

## **COVID-19 IMPACTS ON EMPLOYMENT NOW AND IN THE POST-COVID ERA**

### **INTRODUCTION**

The **COVID -19** pandemic now needs no definition or introduction as it has acquired for itself a frightening notoriety, having dominated headlines both in the print and electronic media for the last five months or so.

Amongst other sectors of the Global Economy that the epidemic has practically brought to its knees, this article will examine the impacts of the **COVID-19** pandemic on labour and employment since the outbreak of the epidemic and will also attempt to project into the future, to see how this experience will shape labour and employer/employee engagements post-**COVID-19**.

### **COVID-19 AS A GLOBAL PANDEMIC**

The Corona virus disease which attacks the respiratory system of an infected person and is highly infectious<sup>1</sup> has become a global challenge which has tested even some of what we had before now, thought to be the best health systems in the World. The Chinese Government, despite the sophistication and efficiency of its systems and structures, recently came out openly to say that the Corona Virus pandemic exposed weaknesses in its systems and is thus taking steps to plug the identified holes in the system. Such has been the deleterious effects of the virus.

Since there is as yet no cure and no known vaccine, Countries have had to adopt social distancing policies, lock downs, stay at home orders and other similar protocols, in a bid to contain the spread of the virus and stem the very grave challenges that have been thrown up by the outbreak. . Resulting directly from the outbreak of this epidemic, businesses have had to close shop leading to severe economic shocks which has triggered a recession and shrank the gross domestic product (GDP) of many Countries with otherwise very strong economic indicators.

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<sup>1</sup> The World Health Organization (WHO) now believe that it is possible for the disease to be airborne

As a result of the business closures owing to the pandemic, unemployment has spiked and in Nigeria where it is estimated that small and medium enterprises (SMEs) make up a great majority of employers of labour, the prognosis is not looking good at all with a lot of SMEs less than five (5) years in business, projected to not survive the effects of the pandemic.

Nigeria's unemployment rate as at date is said to be about 33.5 percent and is further projected to increase as the **COVID- 19** pandemic continues its rampage.

Perhaps there is no better example of the inimical impacts of the **COIVD 19** pandemic on labour and employment than in the most powerful Country in the World, the United States of America (USA) where there has been 1, 390, 764 (One Million, Three Hundred and Ninety Thousand, Seven Hundred and Sixty Four) infections and 84, 136 (Eighty Four Thousand, One Hundred and Thirty Six) deaths as at date<sup>2</sup> and where in the last four (4) weeks, more than 36, 000, 000 (Thirty Six Million) people have filed unemployment claims, having been laid off their jobs since the outbreak of the disease.

Since the end of March 2020, Nigeria's National and sub-national Governments have imposed varying degrees of lockdowns and restrictions of movement between States, in an effort to contain what has for some time now, been a community transmission of the disease. With the ban of inter-state travels save for essential services such as food, groceries and agricultural produce, most businesses have had their operations negatively impacted and this in turn, has led to businesses struggling for their very existence/survival. No doubt, this will speak to the number of staff/employees that such businesses are able to sustain through the payment of salaries and allowances, as they had been used to doing. Even farmers have cried out about the difficulties they have faced in getting the needed inputs for their crops, for the sustenance of their livestock and poultry, etc and have sounded the alarm about an impending food scarcity in the Country.

All of these things without a doubt, throw up a lot of legal entanglements for both In-House and Outside counsel, Human Resources Managers etc and it is important that these challenges are managed very effectively for the benefit of both the employer and the employees, and ultimately, for the sake of the survival of the business entity.

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<sup>2</sup> 14<sup>th</sup> May 2020

It is possible for example that company A has negotiated a contract of employment with Mr B and gave Mr B a contract of employment pre-COVID outbreak in Nigeria with Mr B expected to resume shortly thereafter.

Mr B resigns his employment in his former employment but before he can resume at his new job, the pandemic breaks out and there is a lockdown which prevents him from resuming the job.

