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NECA



The Next Normal: The Changing Workplace in Nigeria



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Note:

This report is part of a series of national reports from countries around Africa on how the COVID-19 pandemic is changing the nature of work at enterprises. Some small points of language have been changed to ensure clarity and keep this report consistent with others from countries across Africa. Notably, we use the word "organization" specifically to refer to non-profits such as business organizations and trade unions. We use the word "enterprise" to refer to a private sector entity engaged in for-profit commercial, industrial or professional activities. We recognize that enterprises are a type of organization and are commonly referred to as such in Nigeria, but maintain this distinction for the sake of clarity and consistency.

Foreword

The Covid-19 pandemic has brought about global economic and health disruptions, which necessitated global Institutions and governments all over the world to make frantic efforts not only to contain the pandemic, but also to balance the imperative for public health concerns with economic sustainability.

To help understand what changes are needed, Nigeria Employers' Consultative Association (NECA) jointly with the International Labour Organization (ILO) commissioned a study to better understand key trends being driven by the Covid-19 pandemic and what they mean for Nigerian enterprises. This study is informed by a nationwide enterprise survey that NECA undertook in 2021, as well as a range of key informant interviews. The research was centred around the following questions:

1. How has COVID changed workplaces in Nigeria and how have enterprises responded to that?
2. How do enterprises think post-Covid workplaces will look different in the next five to seven years and how are enterprises preparing for this?
3. What are the expectations of the role of NECA in terms of membership and services and how will NECA need to adapt to these changing realities as representatives of business?
4. What will be the policy approaches to create the enabling environment for this changing workplace and how can NECA position itself as a leader in these debates?

We present the findings to you here in this report. They form an integral part of the evidence base that will inform the future policy positions and dialogue of NECA.

According to the Report, one of the major casualties of the pandemic, beyond the loss of human lives, was the loss of jobs and enterprises. Business operations were disrupted, which brought about changes in work systems, businesses structures, and modes of work. Most enterprises (which were able) were compelled to embrace remote work, flexible work hours and the changes affected both employers and employees in diverse ways. While production, costs of doing business, income and profit of business organizations were affected, workers suffered disruption in work hours, wages and salaries and employment loss in some cases.

The Report describes the varying ways in which the pandemic has affected work and the workplace; changing production strategies; the role of Labour Law and Regulatory Framework in navigating the pandemic; and the necessity of adaptation of businesses in terms of skills need and human resource management.

The changes created by Covid-19 are both broad and pervasive. They will greatly affect in the short term the evolution of worklife. One critical finding from the Study is the indication that Covid-19 has accelerated the adoption of remote work practices such as "work-from-anywhere". While adoption of work-from-anywhere in organizations is likely to increase, as the pandemic winds down, it is likely that hybrid-remote arrangements will become the norm at workplaces globally.

We are indebted to the NECA membership for providing inputs into this report and in particular we thank especially Ms. Julie Kazagui, Senior specialist for Employers' Activities for the essential and dynamic role played in bringing this exercise to a successful completion.

Mr. Taiwo Adeniyi, President, Nigeria Employers' Consultative Association (NECA); and
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Executive Summary



Executive Summary

Covid-19 pandemic has brought about remarkable changes in the world of work globally, and Nigeria is no exception. The effects have been significant and broad, reshaping the organization of production, workspace arrangements, labour relations, etc.

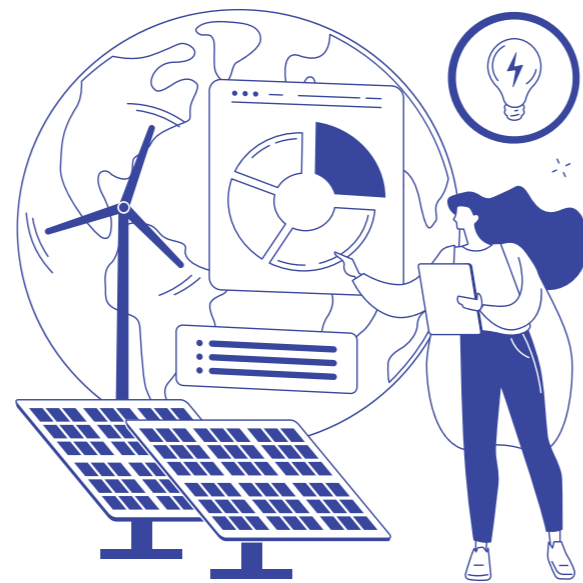
The pandemic has caused severe disruption to business operations, and brought about changes in how enterprises manage human resources, structure their workplaces, and arrange work. Many organizations have embraced remote work and are being more flexible than in the pre-Covid-19 era. These changes have affected both employers and employees in diverse ways. While production and costs of doing business as well as income/profit of enterprises have been affected, workers have suffered disruptions in work hours, wages and salaries, and loss of employment in some cases.

This report presents a collection of views on the impact of the Covid-19 pandemic on enterprises and work in Nigeria. The report describes the varying ways in which the pandemic has affected work and workplaces, the role of labour laws and regulatory frameworks in navigating the pandemic, adaptation of enterprises in terms of skills need and changing production strategies, as well as human resource management.

The approach for the study involved using both descriptive data and analytical techniques. The descriptive analysis involves the use of primary data obtained from a combination of a business survey across various sectors of the economy and key Informant Interviews (KII). The primary data is complemented with secondary data obtained from a desk review of literature.

Four thematic areas are covered by the report: the working space; workplace and labour law; skills

development, knowledge sharing and productivity; and human resource management. The working space analyses the effect of the Covid-19 pandemic, and indicates that it was disruptive, debilitating, challenging, destructive, and costly for many enterprises while at the same time causing transformation, flexibility, and changes in business operations. While the pandemic has led to a shift from in-person to remote work, it is noted that not all work could be done remotely. Also, it found that not all types of employees could work remotely, with the probability being higher for those with health challenges and those in back-offices. While the physical workspace has



Four thematic areas are covered by the report: the working space; workplace and labour law; skills development, knowledge sharing and productivity; and human resource management

not changed much, enterprises have re-arranged workspaces to allow for physical distancing and put in place health and safety measures.

The workplace relations and labour law analysis suggests that, even though the mode of work has changed tremendously across enterprises, this change has not had notable effects on workplace relations as enterprises have devised ways of communicating and maintaining dialogue in the workplace. The Covid-19 pandemic has also impacted employers' perceptions and the importance they attached to several critical aspects of their operations such as the role of labour unions, the role of employers and business membership, workplace dialogue, workforce flexibility, digital technology, and business continuity planning. The existing labour laws and regulatory framework are viewed as inadequate to cope with the changing realities created by Covid-19 and therefore should be reviewed.

Regarding skills development, knowledge sharing and productivity, it is found that the biggest challenge posed by Covid-19 pandemic in terms of skills development, knowledge sharing, and productivity is the need for regular provision of training and development, as well as skills acquisition programmes for employees, with creative funding approaches. It is further noted that Information, Communication and Technology (ICT) skills are now more important for business success.

Notwithstanding, other forms of skills such as core technical, creative, innovative and communication skills are also vital for business success. To meet the required skills needs, enterprises plan to use their own funds while also relying on public and donor funding support. It also discovered that enterprises have changed the way they measure and monitor performance and productivity of employees.

In terms of human resource management, only a few enterprises have changed the criteria for hiring new workers, while for most others the criteria remain largely unchanged. Among vital tools being used by enterprises to provide for mental and emotional wellbeing of employees, including those working remotely and in-person, are communication, organising of social gatherings – either digitally or socially distant– for employees as a ways of relieving them of stress, and the design of a clearly defined policy on flexible work.

As a way forward, the most important lessons learned from the Covid-19 pandemic are the need for flexibility, the importance of preparedness for unplanned shocks, and the need for forward-thinking business plans; that is, business planning should be long-term in nature and be able to accommodate unexpected changes and occurrences that may alter such plans. Finally, based on the findings from the analyses carried out in the report, several recommendations for different stakeholders are provided.



Photo Credit | NECA



Introduction

The Covid-19 pandemic has brought about remarkable changes in the world of work globally and in Nigeria. In the early stages of the outbreak of Covid-19 and the declaration of the disease as a Global Health Emergency on 30 January 2020, many countries adopted key strategic measures for containing and curtailing the rate at which infections were spreading.

Notable among such measures are complete and or partial economic lockdowns, and restrictions on social gatherings and travel (both within country and cross-border). Particularly in Nigeria, there was total economic lockdown in certain states (Lagos, Ogun and the Federal Capital Territory, Abuja), with partial lockdowns in other states for about six (6) months. Apart from the lockdown, the Federal Government also imposed a series of restrictions – inter-state and intra-city travel bans, an international travel ban, and restrictions on social gatherings. The various measures brought about disruptions in economic activities. Even though countries have since relaxed these measures, they are still struggling to come out of the effects of the pandemic economically and socially.

In Nigeria, the world of work has been affected tremendously in terms of organization of production, workspace arrangement, labour relations, and modes of work. The pandemic has caused severe disruptions to business operations, brought about changes in the conduct of enterprises in terms of human resource management, workplace structure and arrangements and modes of work, with many enterprises embracing remote work and becoming more flexible than in the pre-Covid-19 era. These changes have affected both employers and employees in diverse ways. While production, costs of doing business and the income/profit of enterprises have been affected, workers have also

suffered disruptions in working hours, wages and salaries, and employment loss in some cases. This report presents a collection of views on the impact of the Covid-19 pandemic on enterprises and work in Nigeria. It describes the varying ways in which the pandemic has affected work and workplaces, the role of labour laws and the regulatory framework in navigating the pandemic, adaptation of enterprises in terms of skills needs and changing production strategies, as well as human resource management.



Covid-19 has been a sort of experience for our organization; we have to cope with what we never experienced or envisaged. This has brought about a lot of transformation in the way we conduct our business and taught us to always prepare for unexpected occurrences. Thus, we are now more futuristic in our operations.



In Nigeria, the world of work has been affected tremendously in terms of organization of production, workspace arrangement, labour relations, and modes of work.



