

# COVID-19 – Guidance for personnel questions during the pandemic

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# The coronavirus pandemic demands good human resources management and strong change leadership.

The situation in Finland and around the globe is something we have never seen before. Times like these require good human resources management where timely and successfully executed communications play a crucial role.

Many employers need to consider reducing employment costs by introducing unpaid leave or redundancies.

With adjustment measures, communication and company value driven actions are crucial.

**Let's remember, these are human to human issues, and the employment legislation is there only to help us do our responsibilities as an employer.**



# The coronavirus pandemic demands good human resources management and strong change leadership.

## Tips:

- There is no 'too much' when communicating with your personnel during times like these. Go to your employees' shoes and act **according to your company values**, when offering solutions to the ever-changing situation.
- Take advantage of your chosen communication channels and make sure that **everybody receives your message**, also those working remotely.
- Also make sure to take care of your employees' wellbeing.
- Remember the wellbeing of the team leaders also.

# Uncertain circumstances highlight the need for effective communication and strong leadership.

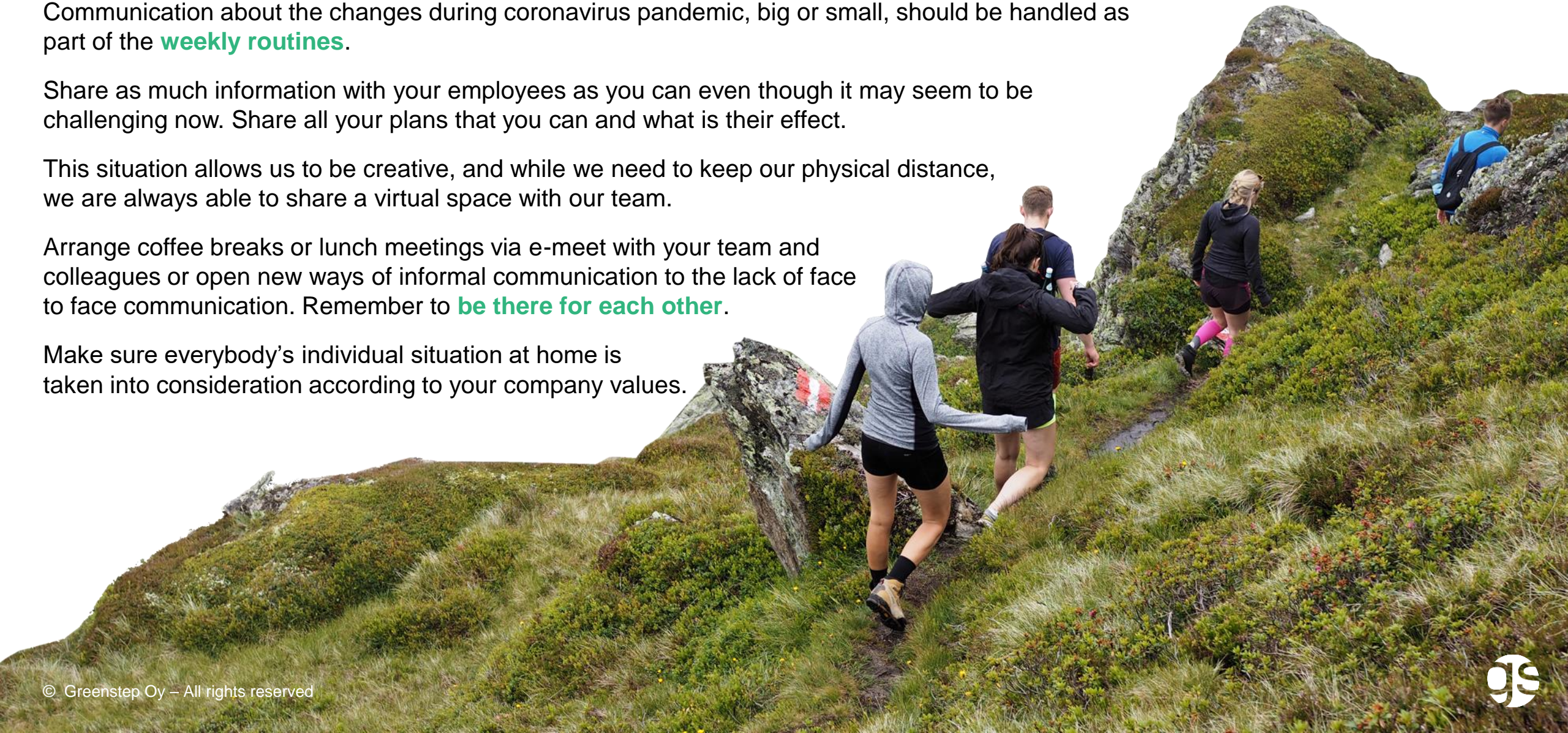
Communication about the changes during coronavirus pandemic, big or small, should be handled as part of the **weekly routines**.