Various legal issues arise ranging from, whether the new employer who possibly now no longer requires the role for which Mr B was initially employed or is simply in no position to afford to pay Mr B any longer, is liable for a breach of contract or whether there has been an occasion of a *force majeure* which has the effect of frustrating the contract of employment? Various employers have had to devise ingenious ways of dealing with the negative effects of the **COVID-19** pandemic on their bottom lines and in effect their ability to meet their financial obligations to their employees. This has ranged from asking employees to treat the lockdown period as vacation, cutting salaries, to declaring redundancies and to outright terminations of employment.

Although most of the novel measures to ensure business continuity taken by most organizations (especially salary cuts) are necessary and indications so far are that such measures have received support from employees and employee Unions, nevertheless legal issues arise as to whether these are measures which the employer can legally take under the existing contracts with the employees. Unusual problems, it is said require unusual solutions. So it is suggested that employers more than ever before, should be open with and candid with employees in whatever decision they will ultimately take and that the employer should as much as possible, be honest and empathetic in whatever decision it inevitably comes to, in ensuring the survival of the business.

Employee Unions with subsisting Collective Agreements with their employers are encouraged to shift from what is generally perceived as a combative and unyielding posture, to a more understanding and partnering disposition which seeks to ensure the survival of the business of the employer, in order to ensure that majority of businesses overcome the negative impacts of the pandemic and can continue to sustain a per-centage of their work force, as opposed to a situation where the entire business fails and all the employees are laid off.

## **COVID-19 IS IT ALL GLOOM?**

No doubt the **COVID-19** and its detrimental effects on the global economy has been palpable and quite unprecedented, nevertheless, we are of the opinion that it is not all gloom as the outbreak of the pandemic has opened a whole lot of new vistas and shown us that we can be successful in a lot of areas where all that we had hitherto seen, were impossibilities.

The term **WHF** (working from home) has now become quite popular and we have seen that we can be as productive (maybe more productive) working from home as we were working out of the four walls of our traditional office space.

It is also becoming clear that some of us may not require as much office space as we used to occupy and that it might be time to cut down on such spaces and by implication, the moneys expended on rents, utilities and service charges for these commercial accommodations. The jury is still out on whether employees who can work from home can be more productive working from home as opposed to working out of the office, but in a place like Lagos with the horrendous traffic, the fact of eliminating the time of commute to and fro the office alone, lends a lot of support to the possibility (nay likelihood) that employees who can work from home, can actually be more productive than working out of the traditional office.

## **RECOMMENDATIONS**

It is recommended that employers look at their peculiar situation in coming up with a strategy or plan of action on how to survive the impacts of the **COVID-19** pandemic. It is important that employers rise up to the challenges of this period to ensure the survival of their organizations as the crises thrown up by the pandemic call for very difficult and bold decisions.

Without a doubt, traditional contracts of employment would seem to have become obsolete and will have to be tinkered with to attempt to provide for the eventualities which the **COVID-19** pandemic has opened our eyes to.



It is important that employers see the option of laying off staff as a last resort after having explored all other possibilities, and layoffs should never be the knee jerk reaction of employers. This will engender confidence in the work force and strengthen the bond between the employer and the employees; experience has shown that this will bode well for the overall well-being of the organization. One area where it is very clear that this will be the better approach, is in the area of training of staff as the Company will be able to save the cost of training new staff in the event of rehiring when its business has improved.

Employers should also consider this period as an opportunity to repay the loyalty of staff who had persevered with the Company through thick and thin and in turn, the employees will also repay the loyalty.

## **CONCLUSION**

To sum up, the **COVID-19** outbreak has had quite overwhelming negative implications for the global economy but amid all the hue and cry, businesses are encouraged to focus more on the positive aspects of this outbreak and the very enduring lessons that we can learn from the impacts of the virus. As the adage goes, when a little child falls, he stands up and looks forward but when an adult falls, he looks behind to see what has caused him to stumble before moving forward.

Having seen and experienced the wrath of the **COVID-19** pandemic, it is time to arm ourselves with the lessons it has taught us and make the very best out of what is otherwise, a very bad situation.

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