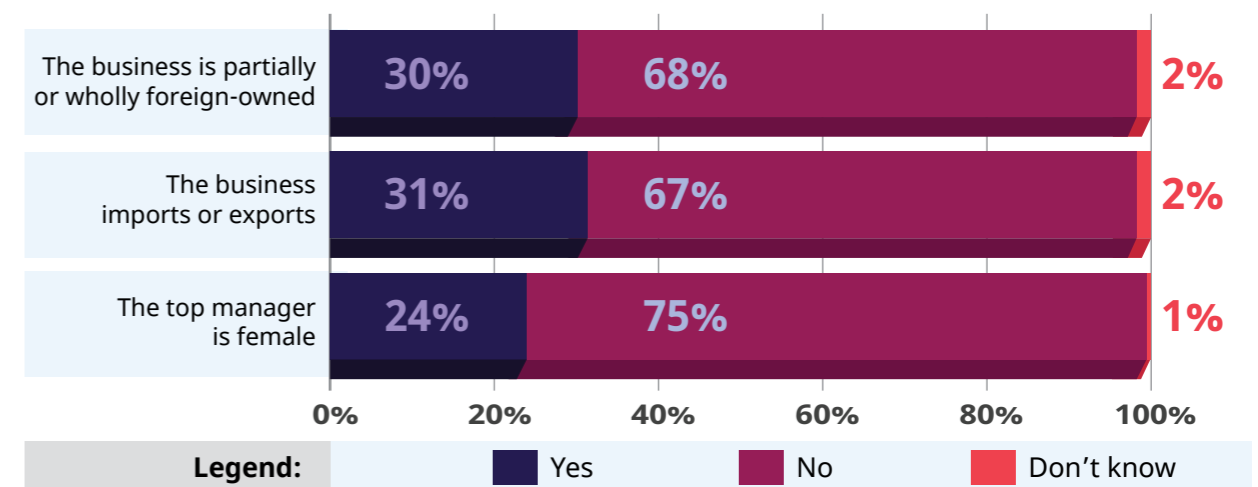
Approach

To facilitate a comprehensive understanding of the changing workspace in Nigeria as a result of the Covid-19 pandemic, a descriptive data analytical technique was adopted. The descriptive analysis involves the use of primary data obtained from a combination of a business survey conducted across various sectors of the economy and key informant interviews (KIIs).

The primary data is complemented with secondary data obtained through a desktop literature review. The survey was conducted using the online research program Qualtrics. It covered 201 enterprises across the country. Of the total 201 establishments that responded to the online survey, about 32 (15 per cent) each belong to the education and services sectors respectively, 28 (14 per cent) are manufacturing, 20 (10 per cent) are in financial or insurance activities, 12 (6 per cent), are in professional, scientific/technical and the administrative support services respectively,

6 (3 per cent) are in agriculture, forestry, fishing and mining sector, and the remaining 59 (29 per cent) belong to other forms of professional and other services. The distribution of the respondent enterprises shows that 30 per cent are partially or wholly foreign owned, about 31 per cent conduct import and export activities, and 24 per cent have female managers (Figure 1). Further, many of the enterprises (52 per cent) are located within Lagos State, 15 per cent in Oyo State, 8 per cent in the Federal Capital Territory, Abuja, and the remainder are in other states across the country.

Figure 1: Characteristics of enterprises



The survey was conducted using the online research program Qualtrics. It covered 201 enterprises across the country.



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The second source of data was the KIIs conducted for the Nigeria Employers' Consultative Association (NECA) members using the Zoom meeting platform. In all, 28 KIIs were conducted including 14 with Chief Executive Officers (CEOs)/senior business leaders (50 per cent), five with senior officers from government Ministries, Departments and Agencies (MDAs) (18 per cent) and nine with other stakeholders such as labour unions, academic and media outfits (32 per cent). The

interviews were conducted between 9 - 20 October 2021 (see Table A1).

The Qualtrics data obtained from responses to the online survey were analysed using different descriptive analytical tools such as tables and charts. The analysis of the results of the KIIs was done by transcribing the qualitative responses from the interviews into descriptive and narrative data.

The Working Space



The Working Space

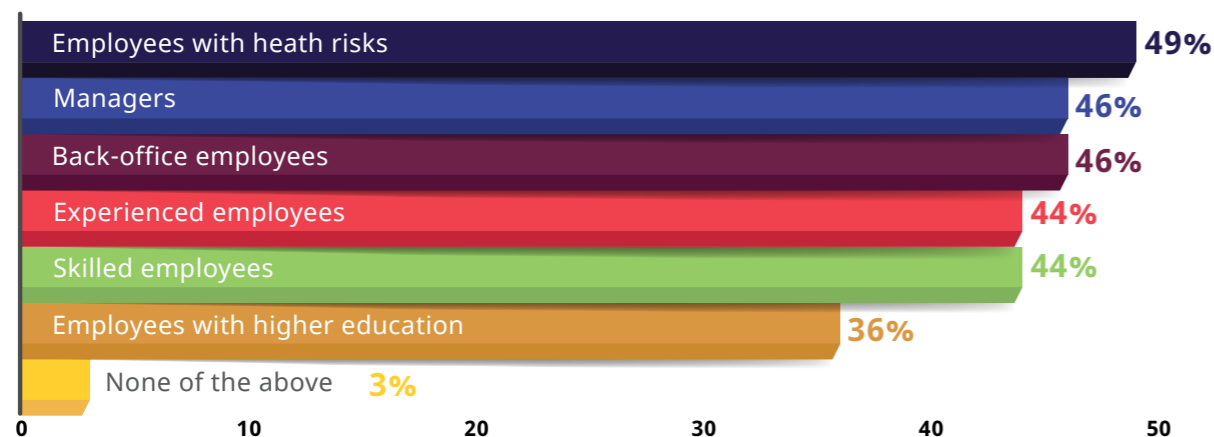
The Covid-19 pandemic has affected work and workspaces in Nigeria in many diverse and significant ways, making it difficult to find a single word to summarize these effects. When asked to summarise what has been the effect on enterprises in the past one year, survey respondents used several terms to describe the effects including disruptive, debilitating, challenging, destructive, and costly, as well as causing transformation, flexibility, change, and being revealing.

The pandemic has led to changes in the mode of work, leading to a move away from physical (in-person) and towards remote working, as well as the re-arrangement of business premises and adoption of new strategies to cope with the pandemic's effects on business operations. A general way in which enterprises have responded to the Covid-19 pandemic is to shift their mode of work from physical to remote. In Nigeria, based on a simple average, 52 per cent of enterprises said that their employees had worked remotely during the pandemic.

A major issue identified with remote working is that not all aspects of business operations could

be performed remotely, hence, some enterprises, such as manufacturers, could not allow their entire workforce to work remotely. When asked about the types and percentages of employees that were likely to work remotely, there were divergent responses from enterprises. Responses indicated that 49 per cent of enterprises said that employees with greater health risks were more likely to work from home, while 46 per cent of enterprises said the same for both back-office employees and managers (Figure 2). About 44 per cent of enterprises said that both experienced and skilled employees were more likely work remotely.

Figure 2. Types of employees in businesses who were more likely to work remotely



“Because of the nature of our business, we cannot afford most of our staff to be working out of office. What we have done is to place staff on rotational mode (especially the office staff). However, all our technical staff have fully resumed physically in office because they have to be on the field to work on our facilities.”



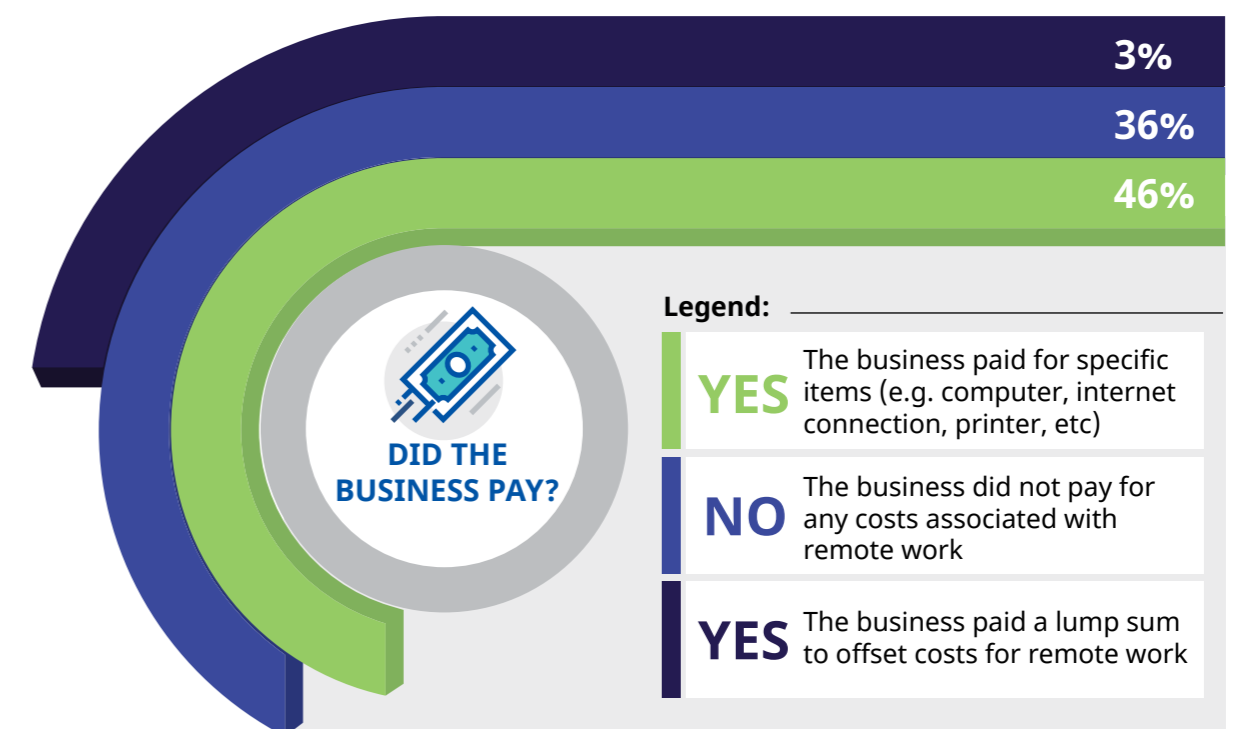
Remote working imposes different costs on employers and employees. Effective remote working entails access to ICT facilities such as internet, regular electricity, and computers, among others. While some enterprises provided employees with these facilities or subsidised workers to defray the costs of providing these facilities, in some cases employees have had to bear the costs. Respondents were asked whether they paid for any of the costs incurred by employees.