Share as much information with your employees as you can even though it may seem to be challenging now. Share all your plans that you can and what is their effect.

This situation allows us to be creative, and while we need to keep our physical distance, we are always able to share a virtual space with our team.

Arrange coffee breaks or lunch meetings via e-meet with your team and colleagues or open new ways of informal communication to the lack of face to face communication. Remember to **be there for each other**.

Make sure everybody's individual situation at home is taken into consideration according to your company values.



# Uncertain circumstances highlight the need for effective communication and strong leadership.

When an organization is going through changes, **concern** will arise among the employees. There will be concern about job security and the future of the current work community at least to some extent.

- It is important for an employer to consider and facilitate this concern in all their actions.

Significant changes will affect employees and the community for months, so the timing and frequency of information shared are the key factors for success. **The better the organization communicates with its employees, the more fruitful the soil will be for building the ground for the future.**

Communication and management are important all the time, even as the situation improves or after major adjustment measures. Continue to communicate on a regular basis, because if the communication suddenly stops, it will cause confusion and unnecessary speculation.

The events during the spring and summer are still in everyone's mind and **some of the effects are only now understood** and experienced on an emotional level again or perhaps in different ways. It is important to be actively present (virtually) and be as concrete as possible when talking about the future. The importance of **creating a sense of community** is also emphasized now that some people have been away from work for a longer time.

The corona pandemic has shaped and will shape the way we work. **Remote work has come to stay**, and the importance and size of offices are being rethought in many places. Decide how you want to work together.

# Practical matters to consider

1. Remote work and culture
2. Controlled return to the offices
3. Payroll considerations
4. How annual holidays are affected
5. Changes to unemployment security
6. Alleviations to TyEL payments
7. Facing adjustment measures in personnel?



# 1. Remote work and culture

- In principle, employer and employee **agree** on remote work together.
  - Employer cannot necessarily order the employee to work from home unless the practices have been agreed on.
  - If there are existing remote work practices, the employees can be guided to work from home.
- Many companies have decided to keep the remote work recommendation until the end of 2020 or modified / expanded remote work practices.
- **How we work together is one of the most important factors influencing culture.** It is better to sacrifice a little more than too little time for this.

## Consider and communicate these

- Let's stay in close contact with each other and have meetings regularly, daily/weekly.
- It is recommended to write down and communicate the remote work guidelines
- Arranging day care – it's important to discuss this and agree on shared practices / flexibility with the staff.
- Wellbeing and safety in remote work
  - Possible (pulse) surveys for coping and motivation and reacting to them
  - The employer does not have the ability to control the working conditions, so the employee must report potential safety risks.
  - Insurance extensions may be needed, as the statutory occupational accident insurance may not cover remote work sufficiently
- What tools does the employer provide for teleworking (eg. screen, chair)?

## 2. Controlled return to the offices

Communicate to the employees how you hope they act when they return to the offices. For example, whether everyone comes at the same time or in separate times or in stages. Should the workstation be booked in advance or should they inform when they work at the office and when at home?

Examples of measures taken in some companies

- If the employee feels sick or has any usual corona virus symptoms, s/he stay at home. This applies also if someone living in the same household is sick.
- The covid-testing is done with a low threshold and employees cannot come to the office before receiving a negative test result.
- It is recommended not to use public transportation and some employers offer face masks to their employees.
- It is important for everybody at the offices to continue to have social/safe distance, ca. 1-2 meters whenever possible, wash their hands, execute good coughing and sneezing hygiene, cough on a sleeve or disposable handkerchief, and avoid contact with your face.

