools gained ground, with the proportion of establishments not using them at all dropping from 82% to 61%.

The in-depth interviews highlighted that messaging apps like WhatsApp and Signal have been widely used to stay in touch with employees during episodes of closure or remote working or to keep staff updated on the most recent changes (see also Box 8). Such channels were appreciated as a more informal way of connecting with staff. A small electrical retailer, for instance, reported that it had a WhatsApp group in place joined by all staff, which had been used before the pandemic for more informal chats and continued to be used during the crisis for important and swift communication about COVID-19, such as confirmation of dates for tests or phone numbers. ‘Everybody was sending thumbs up to confirm safe receipt,’ said the assistant manager. A Romanian bakery, on the other hand, described its communication during the pandemic as moving from traditional face-to-face conversations to telephone calls that became more frequent in order to stay in touch and make sure that everyone was coping well with the circumstances outside their jobs. However, it should also be mentioned that these kinds of practices were sometimes criticised as presenting problems from the perspective of a right to disconnect.

Box 8: Internal communication in times of pandemic: Good practices

When looking at good practices, it becomes evident that good internal communication is a feature of company culture. If it was not there before the pandemic, it was probably not possible to develop it at short notice. Indeed, one of the lessons learnt is that ‘perhaps we need a new approach towards leadership – an approach that builds on the principles of responsible leadership ... but one that also focuses more on the importance of communication’ (Ruck, 2020).

Slovenian plastic producer

This company, with over 250 staff, already had regular and extensive communication with employees in place before the outbreak of COVID-19. During the pandemic, many additional efforts were made: the management team took care to inform staff about all procedures regarding policy and work planning, and employees were regularly updated about both public health measures and specific health measures within the company. Various communication channels were used: email, the internal newspaper, info screens and others.

Representatives of the crisis management group, as well as all other employees, had the opportunity to send feedback on implementation plans and measures, and their responses were regularly screened and addressed. Weekly meetings had already been a fixture in the company before the pandemic, and employees were always involved in the decision-making process. The manager considered successful communication during the pandemic to be the result of the strong communication culture that already existed in the company.

Dutch pest control company

The management of this 90-employee establishment provided ample information and documentation regarding the lockdown and its impact on corporate policy and activities.

When the government eased or removed COVID-19 measures or announced new ones, top management took immediate action to adjust company practices accordingly – for example by implementing new policies on the shop floor – and promptly communicated updates to workers. According to the interviewed staff member, the establishment’s communication with employees regarding COVID-19 measures was transparent, structured and efficient, consistent over time and largely based on updates from the government. Workers appreciated the transparency and how quickly national measures were translated to the company – for instance, soon after the government announced a curfew, management made exemption forms available to workers conducting night shifts so that they could travel legally after 21:00.

Management actively encouraged feedback from staff about COVID-19 measures, building on a corporate culture in which views could be openly expressed, including by workers to managers. Feedback was gathered informally (rather than through a staff representative or other formal established channel) and on an ad hoc basis, so that management could react immediately. For instance, one employee told management that a client had asked to be informed if a worker had any COVID-19 symptoms before the worker visited the client’s premises. This led to a new approach whereby the planning department used customer relations management tools to contact clients ahead of any assignment on their premises and inform them of precisely which staff member would be visiting them.

Overall, both respondents described the communication between management and workers as good, quick and efficient. Flexible measures developed based on shifting national realities and governmental regulations, combined with openness to feedback from staff, were considered key elements of a successful strategy.

Portuguese wholesale family business

This small family business, with 14 staff members, has operated since 1950 and focuses on the sale of consumables and equipment intended for the graphics sector, the plastics industry, and the paper and cardboard, recycling and rubber industry. It has a culture of high staff involvement in decisions and open dialogue between management and workers. Management values workers’ feedback and opinions, and staff recognise the effective exchange of views and transparent policies.

During the pandemic, communication was maintained despite social distancing measures. Management organised regular staff meetings through daily informal updates on a WhatsApp group as well as a weekly staff assembly via Zoom, and the chairman sent daily motivational messages. Although there was a negative impact due to the lack of social contact between colleagues, the manager and the worker interviewed shared the perception that the team became very united. Due to the way communication evolved within the company, the worker expressed the view that meetings gradually became more productive, specific issues were resolved more quickly, and colleagues developed closer relationships. Team spirit among workers and between workers and management became stronger.

Were managers prepared for this crisis?

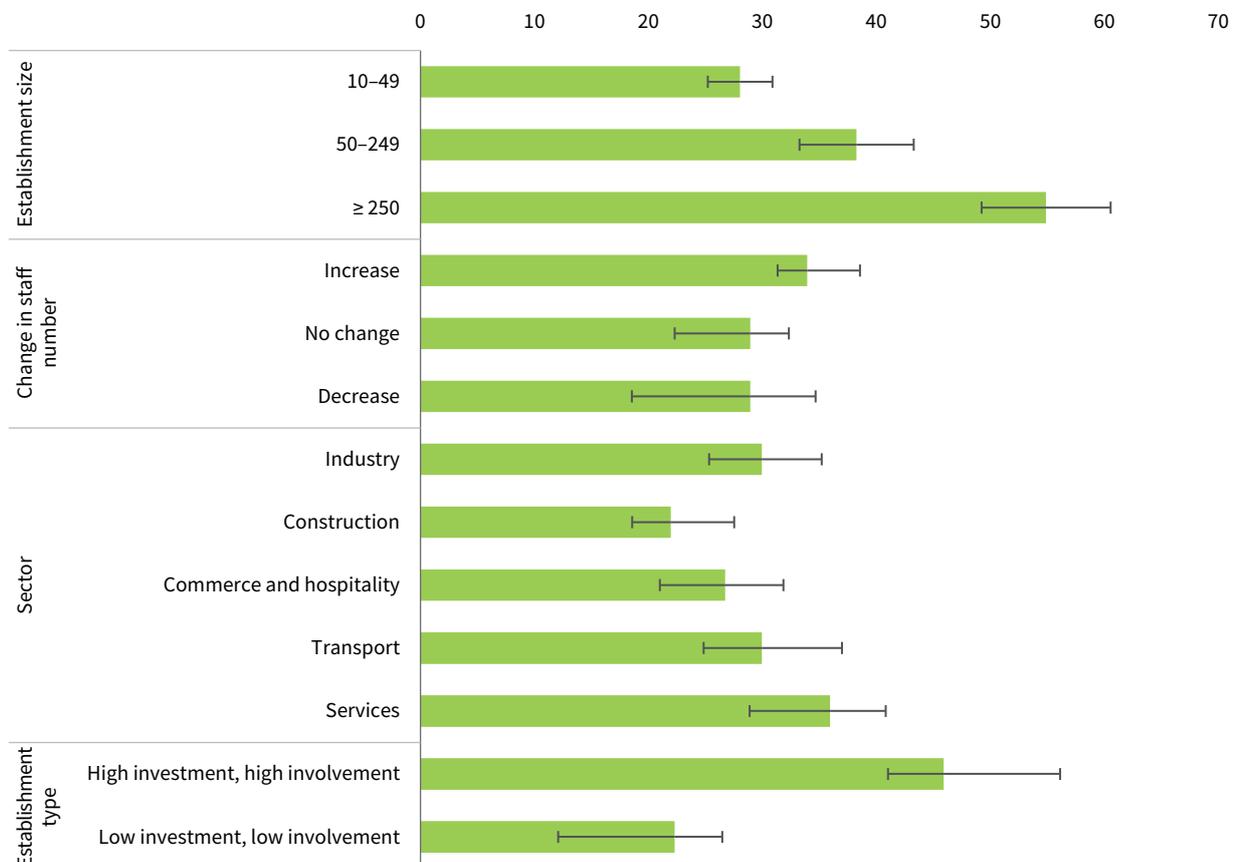
The COVID-19 pandemic was certainly unforeseeable for businesses. However, pandemics are not new, and other catastrophic events such as natural disasters or terrorist attacks had forced managers in the past to reflect upon the ability of their organisations to continue to provide business services and products in the face of adverse events. A company’s viability depends on its operational resilience (Clas, 2008), and preparedness adds to that resilience as well as to reliability and trust on the part of both employees and customers. Yet, according to the ECS 2020, only a third of EU establishments had such a plan in place before the pandemic hit.

Proportions vary by size and type of establishment, with larger organisations and establishments that invest more in their employees and involve employees more closely in decision-making being more likely to have plans in place (Figure 26). While differences across sectors are on the whole marginal, business continuity plans are slightly less common in the construction sector and more common in the financial and other

services sector. Financial services, for instance, traditionally have a high proportion of establishments and companies relying on business continuity plans (Savage, 2002). Single-establishment companies are less likely to have plans in place than those with headquarters and subsidiary sites (which is associated with their average size). Managers of establishments that reported an increase of staff in 2020 were more likely to have a business continuity plan in place than those reporting stable employee numbers or decreases (35% versus 29%). Businesses that had a continuity plan in place were less likely to report decreases in productivity in 2020 or to apply for public support schemes compared with those that had no such plan.