Figure 3 shows that 46 per cent of enterprises paid for specific items such as computers, internet connections, and printers to cover the cost of remote work for employees. Thirty-six per cent of respondents indicated that employers did not cover any costs associated with remote work, and 20 per cent of respondents indicated that enterprises paid a lump sum to offset costs for remote employees. A shift away from physical to remote work not only imposes financial costs, but also comes with other

forms of implicit costs. For example, implementation of remote work demands good internal monitoring processes, dedication of workers and their ability to work with limited supervision, and it may also affect enterprises' and workers' productivity. Consequently, many enterprises did not implement remote work either because of their limited capacity or some other reason.

When organizations in this category were asked why they did not implement remote work, 24 per cent said that remote work was not necessary for their business continuity, 21 per cent could not risk the productivity, 19 per cent cited limited or poor internet connectivity, workstations and processes, 18 per cent of the enterprises were not suitable for remote work, and the remaining attributed their decision to other reasons (Figure 4).

Figure 3. Did the business pay for any of the costs incurred by employees who worked remotely?



When asked about the type of changes that have occurred in business environments in response to Covid-19, several enterprises indicated that, while there has been little or no change to their physical workspace size, several changes have occurred in terms of workplace re-organisation and arrangement.

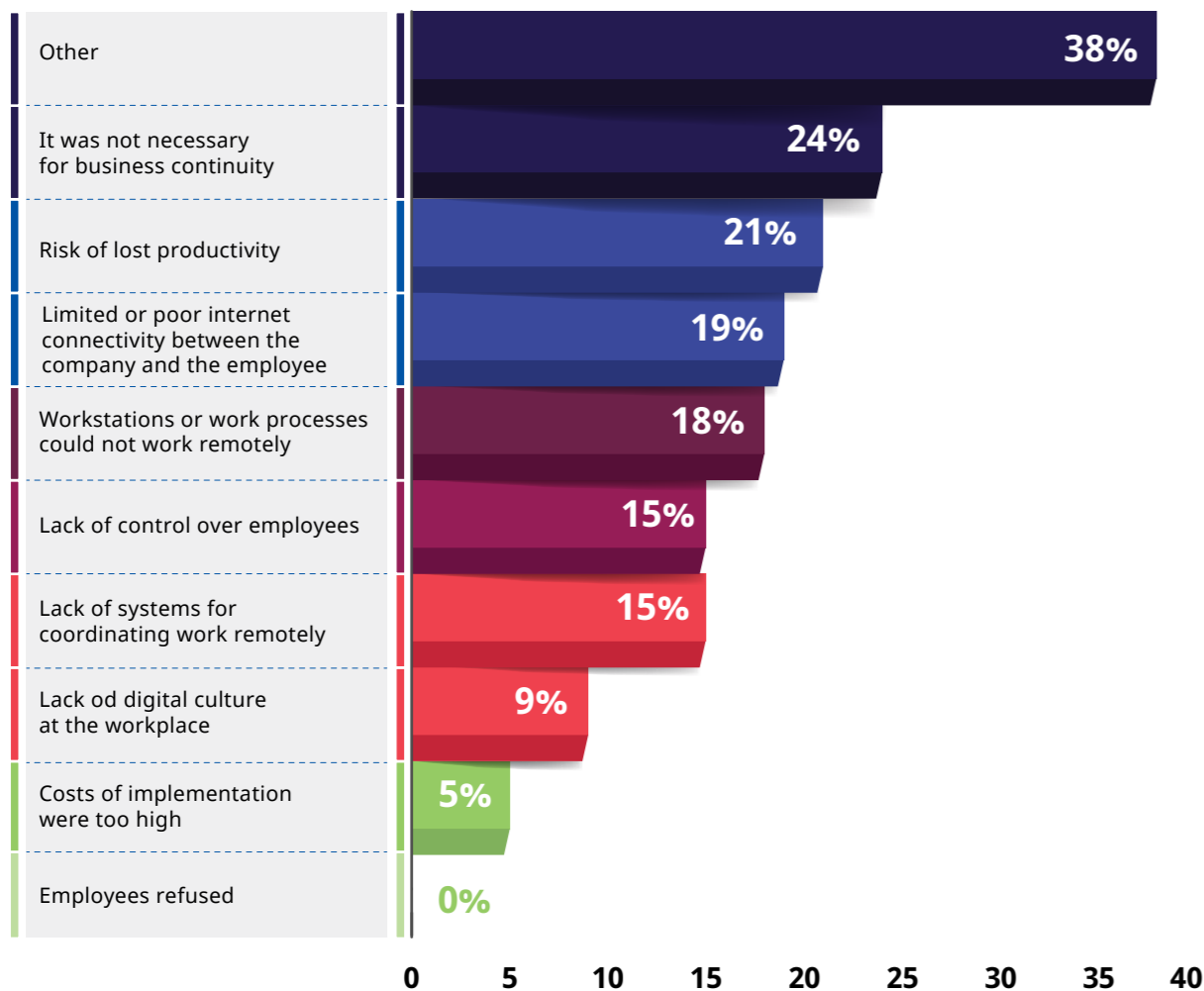
Covid-19 pandemic, several enterprises indicated that, while there was little or no change to their physical workspace size, they implemented several

“ There is still physical interaction in our operations, which Covid has not in any way affected. We still need to go on the field and do physical inspection of meters, rectify faults, repair transformers, etc. Those activities cannot not be done remotely. ”

In response to the Covid-19 pandemic and in adherence to the safety protocols put in place by the Presidential Task Force on Covid-19 in the country, organizations introduced specific types of measures to their workspace, including observation of physical distancing, health and hygiene practices, and other safety measures. While a number of enterprises also rearranged their physical space, they were nearly unanimous in their observation of the recommended safety protocols.

When asked about the type of changes that have occurred in the enterprise in response to the

Figure 4: Reasons why businesses did not implement remote work



changes with regard to workplace re-organisation and arrangement.

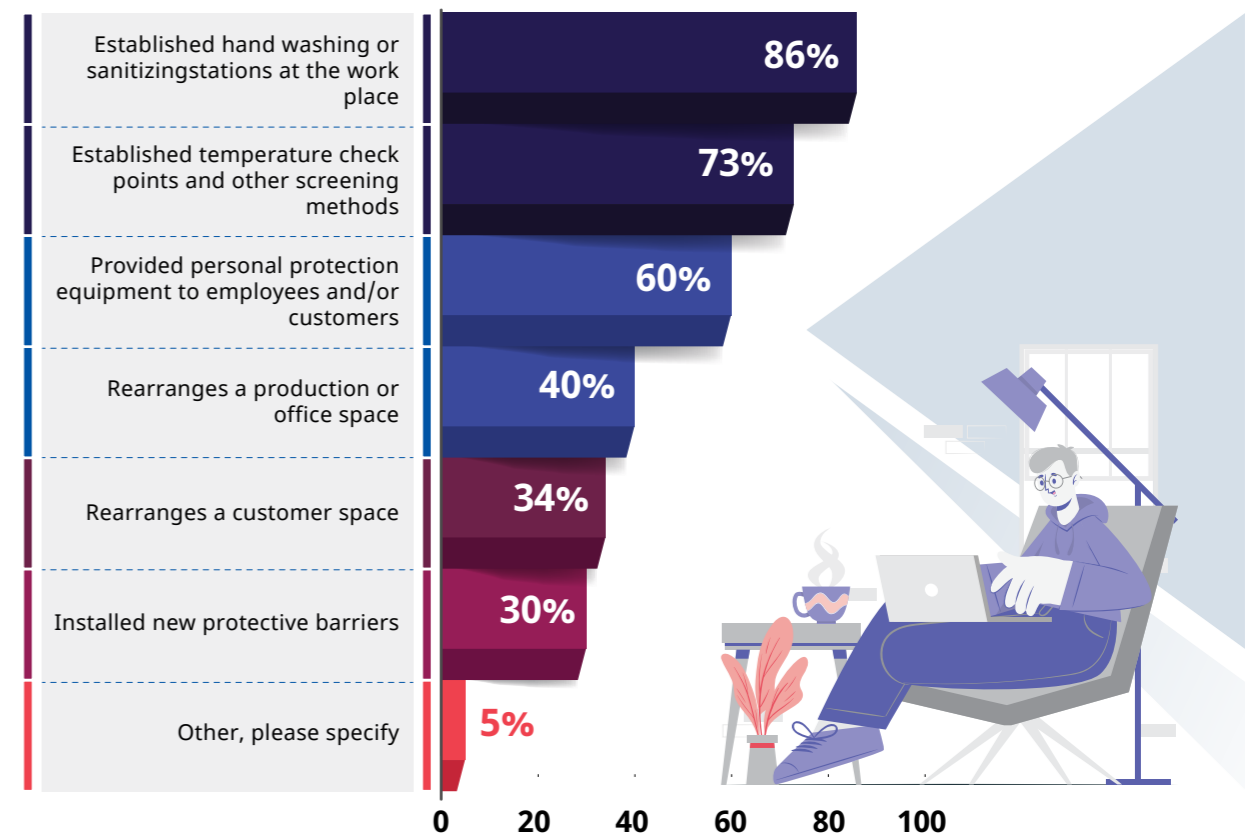
and boosted worker morale in 63 per cent of the enterprises.

According to Figure 5, establishment of hand washing or sanitizing stations at the work place was the most common type of change, seen in 86 per cent of workspaces. This was followed by the establishment of temperature check points and other screening methods (73 per cent) and the provision of personal protective equipment to employees and/or customers (60 per cent), whereas only 30 per cent of organizations said they installed new barriers within their workplace.