### Consider and communicate these

- Involve the occupational safety and health committee and staff to plan your return to work and how you work alongside an epidemic. Cooperation with occupational health care has also its place during times like these.
  - THL offers instructions on their website for returning to the office and also what issues should be taken into account in the occupational health and safety risk assessment: <https://www.ttl.fi/en/guidelines-for-workplaces-to-support-returning-to-work/>
  - Does your occupational health contract include covid-tests?
  - Kela compensates covid-tests that were taken as of April 1, 2020, if the contract has been modified to include the tests (Kela II).
- Do you want to welcome employees to the office in a culture-appropriate way?



## 3. Payroll considerations:

### Sick leave

- Sick leave practices according to the company policies.
- If the sick leave is caused by corona virus, there is a possibility for the sickness allowance on account of an infectious disease if a quarantine has been ordered by a doctor responsible for infectious disease control.

### Quarantine order

- Only the doctor responsible for infectious disease control can decide on a quarantine or isolation order.
- There is a right to be absent from work due to a quarantine ordered by a doctor.
- No salary payment obligation but employee is entitled to the sickness allowance on account of an infectious disease, which is a full compensation for the loss of income.
- If employer pays the salary during the leave of absence, the part of the allowance corresponding to the salary is paid to the employer.

### Closing schools or daycares

- Does not entitle the employee to be absent from work.
- Employee and employer can agree on unpaid leave, there is no obligation to pay salary.
- Employee and employer can agree on using also annual holidays, working time banks etc.

### Holiday trip

- The government recommends avoiding all travel abroad.
- No salary payment obligation if the employee cannot return from a holiday travel to work.
- In case of a working trip, employer has salary payment obligation.

## 4. How annual holidays are affected

### Annual holidays

- Annual holidays are accrued during remote work, quarantine and sick leave
- During lay-offs, annual leave is accrued for the duration of 30 days
- Annual leave is granted at a time determined / approved by the employer
  - During the summer holiday season May 2 - September 30 employee is entitled to 24 days' leave if the employee has accrued the days
- Exceptional scheduling of holidays may be agreed on.

### Things to remember about annual holiday

- Keep annual holiday tracking up to date on accrued and held holidays (affects results).
  - Good cooperation between payroll and HR is important.
- Consider good substitute practices, especially if a lot of staff are absent at the same time.
- Offer holidays taking into account work situation, coping and legislation.
- As a general rule, annual leave may not be paid in cash other than at the end of the employment relationship (untaken accrued leave is paid in cash).

# 5. Changes to unemployment security

In principle, employee is entitled to unemployment benefits during lay-off.

- Usually the waiting period is five (5) full working days (i.e. 37,5 h / 40h per week).
  - The five working days should be during a maximum of 8 consecutive calendar weeks. For those who work part-time, the waiting period is calculated by deducting the working hours during the calendar week from the maximum working hours according to the collective agreement.
    - Therefore, the lay-off should be at least 4,7 h / 5 h per week.
- Temporary amendments to the Unemployment Security Act are valid until 31.12.2020.

## Other alleviations:

- Lay-off periods are not counted towards the maximum period of unemployment security.
- In certain situations the employment condition would be met in 13 weeks.
- Entitlement to daily unemployment allowance even in the case of agreed lay-off.
- Also entrepreneurs and freelancers can temporarily claim unemployment benefits.
- The waiting period before being able to claim unemployment benefits was cancelled temporarily, meaning that the employee would receive the daily unemployment allowance from the beginning of the lay-off.

## 6. Alleviations to TyEL payments

The labor market organizations proposed to the government some alleviations to employer's pension contributions due to the crisis

- For private sector employers the contributions were temporarily reduced by 2,6 percentage points.
- The Ministry of Social Affairs and Health has made a decision that allows for a longer payment period for TyEL and YEL payments. Exceptionally a payment period of three months can be granted. Employers or entrepreneurs must request a longer payment period from their own employment pension company.
- The effect of the reductions will be recovered during 2022-2025 by increasing the employer's pension contribution.
- The change is valid until the end of 2020.

## 7. Facing adjustment measures in personnel?

In case of facing the need for personnel adjustments due to economic or production reasons permanently or temporarily, it is important to remember the following factors.

Companies, that regularly employ more than 20 people, need to follow the act on co-operation within undertakings if they are planning to reduce the number of active employees.

The act obligates the employer to arrange employee co-operation negotiations before any decisions regarding a reduction in personnel can be made.

A company that regularly employs fewer than 20 employees does not need to comply with this act but can operate through streamlined adjustment procedures.