In the in-depth interviews, managers often said that it was impossible to foresee the scope of this pandemic. As the human resources manager of a French industrial steel site put it, ‘it was learning-by-doing for everyone’. Is the conclusion hence that preparation was impossible? Some establishments have demonstrated wise crisis management, often based on previous investments in a crisis infrastructure, contingency planning and thinking through the unthinkable.

Figure 26: Business continuity plan or contingency plan previously in place by various variables (% and standard errors)



Note: Error bars represent standard errors of point estimates. The standard error measures the accuracy with which a sample distribution represents a population by using standard deviation from the mean.

Source: COVID-19 ECS follow-up survey (2020)

Among managers that reported having business continuity plans, the in-depth interviews revealed that they range from basic emergency response procedures (operations in case of fire outbreaks, ICT disruption and so on) to more elaborate plans for crisis and contingency management.

The example of an Austrian logistics company suggests that careful and forward-looking crisis management has paid off during the pandemic. The interviewed director said the company benefited from previous investments in crisis management, including continuous training for middle management so that they knew what to expect and could react quickly. The company also had a business continuity plan in place, with strategies for every kind of crisis. Although the investment had been costly, it turned out to be invaluable when it came to steering safely through the challenges imposed by COVID-19.

The case illustrates differences in the preparedness of establishments (see also Pedersen and Ritter, 2020) and raises a general question for the future: what is the optimal level of preparedness? To what degree should organisations invest in proper and forward-looking crisis management, which comes at a cost in terms of both managerial attention and investment (Ritter and Pedersen, 2020)? While this question is difficult to answer, the pandemic has shown that, without awareness of the need to be prepared, the risk to business models and workplaces in case of an adverse event will be greater.

Summary

This chapter explored internal communication channels, as well as changes in their use during the pandemic. It also reflected on the role of business continuity and contingency plans as a crisis management tool.

- The regularity of staff meetings and meetings with direct supervisors decreased. The dissemination of information through various channels, on the other hand, increased, as did discussions through social media and other online channels.
- In-depth interviews highlighted that messaging apps like WhatsApp and Signal have been widely used to stay in touch with employees during episodes of remote working and to keep staff updated on COVID-19-related changes. Management appreciated such communication as an informal means of interacting with staff. However, such practices were also criticised from a right-to-disconnect perspective, as they can blur boundaries between work and private life.
- Good company practices systematically involved workers or their representatives in important decisions that needed to be taken swiftly, and provided the opportunity to give feedback to management.
- While the COVID-19 pandemic was unforeseeable for businesses, a third of EU establishments had a business continuity plan or crisis plan in place before the pandemic. Some establishments had explicitly prepared for pandemics or other external shocks. This demonstrates clear differences in the preparedness of establishments and in their investments in forward-looking strategies.

7 Health and well-being in the workplace

Under the EU Charter of Fundamental Rights, safe and healthy working conditions is a social right. Principle 10 of the EPSR builds upon this, declaring that workers have the right to healthy, safe and well-adapted workplaces. COVID-19 has posed dramatic challenges to these rights. The EU Strategic Framework on Health and Safety at Work 2021–2027, published on 28 June 2021, addresses this by focusing on three cross-cutting key objectives:

- anticipating and managing change in the new world of work brought about by the green, digital and demographic transitions
- improving prevention of workplace accidents and work-related illnesses
- increasing preparedness for any potential future health crises

The COVID-19 crisis has affected health, safety and well-being in the workplace in various ways. Emotional demands, for instance, have escalated for frontline healthcare workers, arising from the number of patients needing treatment, and from seeing many of them suffering and dying while having to keep a formal distance (Eurofound, 2020c). The fear of infection concerned all workers who had to be physically present on site, and almost 40% thought that they were at risk of contracting COVID-19 because of their work. Teleworkers were exposed to various psychosocial and physical risks and challenges, including the poor ergonomic design of many remote workplaces and other risk factors for musculoskeletal disorders.

Eurofound's *Living, working and COVID-19* e-survey shows an overall increase in negative feelings such as tension/anxiety, loneliness and depression between summer 2020 and spring 2021 throughout the population but especially in the working-age population (Eurofound, 2021b). Workers have experienced a significant increase in stress related to new working patterns, isolation, job insecurity and general health concerns (Brar and Singh, 2020). In summer 2020, 12% of workers felt isolated when working, 24% felt emotionally drained by work and 31% felt physically exhausted at the end of the working day (Eurofound, 2020h).

Mental health has therefore become a major point of focus for managers during the pandemic, and employee adjustment and well-being have risen to the top of the agenda of human resource managers. Of course, problems with mental health are visible already, while the epidemic of work-related musculoskeletal disorders will be only apparent in the long run.

This chapter discusses challenges to health, safety and well-being faced by managers and workers during the pandemic, and strategies they used to cope.

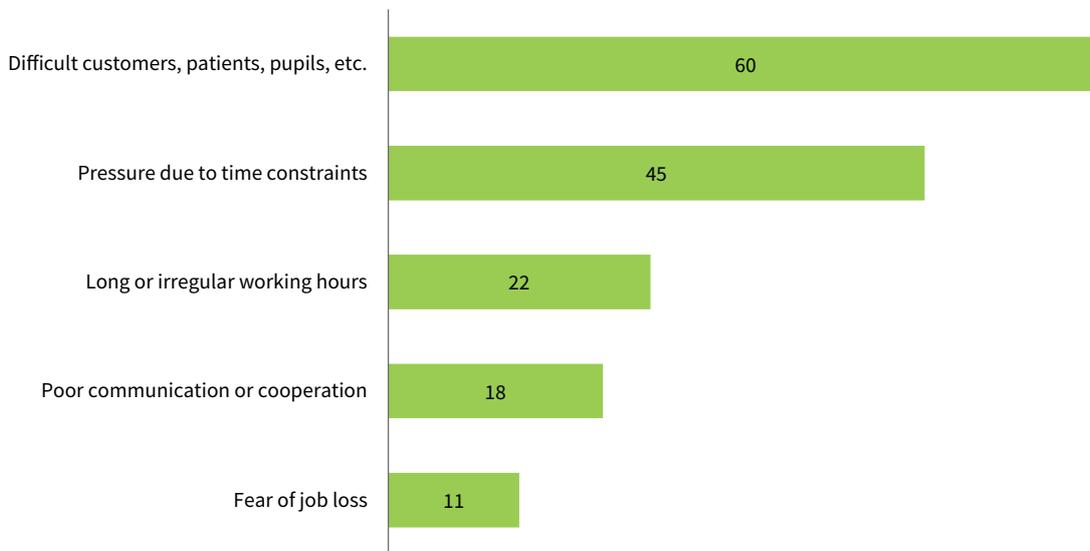
Workplace observations

Before the COVID-19 pandemic hit, the most frequently identified OSH risk factors in the EU27 (in establishments with five or more employees) were repetitive hand and arm movements (65%), having to deal with difficult customers, patients or clients (61%) and prolonged sitting (60%) (EU-OSHA, 2020b). Most establishments reported regularly carrying out risk assessments (77%), which are the cornerstone of the European OSH strategy as outlined in the EU Framework Directive on Safety and Health at Work (Directive 89/391/EEC) (EU-OSHA, undated).

Health and safety services as preventive measures were used to varying degrees. Occupational health doctors, for instance, were present in 76% of the EU27 establishments, generalists in health and safety in 62% and experts in accident prevention in 53%.

Focusing on psychosocial risks, however, the presence of psychologists was reported in only 20% of the EU establishments in 2019. Training in how to prevent psychosocial risks such as those caused by stress or bullying was offered to employees in 35% of EU establishments. Figure 27 shows the prevalence of specific psychosocial risks in 2019. Besides the emotional demands linked to client-facing tasks (60%), 45% of establishments reported pressure due to time constraints, 22% long or irregular working hours and 18% poor communication or cooperation. Around 1 in 10 managers perceived fear of job loss as a risk factor in their establishments.

Figure 27: Psychosocial risks in EU27 establishments in 2019 (% of managers reporting)



Source: EU-OSHA, *Third European Survey of Enterprises on New and Emerging Risks 2019 (ESENER-3)*, 2019

While new data on psychosocial risks in the workplace during the pandemic are still scarce, there is some evidence that many of these risks have drastically increased while others have newly emerged (mainly as a result of telework) in 2020/21 (ILO, 2020; Martinez, 2020). A French study (Dares, 2021), for instance, found that the mental health of workers deteriorated sharply in early 2021, with the risk of depression doubling and perceived health sharply deteriorating. This is likely to be related to an intensification of work combined with a lack of means to perform their work properly and a weakening of the social context.