With the pandemic experience, enterprises are becoming more strategic in their planning and operations. To this extent, the pandemic has significantly altered the ways in which enterprises conduct and plan to conduct their operations in the foreseeable future. This is heavily informed by their respective experiences, which have been positive for some and negative for others. An attempt by enterprises to summarise the most significant ways in which the Covid-19 pandemic will change their physical and/or remote working spaces leads to an array of suggestions. Among the expressions used by respondent enterprises to describe their pandemic experiences and their future expectations are innovation, flexibility, change,

The introduction of various changes in workplaces has divergent implications: resulting in improved production efficiency for 60 per cent of the respondent organizations; positive effects on the customer experience for 61 per cent of firms;

Figure 5: Changes made to business premises/workplaces because of the pandemic



“ Our physical workspace size has not changed, but we have introduced different safety measures by re-arranging office to provide room for social and physical distancing. We put in place several health measures such as handing-washing materials at many strategic places in the premise, we take temperature of staff and clients at regular intervals and disinfect our premises several times a day. ”

challenging, better, dynamism, positive, remote, virtual work, adaptability, efficiency, disruptive, negative, expensive, and hygiene, among others.

Given the varying experiences, enterprises were asked to describe planned changes in their operational model, and whether it would be more physical or remote or hybrid in nature. Figure 7 shows that, in Nigeria, a majority of enterprises (56 per cent) would adopt a hybrid business model with a mixture of physical and remote work, while 29 per cent would operate a mostly in-person model with some changes, while the operational model of 11 per cent of enterprises would be in-person as it was before the pandemic, and 4 per cent would transform into wholly or mostly remote.

In terms of the biggest challenges Covid-19 has posed to workplaces in Nigeria, many enterprises have been confronted with the problem of lost income due to lockdowns, the rising cost of doing business, production disruptions resulting from lack of access to raw materials, and workforce management due to burnout and psychological challenges to workers, among others.

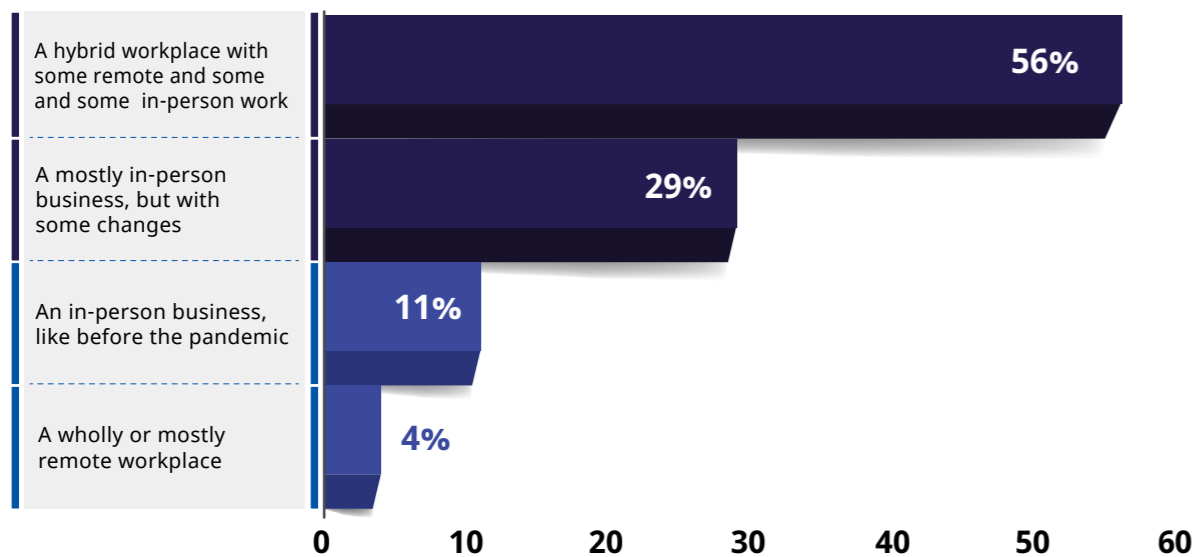
Notwithstanding the various challenges posed by Covid-19 to workplaces, it has also opened certain opportunities and benefits. For example, some enterprises opined that the pandemic made them more innovative, allowed for deepening digitisation of operations, which led to more cost-effective

operations and helped to reduce costs (including transportation and other overhead costs).

In sum, the Covid-19 pandemic has brought some notable changes in business working spaces in Nigeria in the forms of workplace and environment re-organization and introduction of safety and hygiene measures. However, the physical size of workspaces was not much affected. Some changes led to positive effects on productive efficiency, customer experience and workers' morale. More so, the remoteness associated with the pandemic notwithstanding, the health, job, and education of employees are important determinants of whether they would work remotely or not, with the likelihood of organizations shifting from in-person to remote work depending on the nature of their business. Similarly, the cost of remote working has been borne by both employers and employees. Despite the challenges posed by the Covid-19 pandemic, it has also opened some windows of opportunity and benefits for enterprises in Nigeria.

“The biggest benefit we have from the pandemic is the unlocking of our e-commerce window, which we were not using before the pandemic.”

Figure 7: Which of the following best describe your business model in the coming year?



Work Relations and Labour Law



Workplace Relations and Labour Law

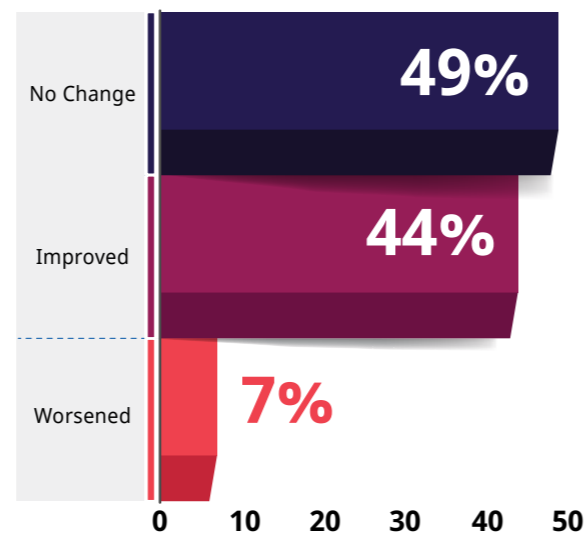
The Covid-19 pandemic has significantly changed the nature of work at many enterprises, which consequently has had a notable impact on workplace relations and the context in which labour laws are being applied. For example, the shift to remote work has been a key trend in the Covid era, which in many places has created a communications gap within the workplace.



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This might affect workplace relations, either between employers and employees or among employees. The existence of a communication gap might lead to both positive and negative outcomes. The Covid-19 pandemic's effect on workplace relations in Nigeria, specifically as it affected the relationship between senior management and other employees, has largely been positive (Figure 8). The pandemic did not lead to any changes in this relationship in about half of the surveyed enterprises (49 per cent), while it brought about improvement in the relationship for about 44 per cent of enterprises, and

Figure 8: Effect of Covid-19 on the relationship between senior management and other employees at workplace



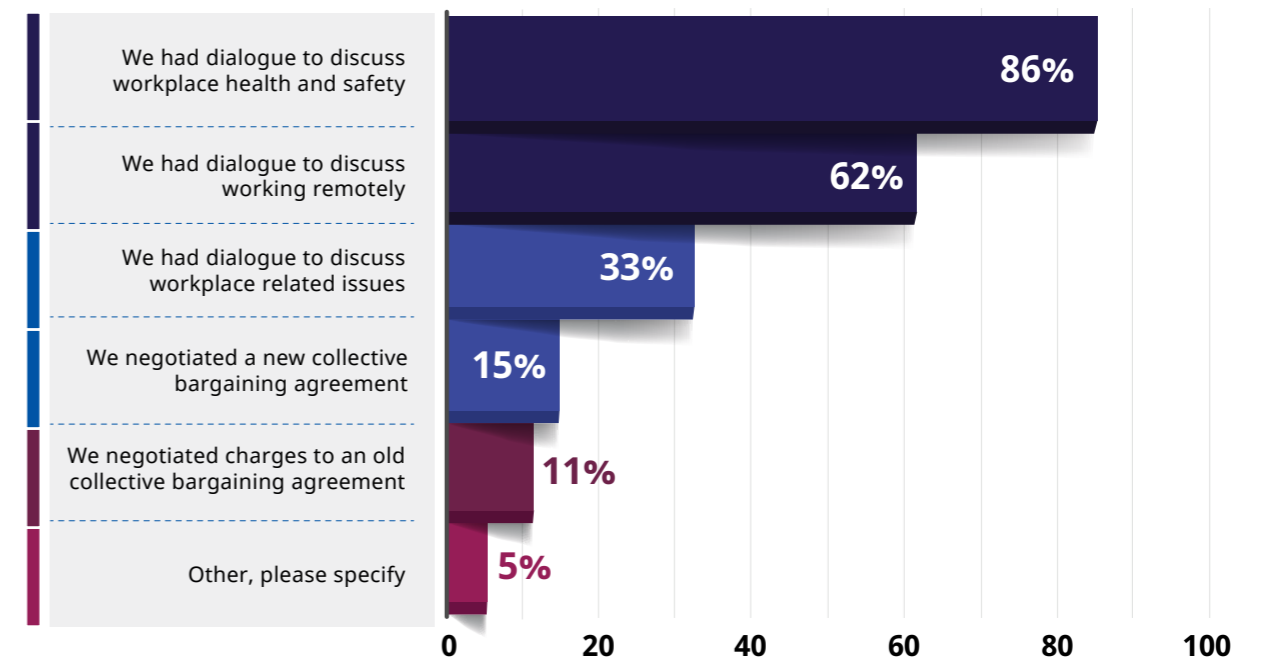
worsened workplace relations in an insignificant number of enterprises (7 per cent).

Realising the enormous effects the pandemic could have on employees working under pressure and out of the office, and as a way of forestalling breakdowns in industrial relations, many enterprises have devised different communication strategies with their employees. Social dialogue has been central to this, and has taken place across the vast majority of workplaces.