**The government and Labour market organizations have decided on temporary measures to alleviate the corona crisis.**

- The amendments to the Employment Contracts Act, the Maritime Employment Contracts Act and the Act on Co-operation in Enterprises are valid until 31 December 2020.
- Keep also track of your industry's association's online communications for there might be differences between the collective agreements and act amendments.

# Co-operation negotiations in a nutshell and temporary legislation amendments

## Considering terminations

The actual **co-operation negotiation process** should be initiated as soon as the employer has a clear understanding of the business challenges and possible efficiency needs of the corona epidemic.

- However, the negotiation proposal must be submitted no later than **5 days before the start of the co-operation negotiations**.

Co-operation negotiations must be conducted for a **minimum of 14 days** and a **maximum of 6 weeks**.

The length of the negotiations is influenced by the size of the company and also by the planned personnel effects, eg. number of redundancies and length of lay-offs.

- The process can be slow – don't wait too long.

The notice periods may vary from 14 days to 6 months, depending on the employment contract and the collective agreement.

- **Temporary amendment:** Trial period can also be cancelled on economic and production grounds.

**Please keep in mind** the waiting period for recruiting new employees and the **obligation re-employ** dismissed workers.

**Re-employment obligation changed temporarily to 9 months.**

# Considering lay-offs?

## Lay-offs can be implemented

- full-time or part-time,
- for an indefinite or fixed period.

An employer may lay-off an employee only for one of two reasons:

- The employer has a financial or production-related reason for **terminating the employment contract** – lay-off may be done until further notice.
- An employer may also lay-off an employee when the employer's potential for offering work has diminished **temporarily** – fixed lay-off for max 90 days.

Both scenarios require that there is no other work or training to be offered to the employee.

**NOTE!** If employee/s are first laid off for 90 days and after rises a new need to lay off / terminate, new co-operation negotiations need to be held.

## What means laying off?

Laying off mean that the employer **temporarily** suspends contract work and pay. Otherwise, the employment relationship will remain in effect.

## Please note

- In the case of full-time lay-offs, the benefits are also generally cut off (telephone benefit, lunch benefit, car benefit, etc.)
- In part-time lay-offs, benefits often remain valid at least according to part-time work.

# Lay-offs in a nutshell and the temporary legislation amendments

## Considering lay-offs

The actual **co-operation negotiation process** should be initiated as soon as the employer has a clear understanding of the business challenges and possible efficiency needs of the corona epidemic.

- However, the negotiation proposal must be submitted no later than **5 days before** the start of the co-operation negotiations.
- For companies with less than 20 employees, a statement of the grounds for the lay-off will be provided.

The duration for co-operation negotiations in the case of lay-offs is defined by law:

- **Temporary change:** The actual co-operation negotiations with employees should take place for at least 5 days.
- The duration for co-operation negotiation can be reduced by agreement.
- Co-operation negotiations must be conducted for a minimum of **14 days** and a maximum of **6 weeks**.

Lay-offs for economic and productive reasons must be notified to the employees by using the notice period:

- **Temporary change:** Employees must be notified of lay-offs for economic and productive reasons at least **5 days prior** to the start of lay-offs.
- The notice period may be reduced by local agreement.
- Normally at least **14 days before** the start of the lay-off.

**NOTE!** Employees with fixed-term contract cannot be laid off, unless they are substituting for a permanent employee. **Temporary change:** Also employees with fixed-term contract could be laid off.

Remember the protection for shop stewards and occupational safety and health representatives.



# Summary: now if ever the company culture and values are weighed

- Co-operation negotiations, as the name implies, means having discussions on the current situation together. **The more you do together through open discussion, the better the outcome**, no matter what the situation is.
- **Keeping track of staff wellbeing**, for example through pulse questionnaires and shared coffee moments, is more important than ever in this situation.



# Summary: now if ever the company culture and values are weighed

- You can use the **company's values** as the basis of your communication and mirror each message to the values
- **Weekly communication** is of great importance in the current situation. Whether repeating the old, telling the new, or boosting the common spirit - it is important to communicate.
- When there is a need for adjustment measures, remember to emphasize **humanity** in communication rather than by-the-book actions (though this can't be forgotten either).



# Thank you! Greenstep has 350+ professionals helping you during Covid-19.

If you need help with for example change leadership, internal communications, lay-offs or co-operation negotiations, our HR team is here to help you hourly, project based or by continued cooperation.

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