With an eye on the growing psychosocial risks at work during the pandemic, the ECS 2020 collected information on the importance of specific aspects in the context of providing training to staff. The survey asked about the importance of improving employee morale in general (which it had also done in 2019), as well as about the importance of training to increase the capacity of employees to cope with stress or anxiety. Curiously, the improvement of employees’ morale was considered a very important reason for training by fewer managers during the pandemic than in 2019 (25% versus 35%). Coping with stress or anxiety was a very important reason for providing training in 22% of establishments and a fairly important one in 48%. There was little variation across sectors or establishment size.

The effects of the pandemic on health and well-being at work are likely to be long-lasting, given changing work organisation, poor ergonomic design at remote workplaces, increased stress levels and blurred boundaries between work and private life. In the past,

international organisations such as the International Labour Organization and EU-OSHA have worked on guidelines on how to prevent psychosocial hazards in the workplace, and they are currently reviewing them in light of the COVID-19 experience and remote work. The first international standard on mental health in the workplace (ISO 45003) was published in June 2021 and gives guidance on managing psychological health and safety risks within an OSH management system (ISO, 2021).

Managing health and well-being in a public health emergency

The impact of the pandemic on the health and well-being of employees has been much discussed in public and explored in recent research (Yu et al, 2021), and was also reported by managers in the in-depth interviews. The physical and emotional challenges have been different for on-site and home-based workers. For teleworkers, they have included the difficulties of home schooling and growing tired of being surrounded by the same people within the same four walls all the time, leading to pandemic fatigue and low motivation. Some employees developed acute anxiety about COVID-19 and the risk of infection. Health and well-being were, however, also an issue for managers themselves, who were especially challenged during the pandemic as their responsibilities grew and their tasks changed. It was mentioned in the interviews that managers need to take this into account and should not neglect their own health and well-being when working on behalf of staff.

Perceptions: What managers noticed

In the in-depth interviews, managers reported various psychological challenges that their workers faced. As described already, telework imposed specific challenges on employees, and to a similar extent on managers who had little or no previous experience in managing a remote workforce. Employees living alone faced the risk of isolation and of losing motivation and engagement, especially as the duration of home working proved to be much longer in many cases than originally expected, as noted in recent research (e.g. Carillo et al, 2021) and mentioned in a variety of contexts in the in-depth interviews. With more time spent at home and away from the work environment because of COVID-19, the psychological effects of isolation became more and more noticeable. However, it was also difficult for management to separate the stress factors stemming from remote work from the ones owing to the general circumstances of the pandemic situation. 'The management tries to listen to employee needs by heeding calls by employees to come into the office to meet and to have some variety in their working life,' one interviewee said.

The lack of a social environment was one of the factors often observed by managers and workers alike. People miss the social relationships in the workplace and often mentioned that their working time has intensified, with shorter and less meaningful breaks during the day. The work experience at home was considered more 'static' and concentrated: 'In the office, people have to move around to carry out their activities, they meet and talk with colleagues, they take longer breaks; they feel more relaxed mentally,' said the director of a small Italian consultancy firm. Structures such as work routines and informal chats are an inherent part of working on site, but this is not the case at home. Therefore, many managers thought their staff would like to return to the status quo ante, which they found more satisfactory in both professional and social terms.

At establishments where work continued on site throughout the pandemic, meanwhile, employees struggled with social distancing rules, limited social contact and disruption to their work routines. Many managers observed mood drops, especially during the first wave. On-site workers got used to the new circumstances, however, and mental well-being issues appeared to be less severe in these establishments. Many managers said they often had the perception that their employees, in spite of the difficulties they faced, felt lucky to have remained in employment and working for an establishment that sought to keep them safe. This observation was echoed by the assistant of the owner of a small Austrian electric services establishment: at the beginning of the pandemic, there was a sense of panic related to the uncertainty around COVID-19, with some people put on short-time working and not sure if or when they would return to full employment and many

people finding maintaining distance and wearing face masks awkward and needing time to adjust. However, by the time of the interview the situation had normalised; people had become used to the various safety measures and were following them as advised. Compared with employees in other companies, they felt lucky to have kept their jobs and to be able to work every day.

Actions: How management reacted

Actions taken by management to prevent the spread of the virus can be split into health and safety measures in the workplace, and actions to comply with public health measures (see Chapter 4). Outbreaks and clusters of COVID-19 in a variety of occupational settings reported since the start of the pandemic in the EU, the European Economic Area and the UK, however, indicate that these measures have been insufficient in many places and require immediate strengthening (ECDC, 2020).

Other workplace measures addressed physical and mental well-being and motivational issues. These included online recreational activities and initiatives offered free of cost to staff with a view to supporting their well-being – for example, English language courses, cooking tutorials, virtual museum and art gallery tours, and mindfulness classes. Staff were encouraged to share knowledge and promote peer-mentoring initiatives in their areas of expertise (for example, time management or sales techniques).

In terms of psychological support, employment assistance schemes were mentioned as good practice in a wide variety of establishments. These include confidential hotline services for psychological counselling available to all staff. Management usually does not know whether staff use the hotline, because it is confidential, but should actively promote it and encourage staff to take advantage of it if they need to. Topics that can be discussed with remote counsellors include physical and mental health, finance, and work-related or family-related issues.

With perceived decreases in mental well-being, management's approach in some establishments explicitly changed to focus more on understanding the challenges, pressure and limitations resulting from the pandemic, helping workers to cope and ensuring they could remain productive. This strategy of empowering employees to manage stress was seen as a successful one.

Two-way conversations were reported in the in-depth interviews as a successful strategy in dealing with mental well-being issues. It was perceived as vital to monitor mental well-being with a structured approach, including regularly reaching out to employees and offering staff opportunities to chat or consult with managers and colleagues. Peer support was especially crucial.

Another important factor was team awareness, i.e. colleagues' awareness of each other and each other's work and activities: in some establishments this was seen as important for identifying signs a colleague may be struggling, such as personality changes or drops in productivity. If indeed someone was struggling, it was vital to have structures in place to be able to reach out to them.

Company and other initiatives

National media reported 27 entries in the COVID-19 EU PolicyWatch on practices and initiatives addressing the well-being of workers. These include very specific company initiatives, but also government measures taken in some countries to promote the physical and mental health of the working population in times of pandemic. An additional 17 entries concern company practices and initiatives promoting health and safety in the workplace.

Many such practices and initiatives have already been mentioned, such as employee assistance schemes and online recreational activities.

Initiatives promoting OSH included extensive testing options on site, sanitary and organisational adaptations to production sites, increased services from occupational health providers and technological innovations to prevent the spread of the virus. For example, Alain Afflelou, a chain of opticians, created a special reopening protocol with protective measures designed to reduce the risk of infection. These included offering customers a virtual glasses tester based on 3D technology to limit contact with the frames (Eurofound, 2020j).

Box 9: Practical support for employers and employee representatives to ensure sustainable work

Suntarbetsliv (healthy working life) is a bipartite project in Sweden that was created as a result of the last round of collective agreement negotiations, in 2016, when the social partners asked for more focus on sustainable working conditions. The partners are employer organisations and trade unions with members in the municipal and regional public sectors.

The purpose of Suntarbetsliv is to promote sustainable working conditions and long-term good health. This is done by gathering knowledge about measures to prevent occupational injuries, promote health and rehabilitate workers and making that knowledge available to everyone in the municipal and regional sector. Over 1 million workers and about 1,500 employers are covered by Suntarbetsliv.

Risk assessment checklist

During the pandemic, Suntarbetsliv has focused on the impact of COVID-19 on the work environment. The project offers support to employers and employees to help them tackle the impacts of the pandemic, through checklists, research, tips, articles and so on. One such resource is a COVID-19 risk assessment checklist, used to examine the impact of COVID-19 on the work environment. The checklist contains questions about how the employer handles:

- COVID-19 in and out of the workplace
- risk of infection
- communication
- teleworking

The checklist was produced by the non-profit organisation Prevent, which is owned jointly by the Confederation of Swedish Enterprise, the Swedish Trade Union Confederation and the Council for Negotiation and Cooperation.

Eurofound (2020i)

Summary

This chapter delved into the topic of health and well-being during the pandemic. It referred to findings from Eurofound's *Living, working and COVID-19* e-survey and reported on managers' perceptions, as expressed in in-depth interviews, and on actions taken in the workplace.

- Between summer 2020 and spring 2021, there was an increase in negative feelings such as tension, anxiety, loneliness and depression throughout the population but especially in the working-age population.
- Helping employees to cope with stress or anxiety was an important reason for providing training in most establishments.
- The physical and emotional challenges have been different for on-site and home-based workers. For teleworkers, they have included the difficulties of home schooling and frustration with monotonous environments. Pandemic fatigue and low motivation were aspects mentioned by both on-site workers and teleworkers.
- The lack of social environment was one of the most consistent factors mentioned in the interviews. People missed the relationships they'd had in the workplace and felt that their working time had intensified, with shorter and less meaningful breaks during the day.
- In terms of psychological support, employment assistance schemes and recreational activities offered by the employer were mentioned as good practices.
- The effects of the pandemic on health and well-being at work are likely to be long lasting, with changing work organisation, increased stress levels and blurred boundaries between work and private life.