The survey results (in Figure 9) show that 86 per cent of enterprises embarked on workplace health and safety dialogue with employees, 62 per cent

“ For us the pandemic has improved our labour relations. Because of the pandemic the business has to improve on its communication and dialogue with employees. There is regular and constant interaction with employees to ensure we educate them on their safety issues, relate with them on the different changes and measures the business introduced and constantly follow them up. ”

Figure 9: Types of dialogue or negotiation business had with employees since the start of Covid-19 pandemic

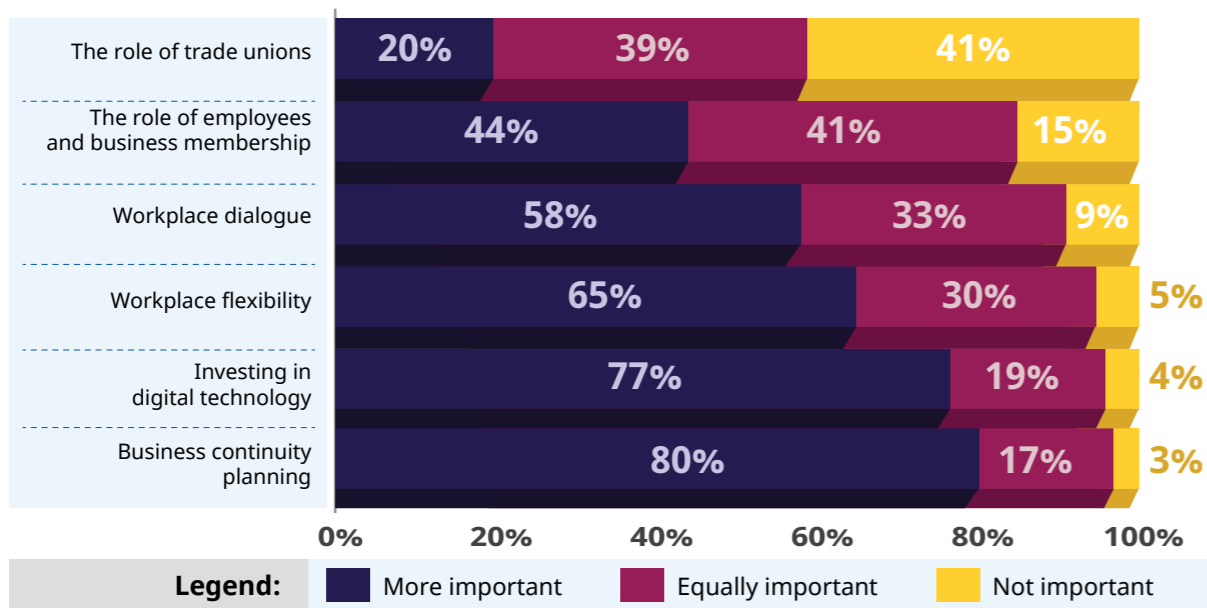


dialogued with their employees on remote work and about one-quarter engaged in various types of collective bargaining with employees. One in three enterprises dialogued with employees on other issues.

The Covid-19 pandemic has also affected employers' perception of the importance of several critical aspects of their operations such as the role of labour unions, the role of employers and business

membership organizations (EBMOs), workplace dialogue, workforce flexibility, digital technology, and business continuity planning. Notably, the pandemic seems to have eroded the perceived importance of trade unions among responding enterprises, with 41 per cent stating that they believe unions are becoming less important in workplace relations (Figure 10). Only 20 per cent noted that they thought trade unions had become more important.

Figure 10: How has the pandemic changed the importance of the following work-related areas?



On the other hand, the importance of the role of EBMOs has been strengthened by Covid-19, with about 44 per cent of organizations viewing this role as being more important and 4 out of 10 organizations suggesting that the role was equally important despite the pandemic. This may reflect the crucial role that the Nigeria Employers' Consultative Association (NECA) played by fostering social dialogue and engagement with government and labour unions at the national level during the pandemic. Not surprisingly, over half of enterprises attested to the fact that workplace dialogue has become more important. Similarly, many enterprises viewed workforce flexibility, the use of digital technology and business continuity planning as more important in the presence of the Covid-19 pandemic.

Although a majority of enterprises attach great importance to workforce flexibility, only about a quarter (24 per cent) increased the use of external contractors (Figure 11). Over half of them did not increase their use of external contractors, while about one in five did not know about whether their use of external contractors had changed. For those that expanded the use of external (non-employee) workers, 45 per cent did so because their enterprise needed a more flexible workforce (Figure 12). The need for people with skills that were not readily available within the enterprise accounted for the increased use of external workers in 32 per cent of enterprises. The rest of the enterprises that used

Figure 11: Has your business increased its use of external contractors since the pandemic started?

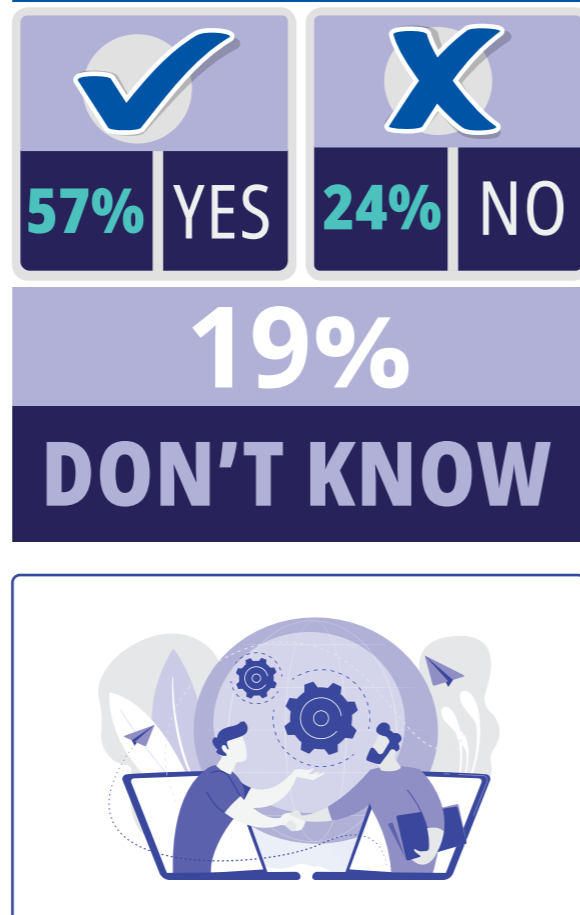
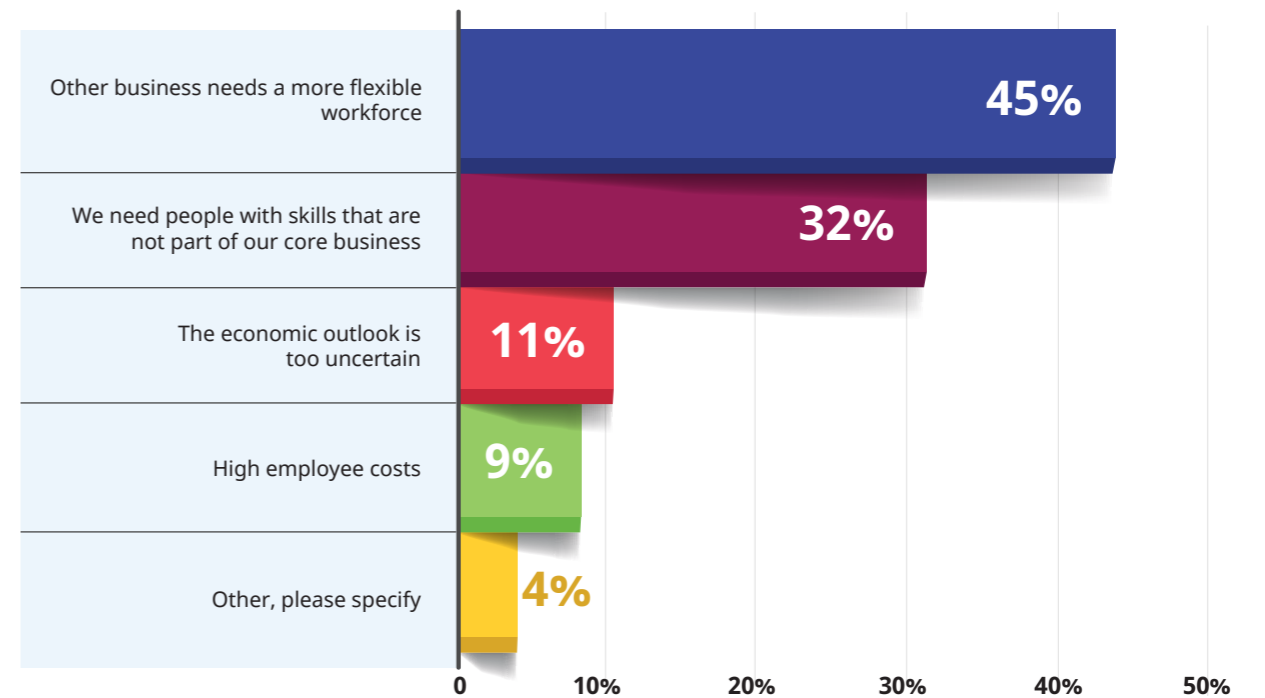


Figure 12: What is the most important reason that your business is expanding its use of non-employee (external) workers?



of more external workers did so for various reasons such as the uncertain economic outlook, high employee costs, and for other reasons.

