



Corona impact on work organisations in Germany

DIJ Web-Forum: From New Normal to New Work?



Severe impact of Corona on the German labour market

IAB research studies (2020)

- Expected decrease in **GDP of 5.2%** in 2020 (compared to 2019) according to a forecast of the Institute for Employment Research (IAB, 2020).
- Labour demand: **Number of job vacancies declined by 31 percent** (426.000 less than in the 3rd quarter of 2019) (IAB Job Vacancy Survey, 2020).
- Labour supply: **Labour force declined by 523.000** from February to June (decrease of marginal employment, less immigration and early retirement of older workers) (Fuchs et al., 2020).
- Despite of the massive impact on economy affecting a broader range of industries than during the financial crisis 2008/2009 many companies keep their employees. A relatively moderate increase of the **unemployment rate** from 5.0% in 2019 to **5.9% in 2020** is expected (IAB, 2020).
- Development of employment differs across sectors: sharp decline in wholesale and retail trade and restaurants and accommodations while employment increase is expected in the construction sector and communication and information services (IAB,2020).

Source: IAB-Kurzbericht 19|2020, Arbeitsmarkt auf schwierigem Erholungskurs, download (in German): <http://doku.iab.de/kurzber/2020/kb1920.pdf>

Fuchs/ Weber/Weber, 2020: Rückzug vom Arbeitsmarkt? Das Angebot an Arbeitskräften sinkt seit Beginn der Corona-Krise stark. in: IAB-Forum (in German): <https://www.iab-forum.de/rueckzug-vom-arbeitsmarkt-das-angebot-an-arbeitskraeften-sinkt-seit-beginn-der-corona-krise-stark/> ; IAB Job Vacancy Survey, 2020 (in German): [Aktuelle Ergebnisse | IAB](#)

Two main measures to stabilize employment



- **short-time work:** In June 2020 around **16% of all employees** (over 5.3 million employees subject to social insurance contributions) are on short-time work with on average around 58% fewer working hours (Kruppe/Osiander, 2020).



- **remote work:** Between the beginning of July and mid-August 2020, a total of around **36% of employees** older than 16 years of age permanently or a few days per week worked from home (Bonin et al., 2020).

Sources: Kruppe, Thomas; Osiander, Christopher (2020): Kurzarbeit im Juni 2020: Rückgang auf sehr hohem Niveau? In: IAB-Forum, 23.09.2020, download (in German): <https://www.iab-forum.de/kurzarbeit-im-juni-2020-rueckgang-auf-sehr-hohem-niveau/>

Bonin, Holger et al. (2020), Verbreitung und Auswirkungen von mobiler Arbeit und Homeoffice, Kurzexpertise des IAQ, ZEW und IZA im Auftrag des BMAS, download (in German) https://www.bmas.de/SharedDocs/Downloads/DE/Thema-Arbeitsrecht/kurzexpertise-homeoffice.pdf?__blob=publicationFile&v=4, letzter Aufruf: 17.11.2020

Employers' objectives to implement/extend remote work

- Support the overall strategy of social-distancing to prevent the spread of Covid-19
- Keep work processes running and thereby strengthen organizational resilience to avoid bankruptcy
- Maintain the employees' work ability to avoid (more) short-time work and layoffs
- Offer flexibility to help parents ensuring child care while schools and day care centres were closed during the lockdown



Image source: pixabay

Remote working **before** and during the Corona Pandemic

- German economy is rooted in manufacturing and there is a high share of workers who cannot relocate their work. Furthermore, there is also a high “potential” to extend remote work
 - Remote workers are especially white-collar workers, high-qualified employees and managers
 - Working at home is characterized by a few hours a week (usually once a week, or a few hours in the evening)
 - Necessity to differentiate between remote working and telework which is legally defined (according to workplace regulations employers are obliged to assess risks for employee's well-being)
- Wider use of remote work (increase from one fifth to one third of the employees working at least occasionally from home in Germany)
 - Higher number of working hours at home
 - Remote work rather than contracted telework

Sources: Bonin, Holger et al. (2020), Verbreitung und Auswirkungen von mobiler Arbeit und Homeoffice, Kurzexperte des IAQ, ZEW und IZA im Auftrag des BMAS, download (in German) https://www.bmas.de/SharedDocs/Downloads/DE/Thema-Arbeitsrecht/kurzexperte-homeoffice.pdf?__blob=publicationFile&v=4, letzter Aufruf: 17.11.2020; BMAS-Monitor, 2015) Mobiles und entgrenztes Arbeiten, [Monitor Mobiles und entgrenztes Arbeiten \(bmas.de\)](#)

(New) experiences with remote work

Employers' perspective

- Only 16 percent of employers did experience problems in implementing remote work (ifo, 2020).
- Problems are mainly due to inadequate technical infrastructure and aggravated communication
- Mixed results concerning the impact on work productivity: for 35 % of the companies remote work turned out to be less productive, 27 % reported a higher productivity, and the majority of the firms (59 %) are convinced that cooperation is less efficient than face-to-face interaction
- New communication routines and new social interaction formats are implemented like a virtual coffee break
- Employers had to consider resentments within working groups who cannot work at home



Sources: ifo Schnelldienst, Homeoffice vor und nach Corona: Auswirkungen und Geschlechterbetroffenheit, download (in German): [Homeoffice vor und nach Corona: Auswirkungen und Geschlechterbetroffenheit | Veröffentlichung | ifo Institut](#); Image source: pixabay

(New) experiences with remote work

Employees' perspective

- Overall high satisfaction with remote work: In March 2020 almost a third of employees are more satisfied with their home office arrangement than before the pandemic, while only 6% assess it more critically (iwd, 2020)
- Employees appreciate the saved commuting time. Nearly one third needs one hour and more per day (BAuA, 2020).

Potential drawbacks (Grunau et al., 2019):

- Difficulties to send performance signals and fears that less visibility could be detrimental for promotion prospects
- More family-work conflicts due to a lack of separation -> arrangements of accessibility needed



Sources: iwd (2020), [Begeisterung für das Homeoffice wächst - iwd.de](#), Survey by the Bayerisches Forschungsinstitut für digitale Transformation: 706 employees, March 2020, BAuA (2020), BAuA-Arbeitszeitbefragung: Pendeln, Telearbeit, Dienstreisen, wechselnde und mobile Arbeitsorte, Dortmund/Berlin/Dresden: Bundesanstalt für Arbeitsschutz und Arbeitsmedizin, download (in German) https://www.baua.de/DE/Angebote/Publikationen/Berichte/F2452.pdf?__blob=publicationFile&v=6, Grunau et al., 2019, download (in German): [Mobile Arbeitsformen aus Sicht von Betrieben und Beschäftigten: Homeoffice bietet Vorteile, hat aber auch Tücken \(iab.de\)](#); Image source: pixabay

What will remain?

- 42% of the employers consider expanding their offers of remote working after the corona pandemic. 44% are still undecided (Fraunhofer, 2020).
- A likely scenario would be a hybrid working routine with alternating work from home and in the office.
- A law is expected: the Federal Ministry of Labour and Social Affairs has already submitted a draft law implementing the right of 24 days of remote work which was modified due to opposition within the government.



Fraunhofer, 2020: Arbeiten in der Corona-Pandemie- auf dem Weg zum New Normal download (in German): [Arbeiten in der Corona-Epidemie – auf dem Weg zum New Normal | Studie des Fraunhofer IAO in Kooperation mit der Deutschen Gesellschaft für Personalführung DGFP](#)

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Source: [The IW | German Economic Institute \(iwkoeln.de\)](http://www.iwkoeln.de)



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