8 Workplace social dialogue and employee involvement during COVID-19

COVID-19 has challenged social dialogue and collective bargaining in the EU to varying degrees across countries. Social partners have an important role in national recovery and resilience plans. While standard procedures were largely maintained in some countries, in others tripartite consultation was circumvented, with time pressure and economic uncertainty cited as reasons (Eurofound, 2021d). In sectors hit hard by lockdowns, collective bargaining was sometimes postponed or even suspended. At policy level, a significant number of measures were adopted without proper and timely consultation with the social partners (Eurofound, 2021e).

In this chapter, we explore the extent to which social dialogue and general employee involvement took place at workplace level in the context of the pandemic. Were there differences between establishments with and without formal employee representation regarding the implementation of COVID-19-related measures? Did management consult workers in a timely manner when implementing measures or taking far-reaching decisions such as dismissals or short-time work?

Social dialogue and workplace relations

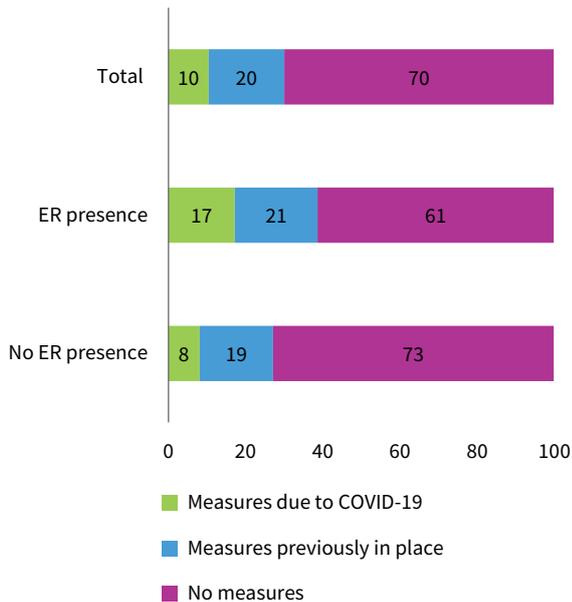
In summer 2021, Eurofound's COVID-19 EU PolicyWatch database included 659 cases of policy measures, collective agreements and company practices established in 2020 to mitigate the effects of the COVID-19 crisis. These largely regarded measures such as employment retention/protection, income protection, protection of workers/adaptation of workplaces and supporting businesses to get back to normal. Social partners were less involved in the process of reorientation of business activities, commonly being only informed about such activities.

According to the ECS 2019, an official structure for employee representation is present in 29% of EU27 establishments with 10 or more employees. That includes works councils on site (23% of official employee representation structures), non-union staff representation only (19%), trade union delegations only (11%), trade union delegations and others (10%) and trade unions and works councils (9%). Managers in 28% of establishments reported that their establishment or company was a member of an employer organisation.¹³ Collective agreements capture a bigger proportion of establishments, with managers of 61% of EU27 (private business) establishments reporting that the wages of at least some of their employees were set by a collective bargaining agreement.

In terms of measures taken in the workplace, we focus on differences between establishments with and without formal employee representation at the site. There is, for example, no difference between them regarding staff cuts (or increases) between 2019 and 2020. Differences remain significant, however, when looking at specific measures to record and monitor the working time of employees who are teleworking. Establishments with official employee representation are more likely to have such measures introduced in response to COVID-19 than sites without employee representation, even after controlling for the economic sector (Figure 28). This suggests that employee representatives were pushing for the formalisation of telework, with workers' protection in mind. Whereas employers might previously have been more suspicious of remote work arrangements because of the perceived lack of control, the focus of workers' representatives might be on regulating the work done and avoiding tendencies towards self-exploitation and excessive hours in the context of significant family and home-schooling responsibilities. Another interpretation is that, where employee participation is more formalised, other practices are more likely to be formalised as well.

¹³ The presence of an official employee representation at the site is strongly correlated with the establishment being a member of such an organisation.

Figure 28: Measures to record working time by employee representation (ER) (%)



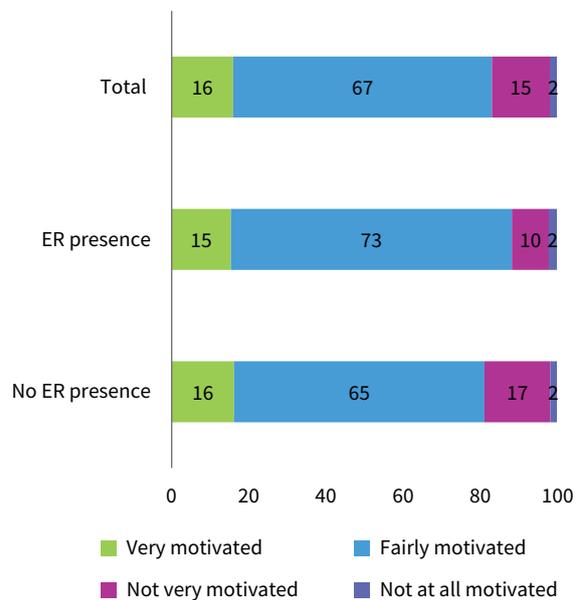
Source: COVID-19 ECS follow-up survey (2020)

Managers of establishments with employee representation structures were more likely to report that the company paid for or provided work equipment for telework, or compensated employees for utility bills and telecommunication expenses. Likewise, higher proportions of such establishments invested in ICT in response to the pandemic and provided their employees with paid training.

More managers of sites with employee representation report using data analytics to monitor employee performance, and more have a controlling approach to management at least to some extent, although differences disappear after controlling for sector or size.

While no differences were detected regarding establishment performance, workplace well-being or workplace relations, motivation was considerably higher in establishments with employee representation, with 88% of managers reporting that staff were very or fairly motivated (versus 81%) and only 12% reporting that they were not very or not at all motivated (versus 19%) (Figure 29). One explanation could be that works councils and trade unions have emphasised mental well-being and healthy workplaces during the pandemic. This is reflected in a higher likelihood that establishments with employee representation will focus training strategies on increasing the capacity of employees to cope with stress and anxiety.

Figure 29: Employee motivation by employee representation (ER) (%)



Source: COVID-19 ECS follow-up survey (2020)

Box 10: Workplace social dialogue: Airport restructuring agreement

Background

A restructuring agreement was concluded in September 2020 between DAA, which operates Dublin and Cork airports, and unions representing over 2,000 staff at the airports.

Prior to union ballots on the agreement, DAA’s chief executive, Dalton Phillips, detailed the collapse in air traffic following the outbreak of COVID-19. Dublin Airport had just 0.5 million passengers in August 2020, as opposed to 3.47 million in August 2019. Cork Airport had just 1,200 passengers a day in August 2020, compared with around 9,500 a day in August 2019, and an average airline load factor of 30%, as opposed to 92% in August 2019.

Agreement

The ‘new ways of working’ agreement provides that no pay increases will be considered until April 2022 at the earliest and that no grading, equalisation or other retrospective cost-increasing claims will be made during that period. Staff will remain on 80% wages for 80% hours.

The agreement also implements additional cost savings and flexibilities, including new ways of working – for example, cross-terminal working at Dublin Airport, team-based working, roster changes and responsibility for COVID-19 hygiene. There are also changes to working hours and mandatory annual leave, and responsiveness to COVID-19.

Coverage

The agreement has been accepted by 93% of unionised staff.

The restructuring was rejected by about 130 craft workers, members of Unite and Connect; about 20 baggage operatives, who oversee the operation of the baggage belts; and a smaller group of airfield operatives, who maintain the runways and airfield. The last two groups are represented by the Services Industrial Professional and Technical Union (SIPTU). These three groups of workers were moved to 60% pay and hours (effectively a three-day week) with effect from 11 October 2020.

Eurofound (2020k)

Employee voice: Less to say in times of pandemic?

Workers in most of the EU27 establishments are not represented by formal employee representation at their workplaces. Among those without formal employee representation, only 17% are labelled as the high-investment, high-involvement type, compared with 25% of those with employee representation. Staff involvement, however, is not necessarily done through a formal body. In small businesses especially, communication channels are often informal and direct participation is more likely to replace indirect participation, but direct participation and informal communication occur across all size classes. Where a formal representation structure is in place, direct participation could potentially also be used by management to circumvent representative bodies, and representative bodies could also discourage management or employees from direct participation, as this would potentially reduce their influence in the organisation. However, the atmosphere in which productive social dialogue is created is similar to the circumstances in which direct participation is most likely to succeed (Eurofound, 2015). Hence, direct participation and formal representation usually complement each other. Where no formal employee representation structure is in place, direct involvement of staff is the only way for their voices to be heard.