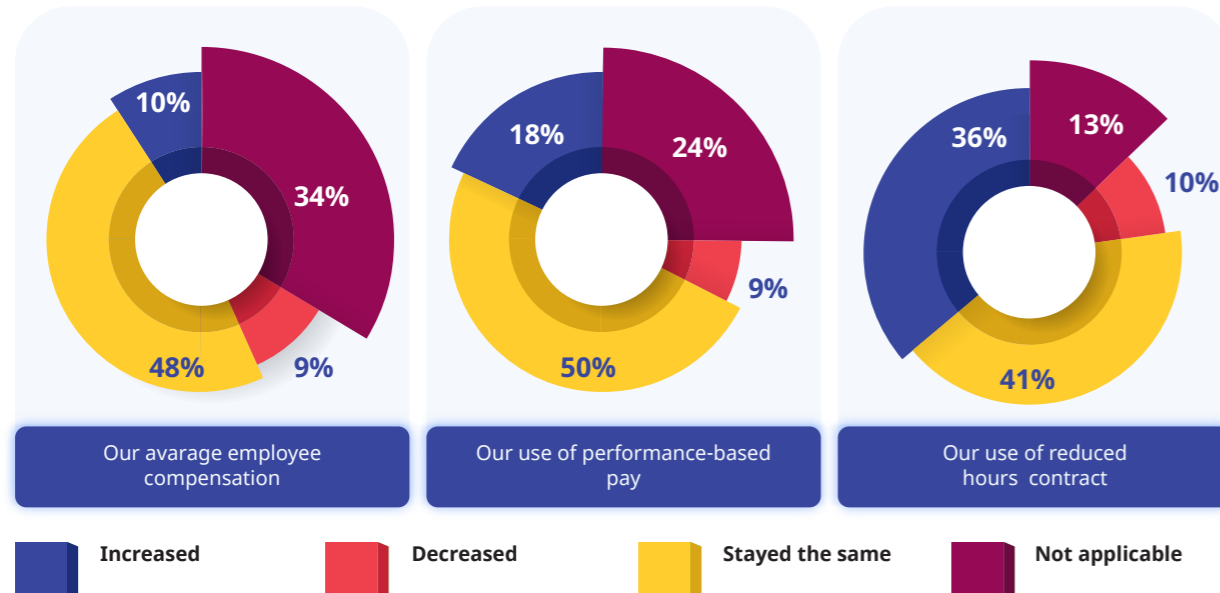
Surprisingly, the Covid-19 pandemic has not led to a significant change in the compensation levels and practices of most enterprises. When asked how the pandemic has impacted on compensation levels, 34 per cent of enterprises said average employee compensation had increased despite the pandemic,

about half (48 per cent) said it remained the same, while the average compensation decreased in only 10 per cent of enterprises (Figure 13). The use of performance-based pay (compensation) remained unchanged in half of the enterprises, but notably did increase in 24 per cent of workplaces – not a small share given the nature of this change. The survey outcomes clearly show the irrelevance of reduced hours contracts in Nigeria's workplace as compensation is usually on monthly basis.



Photo Credit | ILO

Figure 13: How have the following aspects of your compensation practices changed since the COVID-19 pandemic?



Experts' opinions about the suitability or otherwise of the prevailing law and regulatory framework with respect to the new ways of working occasioned by the Covid-19 pandemic were elicited from the KIIs conducted. In all, there was a convergence of views that the law and regulatory framework was not suitable for handling different challenges, such as occupational health and safety issues that have emanated from remote working. It was opined that the legal and regulatory instruments should be changed to be suitable for these changing ways of working.

Another workplace relations demand for enterprises during the Covid-19 pandemic is the effective management of employees to get the best out of them. The Covid-19 pandemic has provided opportunities for enterprises to develop innovative ways of relating with employees. Also, the pandemic and its associated new ways of working can be leveraged to review the existing law and regulatory framework to make it compatible with current realities.



Although core technical skills of workers are still useful and important, IT skills are more important now as most businesses have digitised their operations. Remote and online working require IT skills. Many staff, especially lower-level staff in MDAs, need to upscale their skills in this area. In this regard, government must engage in re-tooling and re-skilling of its staff, while labour unions must do same for their members.



Another workplace relations demand for enterprises during the Covid-19 pandemic is the effective management of employees to get the best out of them.

BOX ONE

The covid-19 pandemic and changes to the legal and regulatory framework

The legal and regulatory framework guiding employment relations in Nigeria is dispersed in different legislation and documents such as the Labour Act from the 1970s and its subsequent amendments, the Factories Act, the Employees Compensation Act, the Trade Disputes Act, and the Trade Unions Act (TUA). The Labour Act, which remains the major legal framework, has specific limitations in terms of its provisions:

1. The Act stipulates that normal working hours under any employment contract shall be fixed by agreement, by any collective bargaining process within the business or industry, or by an industrial wages board (where there is no mechanism for collective bargaining).
2. The Act is silent on the duration of the working day, which in practice is regulated by company policy.
3. Overtime is defined under the Labour Act as the hours an employee is required to work in excess of the normal fixed hours. Although the Act does not categorise overtime work, it recognises work done in excess of agreed hours and provides for time off (rest periods) or payment in lieu of worked hours.
4. Nigerian law generally permitted parties to an employment contract to terminate for cause or for no reason, provided that the terminating party complied with the terms of the contract.

With the Covid-19 pandemic and introduction of remote work, working hours and days as well as issues of overtime have been significantly affected. Also, with the closure of enterprises as a result of economic lockdowns, termination of employment, irregular payments and in some cases stoppage of wages and salaries have become common in workplaces. This has led to stakeholders viewing the prevailing law and regulatory framework as being deficient given the presence of Covid-19. This view was echoed repeatedly by enterprises interviewed for this report:

The "existing legal and regulatory framework has done a good job for the time it has existed, but it is time to review it to accommodate the new realities so as to make it fair to both employers and employees".

- ▶ *"One thing the pandemic has done is to expose the weakness and limitation in the legal and regulatory framework in terms of its inability to handle current realities."*
- ▶ *"There should be a revision of the law and regulatory framework to accommodate health and safety issues such as mental health challenges posed by remote work."*

Consequently, there is the need to review the law and regulatory framework to provide for:

- i. Recognition of flexible working hours occasioned by remote working;
- ii. Provision for health and safety hazards involved with remote work, especially the psychological and emotional stress of workers; and
- iii. Adequate and clearly elaborated protection for employers against litigations.



**Skills Development,
Knowledge Sharing and
Productivity**





Skills Development, Knowledge Sharing and Productivity

One major way by which the world of work and workplaces have been affected by Covid-19 is the change in skills that enterprises require for their survival. Apart from the increasing use of ICT for remote work and online activities such as teleconferences and meetings, enterprises are now more creative and innovative, all of which has changed the skills requirements for both the current survival and future planning of enterprises.

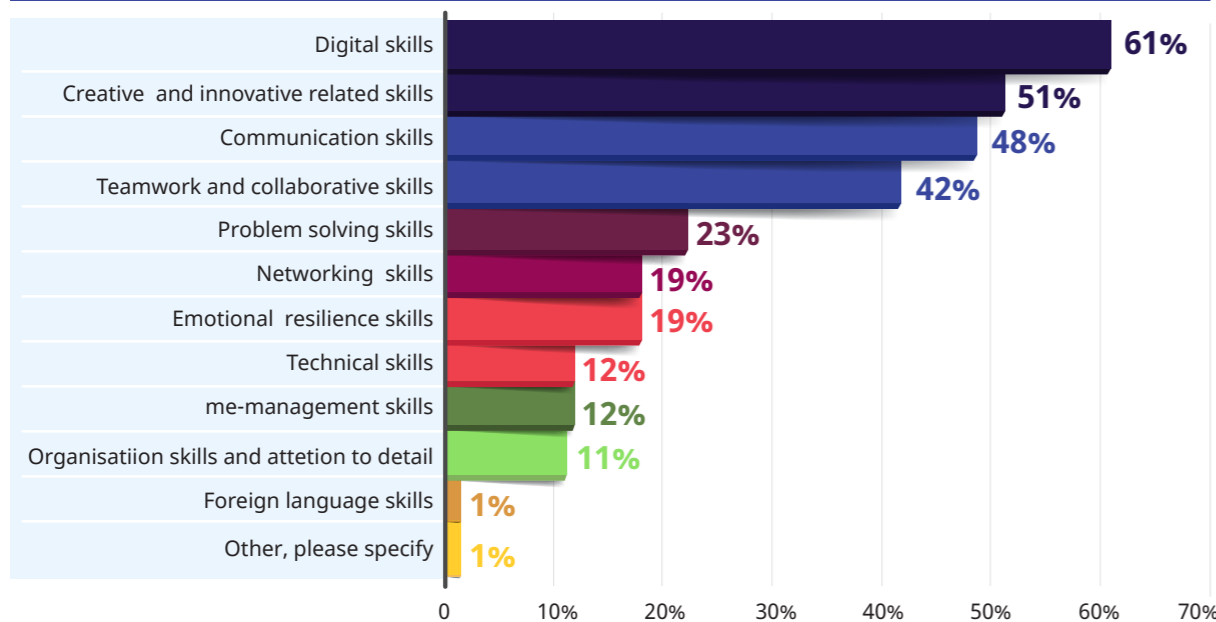
The responses to the question on the importance of different skills for business success (Figure 14) indicates that 61 per cent of enterprises were of the view that digital skills would be one of the most important skill sets needed in future. About half of the responding enterprises were of the opinion that creative and innovation-related skills and communications skills would be crucial for their future success. Other skills identified as important for future business success include teamwork and collaborative skills, problem solving skills, networking skills and



Although core technical skills of workers are still useful and important, IT skills are more important now as most businesses have digitised their operations. Remote and online working require IT skills. Many staff, especially lower-level staff in MDAs, need to upscale their skills in this area. In this regard, government must engage in re-tooling and re-skilling of its staff, while labour unions must do same for their members.



Figure 14: Enterprises that cited a skill set as among the three most important for the future success of business

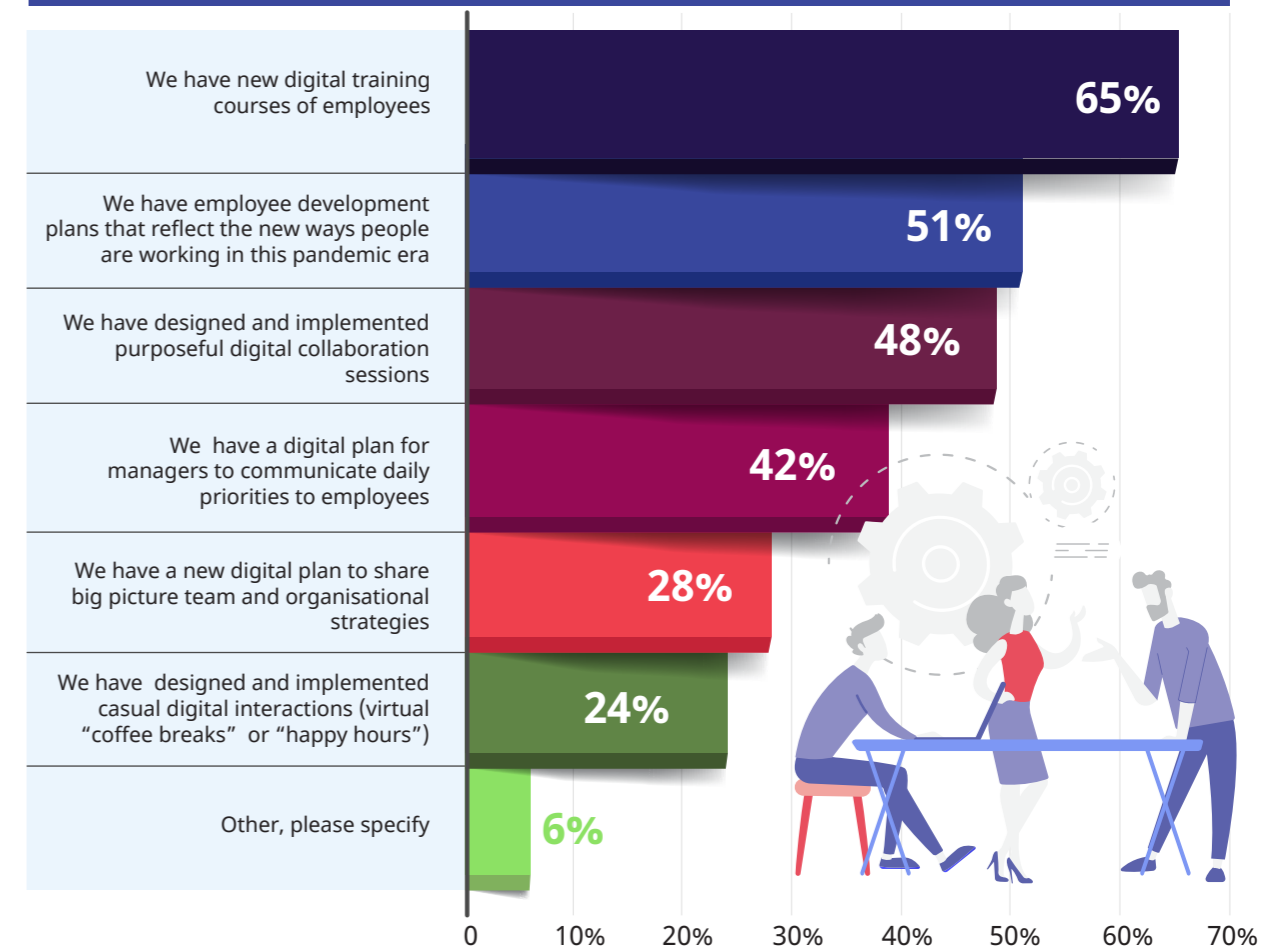


emotional resilience skills. The skills requirements for business survival and future success place a demand for upskilling and re-skilling in the workplace.

In this regard, enterprises were asked whether they have changed the way they train and upskill their employees, collaborate and share knowledge during the pandemic. Figure 15 shows that 65 per cent of enterprises engaged in the development of

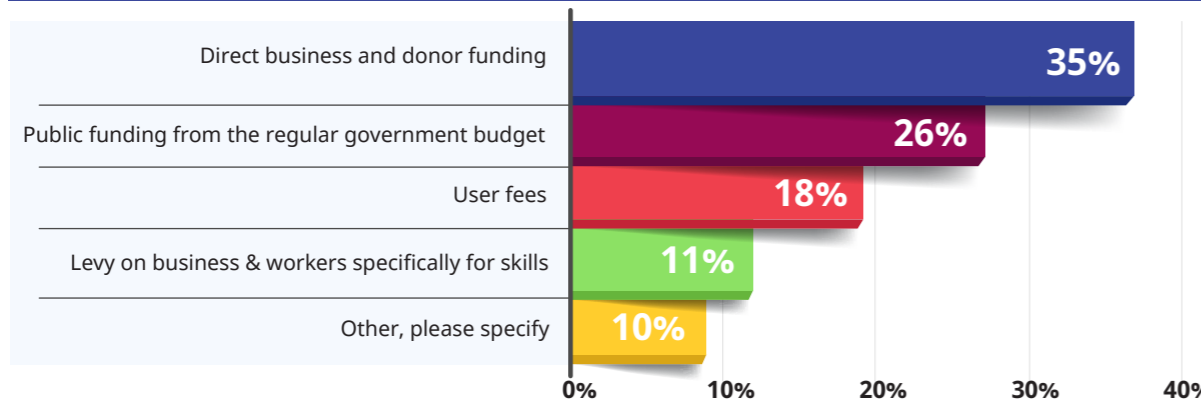
new digital training courses for their employees. Development plans that reflected the new ways of working were put in place by 51 per cent of enterprises and 38 per cent had new digital plans for managers to communicate daily priorities to employees. Other training and skills development tools adopted include designing and implementing purposeful digital collaboration and new digital plans to share big-picture team and organizational strategies.

Figure 15: How have you changed the ways in which you train, collaborate, and share knowledge during the pandemic?



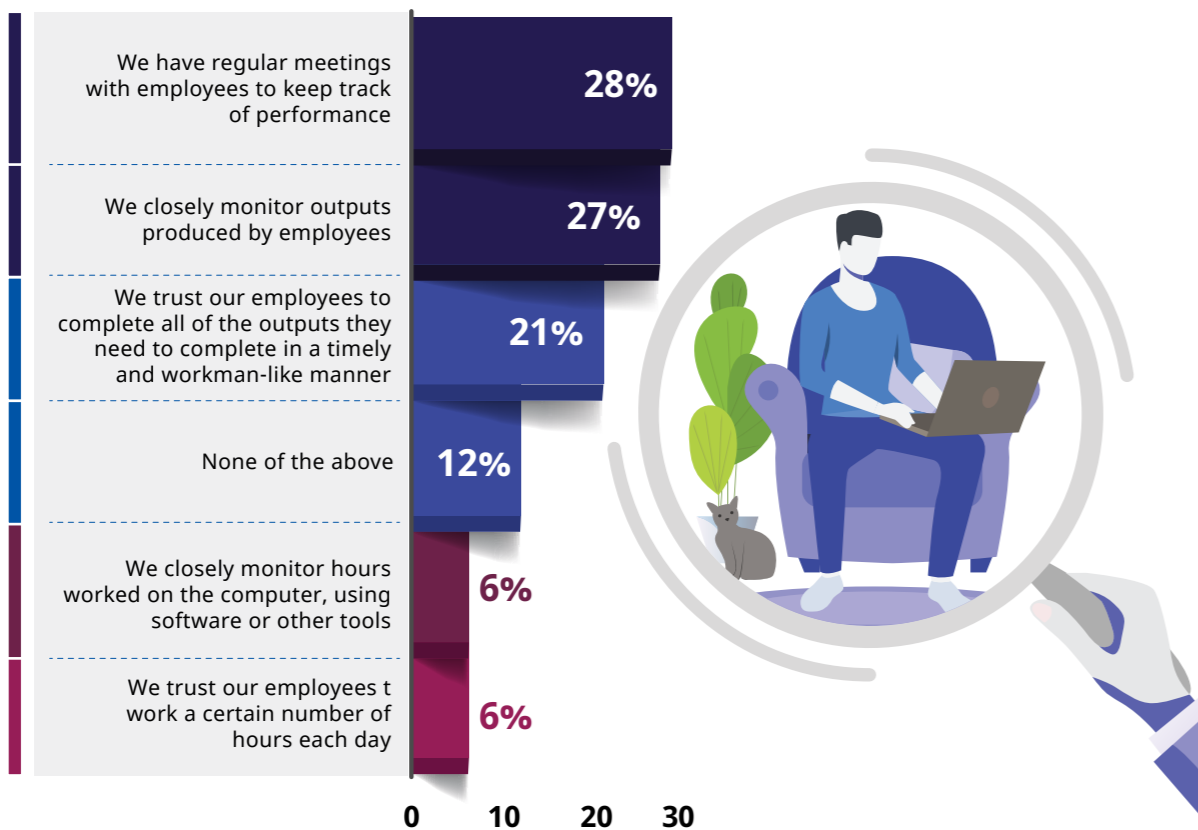
Digging deep into enterprise views about the funding of post-pandemic skills development reveals that 35 per cent of enterprises believe that the most suitable way to fund this is either directly or by seeking donor support for their skills development programmes. Another 26 per cent believe that public funding through regular government budgetary provisions is the most suitable way, while 18 per cent think that user fees are the most appropriate. A few enterprises also thought other funding options were more suitable (Figure 16). As opinions suggested, while enterprises and government are big players in skills development funding, the role of unions cannot be jettisoned as they are also crucial stakeholders in skills development.

Figure 16: How have the following aspects of your compensation practices changed since the COVID-19 pandemic?



Another workplace relations demand for enterprises during the Covid-19 pandemic is the effective management of employees to get the best out of them.

Figure 17: Which of the following statements best describes how you monitor the performance of remote employees during the pandemic?



One of the challenges of remote work is the effective monitoring of employees' performance. To overcome this challenge, employers have developed different innovative ways of performance monitoring that are suitable for their operations. Figure 17 indicates some of the ways enterprises have been able to monitor the performance of employees. Having regular meetings with employees topped the list of performance-monitoring techniques as 28 per cent

“ We now create a new monitoring policy and sensitize workers and managers - line managers have to follow-up trying to ensure performance is monitored with employees sending their work report daily and weekly. **”**

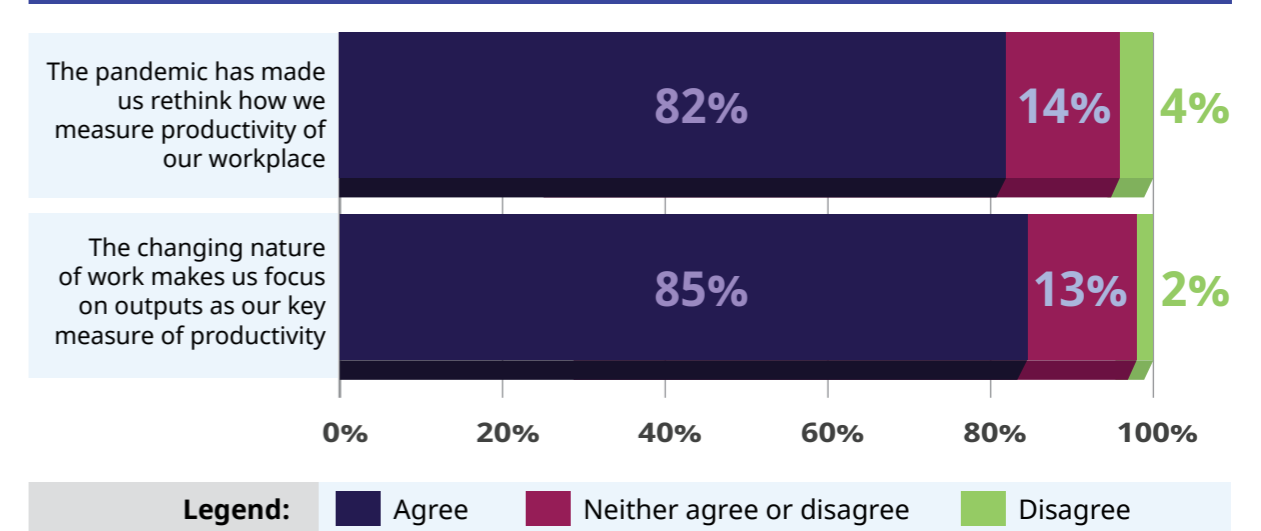
of enterprises adopted the strategy. This is followed by close monitoring of employees' outputs (27 per cent) and the reliance on trust that employees will complete their given assignments and outputs on time (21 per cent of respondents).

has made them rethink how they measure the productivity of their workforce. Similarly, almost all the enterprises concurred that the changing nature of work made them focus more on employees' outputs as a measure of productivity, as opposed to the more traditional productivity measure of physical presence at the workplace (Figure 18).