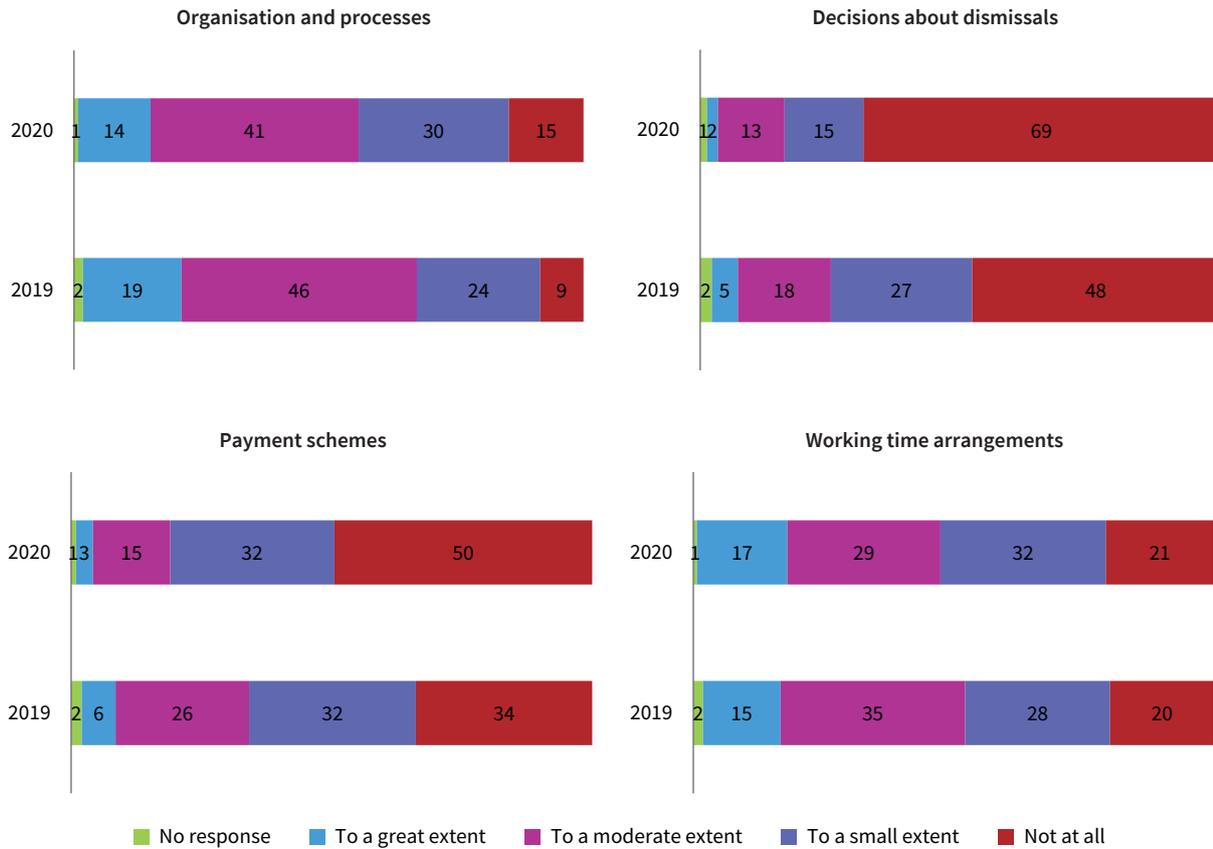
In times of pandemic, there is the obvious risk of less consultation, as management must take swift decisions and will often skip the involvement of staff because it is cumbersome and time-consuming. The in-depth interviews demonstrated that in a variety of contexts managers regarded one-way consultation as sufficient and efficient involvement regarding crisis-related measures. The office support manager of a Finnish financial services institution, for instance, explained that staff were involved in COVID-19-related decisions

by providing feedback and ideas to their line managers, who passed these on to the upper level. Similarly, the human resources manager of a Portuguese construction company reported that ‘in almost all decisions, the perspective of workers, their sensibility, their needs and their fears were taken into consideration via their team leaders’. In-depth interviews illustrated that in some contexts, however, there is also the possibility that worker involvement is not desired. The manager of a Hungarian manufacturer said bluntly that there is no worker involvement in decisions and that a top-down approach is the mode of management accepted by both sides.

Company culture plays a decisive role when it comes to direct participation in decision-making. Figure 30 illustrates changes between 2019 and November 2020 and makes it clear that direct participation decreased during the pandemic in most areas surveyed. Staff involvement in improving the efficiency of the organisation and work processes decreased. There was no staff involvement regarding decisions about dismissals in nearly half of the establishments in 2019, but this went up to almost 70% in November 2020. Managers were less likely to discuss payment schemes with staff in 2020 than the year before. Working time arrangements appear to be the only field where direct staff participation remained stable.

Most organisations had to implement at least some organisational changes. Staff involvement was more likely in major or moderate changes than in minor ones. Likewise, staff were more likely to be involved in decisions about dismissals in establishments that reported an overall decrease in employees, and work arrangements were more likely to be discussed with staff if managers reduced working time for at least some employees. These findings show that, although direct staff involvement decreased during the pandemic, it remained important at sites that implemented drastic measures in reaction to the pandemic.

Figure 30: Direct employee participation (%)



Sources: ECS 2019 management questionnaire and COVID-19 ECS follow-up survey (2020)

Conclusions from the Eurofound workshop

Participants pointed out that social partners were quick to respond to the crisis; for example, at national level, social dialogue led to many tripartite and collective bargaining agreements. A future challenge that social partners need to explore further is the transition from mandatory to voluntary telework, as there is a huge difference between the two; certain thresholds need to be kept in mind to ensure the well-being and work-life balance of workers. Another challenge for the future of social dialogue is to ensure that the rights of the workers are maintained in the digital space and that they reach employees in a teleworking or virtual work setting.

Participants also pointed out another aspect that should be addressed and possibly regulated by policymakers in the future: how to handle telework from a human resources perspective and in view of taxation. Granting or promoting flexibility, for instance

of the working location, may become a huge challenge for businesses, as they may have to deal with various fiscal regimes, depending on where employees are based. In addition, giving workers more flexibility in where and when they work – and setting performance targets without clearly considering the time needed to accomplish a task – may have negative effects in terms of work pressure and work-life balance.

The pandemic showed that social dialogue can lead to efficient solutions more quickly than usual governmental procedures, as for example in Romania, where employers’ organisations had various meetings with cross-sectoral trade unions and managed to reach different agreements on the application of short-time work schemes. A lesson social partners learned was that trust and transparency can increase the likelihood of reaching agreement on a solution. Another common point raised was that the current crisis has had an impact on social dialogue discussions and the priorities of social partners. In particular, there has been increased discussion of short-time work schemes, telework, and health and safety.

Summary

This chapter explored workplace social dialogue and employee involvement during the pandemic. It highlighted differences between establishments with and without formal employee representation regarding the implementation of COVID-19-related measures, and discussed the involvement of workers or their representatives when companies implemented measures or took far-reaching decisions such as dismissals or short-time work.

- Social dialogue during the COVID-19 pandemic mostly happened with regard to measures such as employment retention/protection, income protection, protection of workers/adaption of workplaces and supporting businesses to get back to normal.
- Establishments with official employee representation on site were more likely to implement specific measures to record and monitor the working time of employees who are teleworking during the pandemic. This suggests that employee representatives were formalising telework with workers' protection in mind. Another interpretation is that, where employee participation is more formalised, other practices are more likely to be formalised as well.
- Establishments with employee representation structures were also more likely to pay for or provide work equipment for telework, or to compensate employees for utility bills and telecommunication expenses. Likewise, they were more likely to invest in ICT in response to the pandemic.
- Staff motivation was higher in establishments with employee representation.
- There was less staff involvement regarding the improvement of work organisation and processes than before the pandemic, but especially regarding decisions about dismissals.
- Overall, there was less consultation, as management had to take swift decisions and often regarded the involvement of staff as cumbersome and time-consuming. However, where official employee representatives existed, they were usually members of ad hoc crisis management teams.
- Social dialogue during the pandemic has focused on short-time work schemes, telework, and health and safety. Social partners showed flexibility to achieve quick agreements and present efficient solutions.

9 | Conclusions and policy pointers

The impact of the COVID-19 pandemic on the economy, labour markets and society has been unprecedented. The pandemic has affected all spheres of social and economic life and has radically reshaped the world of work, as this report has shown. Employers and workers alike across the EU and globally had to adapt to the new situation. The question of how workplaces can improve operational and social resilience as an upshot of the crisis has been the backdrop of the analysis presented here.

Lessons learnt from the pandemic

The depth of the pandemic's impact on workplaces depended on many factors: the nature of the business, for instance, the economic sector, the size of the establishment and not least the type of establishment in terms of investments and staff involvement.

Organisational features that mattered

In many respects, small (and medium-sized) establishments were more affected by the impact of the public health measures: they were more likely to suspend operations completely or to reduce the working hours of staff, and drops in establishment performance were consequently more pronounced. This is reflected in the fact that more than half of small establishments benefited from public support measures. Small and medium-sized businesses were also less likely to have business contingency plans or crisis management plans in place than larger organisations. It was also more difficult for them to implement organisational changes such as telework or changing the core tasks of their employees and to provide specific training for their employees to better cope with the challenges of the pandemic.

Commerce and hospitality and financial and other services were the sectors most affected in terms of business disruptions and organisational/infrastructural changes. However, while the financial and other services sectors had fewer difficulties in reorganising work (such as by switching to telework), this was more of a challenge in the commerce and hospitality sector, where establishments had to close down or completely reinvent themselves. Establishments in that broad sector were most likely to adapt their core business models and to change the core tasks of their employees. Those in financial and other services were more likely to implement organisational changes and to provide their employees with specialised training to deal with COVID-19-imposed challenges.

The typology of establishments (developed on the basis of the ECS 2019), based on the extent to which they invest in employees and involve them in decision-making, showed that businesses with a more human-centred approach had some advantages in navigating through COVID-19. First of all, establishments with a high-investment, high-involvement approach were much more likely to have a crisis management or business contingency plan in place than other types. High-investment, high-involvement establishments were also more likely to change their core business activities and to hire additional staff in 2020. A higher share implemented organisational changes and turned to telework, especially compared with the low-investment, low-involvement type. The findings in the report also suggest that high-investment, high-involvement businesses took the hit of the pandemic by reducing profit, whereas low-investment, low-involvement businesses laid people off and reduced production instead.

Lessons learnt

There are clear lessons to be learnt about the factors that helped some organisations to navigate through the crisis more smoothly than others.

Crisis management, for instance, should be something for all businesses to consider. Large organisations are much more likely to have business continuity or contingency plans, as more is at stake. SMEs can benefit from being well prepared to manage in an emergency, and the data show that some of them did. One conclusion can surely be drawn from COVID-19: crisis management and business continuity plans matter. They helped to steer the real experience and the processes implemented since March 2020. Having a plan meant that not everything had to be thought through from scratch as regards communication with staff, steps to follow when implementing ad hoc measures and keeping clients on board. The participation of workers or their representatives in planning and carrying out crisis management is beneficial, as the concerns and ideas of staff can be considered at an early stage.

Forward-looking management was also a key feature for navigating the crisis more smoothly in terms of digitalisation of work processes, providing staff with work equipment and flexible time arrangements. This helped establishments (where telework was possible) to transition towards remote work arrangements without major interruptions or repercussions on productivity.

While direct employee involvement and workplace social dialogue were sometimes more difficult when quick or immediate decisions were needed, managers clearly emphasised that timely, structured and transparent internal communication was key for having staff on board even for sometimes tough decisions. Two-way communication was crucial, and employees appreciated the opportunity to give feedback on measures taken in the workplace. The data sources used for this report showed that social dialogue and staff involvement at all levels (EU, national and company) were key factors for successfully implementing even painful changes and decisions.

Businesses can also learn lessons from the pandemic itself and the very unusual set of circumstances linked to nationwide lockdowns. Top of the list is obviously changes in work practices that the pandemic brought about, such as remote work, which for many businesses worked much better than they would have expected. While many workers liked some of the flexibility it brought, not being in the workplace had downsides, such as a lack of social contact and of informal chats and interaction with colleagues.

Business will have to figure out the terms of the new flexibility. This includes defining flexibility and its scope on the business side and on the employee side. A good solution will involve employees and/or their representatives. At national level, social partners have a role in giving direction to this process, and, where relevant, formalising arrangements in social pacts or collective agreements. What exact level of remote working will become the norm and for whom? Different groups of workers have different preferences, and remote work is not possible in all work tasks. The combination of remote and office work will require careful management. Fixed-term workers, apprentices and trainees (who are usually not represented by trade unions or workplace representatives), for instance, need mentoring and social interaction, and are severely affected by lack of interaction and cooperation in the office.

The experience of resilience, of surviving by taking risks and trying new things, could serve to encourage more innovation in the future. Many businesses have demonstrated increased adaptability in the context of the pandemic, which will serve their future development. Establishments – particularly in sectors that were largely shut down and where whole business models were reoriented (restaurants starting up food delivery businesses, services businesses starting up online and so on) – found themselves facing unprecedented challenges, with almost no alternative but to innovate. Of course, many businesses did not survive the impact of the pandemic.

Policy recommendations

Businesses should adopt a crisis management plan

- Establishments that invest in crisis management can better manage a crisis and react more efficiently. A crisis management plan should be flexible and easy to adapt to future challenges and should focus on the employees' well-being, taking into consideration their diverse needs and guiding implementation in accordance with future scenarios. Policymakers should support SMEs in particular in implementing such measures. This also requires capacity building, investing in necessary skills, knowledge, tools and equipment, and continuous scenario building.

Managers need to address health and safety together with mental well-being in the workplace

- The provisions of the Framework Directive on Safety and Health at Work (Directive 89/391/EEC) and the interpretative document from the European Commission (2014) place on employers and OSH management in companies the responsibility to take risk prevention measures to safeguard the mental health of workers. The pandemic has highlighted that physical health and safety and mental well-being need to be addressed jointly in the workplace. Resources such as employee assistance programmes and counselling need to be provided to support employees, as do occupational health services. This may be costly for small companies, but the potential benefits in preventing and mitigating stress will be significant (EU-OSHA, 2021, p. 26). Social partners might also focus on training strategies for managers so that they are in a position to give guidance, support their teams and be alert to signals.
- Psychosocial risks and mental health – especially against the backdrop of increased risk of depression during the pandemic – need to be structurally monitored in the workplace, with regular opportunities for staff to reach out to managers and colleagues, encouraging peer support. Newly developed digital tools may be needed to this end. It is crucial that a culture of support be developed, which may include more open dialogue and workshops on stress and psychosocial risks. Companies, and line managers specifically, need to be better prepared to identify such risks and react appropriately.

- By addressing the sources of psychosocial risks, workplace OSH needs to operate not only at individual intervention level but also at the level of job design and work organisation (e.g. workload). This needs to be considered in workplace social dialogue and by human resources and line managers.

Everyone needs to reflect on the potential risks associated with workplace changes, such as remote work or digitalisation

- For companies, COVID-19 triggered an experiment to test telework, digitalisation and flexible working hours. Setting clear guidelines and appropriate objectives for autonomous work at workplace level can help to better align the expectations of managers and employees. The EU framework agreement on telework (2002) can serve as a point of reference for national legislation and collective bargaining on telework in most EU Member States. The concept of telework needs to be further discussed and proper regulation considered to prevent unwanted situations in the future (EU-OSHA, 2021; Eurofound, 2021f). Telework is not possible in all jobs, and the combination of telework and office work requires new forms of management.
- Keeping a fair balance between workers' well-being and a business's aims is key to maintaining sufficient productivity levels during a pandemic. Social partners need to further explore the impact of telework on work-life balance and to initiate discussions on the matter to protect the interests of the workers. Equally, establishments need to set clear aims and objectives to ensure that workers are efficient and productive regardless of where work is performed.

The relationship between management and employees must be based on trust, transparency and communication

- COVID-19 has pushed managers to reassess their approach to employees. The enormous rate at which workplaces are changing and the increasing proportion of off-site work require mutual trust and a shift towards management by objectives. Managers need to be systematically trained and make the best use of their employees' skills and knowledge, which will help businesses to cope with ongoing structural changes in the workplace.
- Establishing trust-based leadership could be crucial in the future as we move towards a hybrid model of work. Safe spaces for discussion throughout the company can ensure that any issues can be resolved through dialogue.

Working with SMEs at sectoral level can increase their performance and efficiency

- Recognising that governments need to work with SMEs at sectoral level is important to ensure adequate support. Guidance provided by governments must reflect the challenges that SMEs face and provide pragmatic and tangible solutions that SMEs can implement to maintain or increase performance and efficiency. A sectoral approach needs to be flexible and compatible with the way SMEs function, and tailored to their needs.
- European standards, such as the Framework Directive on Safety and Health at Work, are equally important for SMEs but are often geared towards the needs and capabilities of larger companies. Developing tailored tools to help the implementation of policies and measures in SMEs is a key element to reinforce policy impact and help them achieve their productivity objectives.

Companies must remain adaptive to change and take the lessons learnt a step further

- Businesses that have been able to pivot amid massive rapid change may see an opportunity to develop further. Many may find that taking a risk paid off and that some elements of it worked. Some of the discussions on how businesses have to adjust to other challenges, such as the transition to a low-carbon and digitalised economy – in terms of the speed at which they can respond and in terms of policy – can start from the experience of having coped with the enormous challenge of the COVID-19 pandemic and the adaptability of business practices and resilience of workplaces. It may be that some of that urgency and attitude can be channelled into inclusive discussions on how to adapt business plans more permanently to these other big challenges.
- Many lessons that can be drawn from what happened during the COVID-19 crisis are relevant to the functioning of businesses in general. The processes underlying some crisis-specific aspects, such as crisis management and adaptability, are explicit planning, clear communication and broad involvement of employees and their representatives (ensuring heterogeneity and comprehensiveness of perspectives), and these are relevant in a much broader sense, preparing managers and workers for future developments. From a management perspective, it is crucial to have the capacity and knowledge to evolve and adapt and to take advantage of technological progress. Enterprises need to look at COVID-19 as an opportunity to become more sustainable and efficient.

References

All Eurofound publications are available at www.eurofound.europa.eu

Eurofound web topic 'COVID-19', <https://www.eurofound.europa.eu/topic/covid-19>

- Alipour, J. V., Falck, O. and Schüller, S. (2020), 'Homeoffice während der Pandemie und die Implikationen für eine Zeit nach der Krise', *ifo Schnelldienst*, Vol. 73, No. 7, pp. 30–36.
- Amis, J. M. and Janz, B. D. (2020), 'Leading change in response to COVID-19', *Journal of Applied Behavioral Science*, Vol. 56, No. 3, pp. 272–278.
- Baron, R. A. (2010), 'Job design and entrepreneurship: Why closer connections = mutual gains', *Journal of Organizational Behavior*, Vol. 31, Nos. 2–3, pp. 370–378.
- Brar, G. and Singh, N. (2020), 'Stress management at workplace: An approach focussed on COVID-19', *Indian Journal of Health and Wellbeing*, Vol. 11, Nos. 10–12, pp. 475–478.
- BusinessEurope, ETUC (European Trade Union Confederation), European Centre of Employers and Enterprises providing Public Services and Services of general interest, and Association of Crafts and SMEs in Europe (2020), *European social partners autonomous framework agreement on digitalisation*, Brussels.
- BusinessEurope (2021), *Trust is key for the industrial renaissance in Europe*, web page, accessed 8 November 2021.
- Cardon, P. (2019), 'Communication on internal digital platforms', in Ruck, K. (ed.), *Exploring internal communication*, Routledge, Abingdon-on-Thames, UK, pp. 187–195.
- Carillo, K., Cachat-Rosset, G., Marsan, J., Saba, T. and Klarsfeld, A. (2021), 'Adjusting to epidemic-induced telework: Empirical insights from teleworkers in France', *European Journal of Information Systems*, Vol. 30, No. 1, pp. 69–88.
- Carnevale, J. B. and Hatak, I. (2020), 'Employee adjustment and well-being in the era of COVID-19: Implications for human resource management', *Journal of Business Research*, Vol. 116, pp. 183–187.
- Casadesus-Masanell, R. and Ricart, J. E. (2010), 'From strategy to business models and onto tactics', *Long Range Planning*, Vol. 43, Nos. 2–3, pp. 195–215.
- Cedefop (European Centre for the Development of Vocational Training) (2021), *Trends, transitions and transformation: The COVID-19 pandemic is changing skill needs and reshaping jobs, while challenging our understanding and analysis of them*, Cedefop briefing note, Thessaloniki.
- Cedefop and Eurofound (2020), *European Company Survey 2019: Sampling and weighting report*, Thessaloniki and Dublin.
- Clas, E. (2008), 'Business continuity plans: Key to being prepared for disaster', *Professional Safety*, Vol. 53, No. 9, pp. 45–48.
- Coombs, W. T. (2007), 'Protecting organization reputations during a crisis: The development and application of situational crisis communication theory', *Corporate Reputation Review*, Vol. 10, No. 3, pp. 163–176.
- Dares (2021), 'Quelles conséquences de la crise sanitaire sur les conditions de travail et les risques psychosociaux', *Dares Analyses* No. 28, 28 May.
- ECDC (European Centre for Disease Prevention and Control) (2020), *COVID-19 clusters and outbreaks in occupational settings in the EU/EEA and the UK*, Stockholm.
- Edmondson, A. (1999), 'Psychological safety and learning behavior in work teams', *Administrative Science Quarterly*, Vol. 44, No. 2, pp. 350–383.
- ETUC (European Trade Union Confederation) (2021), *ETUC resolution on the European Trade Union Democracy Action Plan*, adopted at the virtual Executive Committee Meeting of 3–4 June 2021.
- EU-OSHA (European Agency for Safety and Health at Work) (2020a), *COVID-19: Back to the workplace – Adapting workplaces and protecting workers*, EU-OSHA, Bilbao.
- EU-OSHA (2020b), *Third European Survey of Enterprises on New and Emerging Risks 2019 (ESENER-3)*, Publications Office of the European Union, Luxembourg.
- EU-OSHA (2021), *Teleworking during the COVID-19 pandemic: Risks and prevention strategies – Literature review*, Publications Office of the European Union, Luxembourg.
- EU-OSHA (undated), *The OSH Framework Directive*, web page, accessed 17 September 2021.
- Eurofound (2015), *Third European Company Survey: Direct and indirect employee participation*, Publications Office of the European Union, Luxembourg.
- Eurofound (2017), *Sixth European Working Conditions Survey – Overview report (2017 update)*, Publications Office of the European Union, Luxembourg.

Eurofound (2019), *EurWORK – Right to disconnect*, web page, accessed 29 October 2021.

Eurofound (2020a), *ERM report 2020: Restructuring across borders*, European Restructuring Monitor series, Publications Office of the European Union, Luxembourg.

Eurofound (2020b), *Good practice: Snowblowers to blow disinfectants – Factsheet for case AT-2020-15/544 – measures in Austria*, COVID-19 EU PolicyWatch, Dublin.

Eurofound (2020c), *At your service: Working conditions of interactive service workers*, European Working Conditions Survey 2015 series, Publications Office of the European Union, Luxembourg.

Eurofound (2020d), 'COVID-19 unleashed the potential for telework – How are workers coping?' blog post, 9 June.

Eurofound (2020e), *Regulations to address work-life balance in digital flexible working arrangements*, New forms of employment series, Publications Office of the European Union, Luxembourg.

Eurofound (2020f), 'Managing skills requires skilled managers', blog post, 27 November.

Eurofound (2020g), *How does employee involvement in decision-making benefit organisations?*, European Working Conditions Survey 2015 series, Publications Office of the European Union, Luxembourg.

Eurofound (2020h), *Living, working and COVID-19*, COVID-19 series, Publications Office of the European Union, Luxembourg.

Eurofound (2020i), *Practical support for employers and employee representatives to ensure a healthy working life – Factsheet for case SE-2016-14/1154 – measures in Sweden*, COVID-19 EU PolicyWatch, Dublin.

Eurofound (2020j), *Alain Afflelou: Technological innovation to prevent the spread of COVID-19 – Factsheet for case ES-2017-20/1494 – Measures in Spain*, COVID-19 EU PolicyWatch, Dublin.

Eurofound (2020k), *Dublin Airport restructuring plan – Factsheet for case IE-2020-36/1513 (measures in Ireland)*, COVID-19 EU PolicyWatch, Dublin.

Eurofound (2021a), *COVID-19: Implications for employment and working life*, COVID-19 series, Publications Office of the European Union, Luxembourg.

Eurofound (2021b), *Factsheet – Living, working and COVID-19 (update April 2021): Mental health and trust decline across EU as pandemic enters another year*, Publications Office of the European Union, Luxembourg.

Eurofound (2021c), *New normal working model at Siemens*, web page, available at https://static.eurofound.europa.eu/covid19db/cases/D-E-2020-27_1585.html, accessed 16 September 2021.

Eurofound (2021d), 'Mixed impacts of COVID-19 on social dialogue and collective bargaining in 2020', blog post, 27 April.

Eurofound (2021e), *Involvement of social partners in policymaking during the COVID-19 outbreak*, Publications Office of the European Union, Luxembourg.

Eurofound (2021f), *Right to disconnect: Exploring company practices*, Publications Office of the European Union, Luxembourg.

Eurofound (forthcoming), *European Company Survey 2020: Technical and fieldwork report*, Eurofound working paper, Dublin.

Eurofound and Cedefop (2020), *European Company Survey 2019: Workplace practices unlocking employee potential*, European Company Survey 2019 series, Publications Office of the European Union, Luxembourg.

European Commission (2014), *Interpretative document of the implementation of Council Directive 89/391/EEC in relation to mental health in the workplace*, Employment, Social Affairs & Inclusion, Brussels.

European Commission (2020a), *Shaping Europe's digital future*, Publications Office of the European Union, Luxembourg.

European Commission (2020b), *A new industrial strategy for Europe*, COM(2020)102 final, Brussels.

European Commission (2020c), *Identifying and addressing barriers to the Single Market*, COM(2020)93 final, Brussels.

European Commission (2021a), *Overview of the Commission's response*, web page, accessed 14 September 2021.

European Commission (2021b), *Recovery plan for Europe*, web page, accessed 14 September 2021.

European Commission (2021c), *2030 Digital Compass: The European way for the Digital Decade*, COM(2021)118 final, Brussels.

European Commission (2021d), *The European Pillar of Social Rights Action Plan*, web page, accessed 14 September 2021.

European Commission (2021e), *SURE – European instrument for temporary support to mitigate unemployment risks in an emergency*, web page, available at https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/financial-assistance-eu/funding-mechanisms-and-facilities/sure_en, accessed 22 September 2021.

European Commission (2021f), *Commission Staff Working Document accompanying the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – The European Pillar of Social Rights Action Plan*, SWD(2021)46 final, Brussels.

- European Commission (2021g), 'Europe's Digital Decade: Commission sets the course towards digitally empowered Europe by 2030', press release, 9 March.
- European Parliament (2021), *European Parliament resolution of 21 January 2021 with recommendations to the Commission on the right to disconnect*, 2019/2181(INL), Brussels.
- Eurostat (2018), *Working from home in the EU*, web page, accessed 8 June 2020.
- Eurostat (2021a), *Tourism statistics – Nights spent at tourist accommodation establishments*, web page, accessed 14 September 2021.
- Eurostat (2021b), *Production in industry – Monthly data*, web page, available at https://ec.europa.eu/eurostat/databrowser/view/STS_I_NPR_M__custom_1217801/, accessed 14 September 2021.
- Eurostat (2021c), *GDP and main components (output, expenditure and income)*, web page, available at https://ec.europa.eu/eurostat/databrowser/view/NAMQ_10_GDP__custom_77309/, accessed 14 September 2021.
- Eurostat (2021d), *Quarterly government debt*, web page, available at https://ec.europa.eu/eurostat/databrowser/view/GOV_10Q_GGDEBT__custom_1182396/, accessed 14 September 2021.
- Ewing, M., Men, L. R. and O'Neil, J. (2019), 'Using social media to engage employees: Insights from internal communication managers', *International Journal of Strategic Communication*, Vol. 13, No. 2, pp. 110–132.
- Forbes (2021), 'Amazon's net profit soars 84% with sales hitting \$386 billion', 2 February.
- Fritsch, C. (2021), *Die wunderbare Welt von Microsoft und wie der Betriebsrat sie mitgestalten kann*, GPA, Vienna.
- Gawke, J. C., Gorgievski, M. J. and Bakker, A. B. (2017), 'Employee intrapreneurship and work engagement: A latent change score approach', *Journal of Vocational Behavior*, Vol. 100, pp. 88–100.
- Gerten, E. and Beckmann, M. (2020), *The sudden growth of employee autonomy during the coronavirus lockdown*, Commentary, IZA World of Labor, web page, accessed 22 September 2021.
- ILO (International Labour Organization) (2020), *Managing work-related psychosocial risks during the COVID-19 pandemic*, International Labour Office, Geneva.
- ISO (International Organization for Standardization) (2021), *Mental health in the workplace: The world's first international standard just published*, web page, accessed 21 September 2021.
- Jasgur, C. (2021), 'COVID-19: Transitioning to the new normal', *Journal of Business Continuity & Emergency Planning*, Vol. 14, No. 3, pp. 205–225.
- Joint Research Centre and Eurofound (2020), *Teleworkability and the COVID-19 crisis: A new digital divide?*, JRC Working Papers Series on Labour, Education and Technology, European Commission, Seville.
- Martinez, L. M. (2020), 'Psychosocial risks and work stress in times of COVID-19: Instruments for its evaluation', *Revista de Comunicación y Salud*, Vol. 10, No. 2, pp. 301–321.
- McKinsey & Company (2020a), *How European businesses can position themselves for recovery*, web page, accessed 14 September 2021.
- McKinsey & Company (2020b), *To emerge stronger from the COVID-19 crisis, companies should start reskilling their workforces now*, web page, accessed 21 September 2021.
- Medical Independent (2021), 'The missing links in healthcare worker protection', 8 February.
- NHS Wales Welsh Partnership Forum (2020), *Joint statement on industrial relations and facilities time during the coronavirus (Covid-19) pandemic*, web page, accessed 21 September 2021.
- Parker, S. K., Knight, C. and Keller, A. (2020), *Remote managers are having trust issues*, *Harvard Business Review*, web page, accessed 22 September 2021.
- Pedersen, C. L. and Ritter, T. (2020), *Preparing your business for a post-pandemic world*, *Harvard Business Review*, web page, accessed 22 September 2021.
- PwC (2021), *Learning from the impact of COVID-19 and leading the recovery*, web page, accessed 21 September 2021.
- Rebmann, T., Wang, J., Swick, Z., Reddick, D. and delRosario Jr, J. L. (2013), 'Business continuity and pandemic preparedness: US health care versus non-health care agencies', *American Journal of Infection Control*, Vol. 41, No. 4, pp. e27–e33.
- Rees, C., Alfes, K. and Gatenby, M. (2013), 'Employee voice and engagement: Connections and consequences', *International Journal of Human Resource Management*, Vol. 24, No. 14, pp. 2780–2798.
- Ritter, T. and Pedersen, C. L. (2020), 'Analyzing the impact of the coronavirus crisis on business models', *Industrial Marketing Management*, Vol. 88, pp. 214–224.
- Ruck, K. (2019), 'Internal communication and the associations with organisational purpose, culture and strategy', in Ruck, K. (ed.), *Exploring internal communication*, Routledge, Abingdon-on-Thames, UK, pp. 3–13.

Ruck, K. (2020), 'Keeping employees informed and employee voice: Adopting an employee-centric perspective', in Ruck, K. (ed.), *Exploring internal communication: Towards informed employee voice*, Routledge, Abingdon-on-Thames, UK.

Savage, M. (2002), 'Business continuity planning', *Work Study*, Vol. 51, No. 5, pp. 254–261.

Tamebay (2020), *7 in 10 firms change business model in face of COVID-19*, web page, accessed 22 September 2021.

The Irish Times (2021), 'Covid has changed business permanently, most Irish CEOs say', 18 January.

van Gelderen, M. (2016), 'Entrepreneurial autonomy and its dynamics', *Applied Psychology*, Vol. 65, No. 3, pp. 541–567.

Yu, J., Park, J. and Hyun, S. S. (2021), 'Impacts of the COVID-19 pandemic on employees' work stress, well-being, mental health, organizational citizenship behavior, and employee–customer identification', *Journal of Hospitality Marketing & Management*, Vol. 30, No. 5, pp. 529–548.

Župerkienė, E., Šimanskienė, L., Labanauskaitė, D., Melnikova, J. and Davidavičienė, V. (2021), 'The COVID-19 pandemic and resilience of SMEs in Lithuania', *Entrepreneurship and Sustainability Issues*, Vol. 8, No. 3, pp. 53–65.

Annex

Weighting of the ECS 2020

The weighting that was applied to the ECS 2019 was the starting point for the weighting of the ECS COVID-19-focused follow-up. This weighting corrects for (a) the fact that the sample was designed to overrepresent larger establishments; (b) differences between establishments that did and did not complete the screener interview; and (c) differences between respondents who did and did not complete the questionnaire online. It also calibrates the sample distributions against population statistics (see Cedefop and Eurofound, 2020).

Because respondents who completed the COVID-19 follow-up survey again differed somewhat from those who did not, a further correction using propensity score weighting was applied. To do so, variables from the ECS 2019 were analysed to identify those variables that were most closely associated with participation in the follow-up. Using these variables and country, sector and size, response propensities were estimated. The inverse of these predicted propensities was multiplied by the original ECS 2019 weighting. Finally, the weightings were trimmed at the top and bottom percentiles, to avoid undue influence of outliers.

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: https://european-union.europa.eu/contact-eu_en

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls)
- at the following standard number: +32 22999696
- by email via: https://european-union.europa.eu/contact-eu_en

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <https://europa.eu>.

EU publications

You can download or order free and priced EU publications at: <https://op.europa.eu/publications>.

Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see https://european-union.europa.eu/contact-eu_en).

EU law and related documents

For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

This report aims to support European businesses in navigating the challenges of the COVID-19 pandemic. The focus is on workplace practices and features that have helped establishments across the EU to develop operational resilience while keeping employees and customers safe.

The report investigates how EU establishments initially reacted to the external shock brought about by the outbreak of the pandemic and how they subsequently adapted their workplaces. It also explores the impact of the pandemic on the health and well-being of workers and how the COVID-19 outbreak and subsequent disruptions affected business operations and work organisation.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