The importance of developing new ways of thinking about and measuring employee productivity by enterprises in the Covid-19 era cannot be over-emphasised since the new normal demands new insights and ideas. Unlike the case of physical work whereby employees' output is easily measured, remote work comes with new challenges for productivity measurement. About 82 per cent of enterprises agreed that the Covid-19 pandemic

Other than changes in the measurement of productivity and performance monitoring, the majority of enterprises have also adopted various types of technologies. In particular, many now use different digital tools such as Microsoft Teams and Zoom for conducting remote or online meetings.

Figure 18: Do you agree or disagree with the following statements?



About 82 per cent of enterprises agreed that the Covid-19 pandemic has made them rethink how they measure the productivity of their workforce.



Human Resource Management

The Covid-19 pandemic has had important effects on human resource management, including an impact on the criteria that enterprises consider when hiring their workforce.

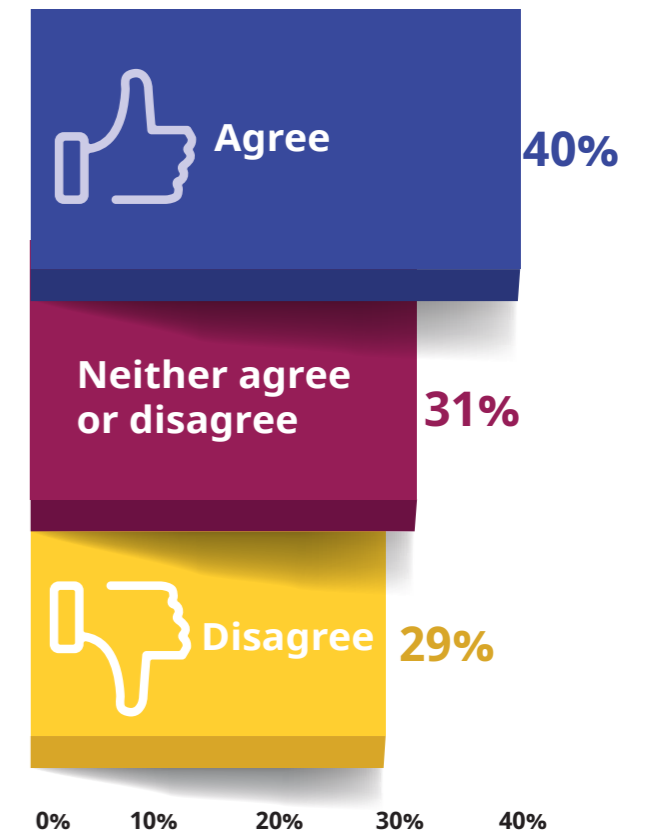
When enterprises were asked whether they have changed their hiring criteria to include new groups of workers not previously considered, such as fully remote employees not “living near your workplace since the start of the pandemic”, four in 10 enterprises responded in the affirmative, 31 per cent neither agreed nor disagreed and 29 per cent were of the view that they never changed their hiring criteria (Figure 19). This implies that some enterprises in Nigeria have leveraged the Covid-19 pandemic to extend their recruitment beyond their local environment to the national and even international level.

Workplace changes that have resulted from the Covid-19 pandemic have put employees under different kinds of pressure including emotional and psychological. The role of employers and enterprises has therefore changed to include the provision of support for the mental and emotional well-being of employees. An inquiry into steps being taken by enterprises to support the mental and emotional well-being of employees, including those working remotely and in-person, shows that 56 per cent of enterprises communicated with employees about the situation the enterprise was facing, to reduce stress and uncertainty (Figure 20).

Aside from the use of communication, 36 per cent of enterprises offered mental and emotional support services to employees, while 34 per cent organised social gatherings for employees – either digitally or socially-distant as a way of relieving them of stress. About a third of enterprises (32 per cent) developed a clearly defined policy on flexible work. On the other hand, only a minority of organisations (2 per cent) established a right-to-

disconnect policy, in which case the lack of a right to disconnect could heighten employees’ stress and pressure, especially for those working remotely.

Figure 19: Your business has changed its hiring criteria to include new groups of workers not previously considered – such as fully remote employees not living near your workplace



Workplace changes that have resulted from the Covid-19 pandemic have put employees under different kinds of pressure including emotional and psychological.

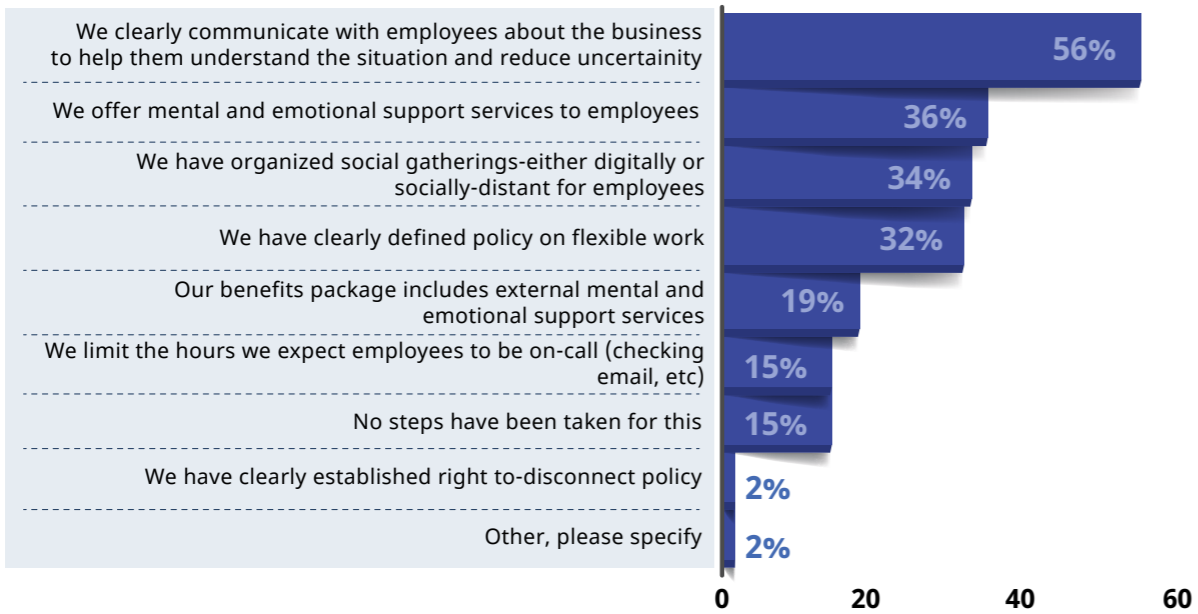
BOX TWO

How will the pandemic change your workforce in the coming years?



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Figure 20: What steps have you taken to support the mental and emotional wellbeing of your employees, will the pandemic change your workforce in the coming years in-person and remotely?



A crucial human resource management issue that Covid-19 has brought about in enterprises is the changing nature of the future workforces that enterprises will need to survive and thrive beyond the pandemic. In this regard, enterprises were asked to describe the significant ways their workforce would change in the medium term (three to five years). Respondents used various words with some indicating that their workforce was largely going to be better than before Covid-19; for example, more innovative, improved, digital, agile, and technologically inclined. Others indicated that their post-Covid-19 and future workforce would be greatly reduced, hybrid, and more remote in future (Box 2).

The Way Forward



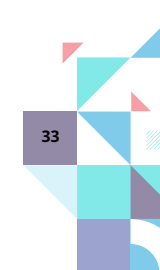
The Covid-19 pandemic caught much of the world, and much of the private sector, off guard. The pandemic's outbreak has affected the world of work significantly, bringing about tremendous changes to work and workplaces globally. This report has shown the effects of the pandemic on enterprises in Nigeria with a focus on four key thematic areas: the working space; workplace and labour law; skills development, knowledge sharing and productivity; and human resource management.

The report highlighted various ways in which workplaces have changed, driven by the Covid-19 pandemic and facilitated by the rapid development and implementation of technology, and the ways in which these changes have affected enterprises and the world of work in Nigeria. Although the Covid-19 pandemic brought disruption to business activities and plans, it has also led to flexibility and innovation in businesses planning and operations. The Covid-19 pandemic has brought to the fore the inherent weaknesses in the existing legal and regulatory framework in the country, especially regarding its non-suitability for the new ways of working (such as remote work) and inability to cater for different

issues such as health and safety challenges arising from the new ways of working. Future workforce plans of enterprises have also been altered, with the need for a flexible workforce (a mixture of permanent, non-permanent and remote workers) becoming more important going into the future. The pandemic has shown the importance of ICT in workplaces. Since most enterprises have digitized their operations and now embraced remote and online work, information and technology (IT) skills have become crucial for survival. Hence, the need for enterprises, government, and unions to invest in reskilling and upskilling of the workforce, particularly in IT skills, has also increased during the pandemic.



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Summary of Recommendations

As this report has shown, Covid-19 has caused significant change to workplace dynamics, while also drawing attention to a number of key points that are central to the way forward for enterprises and employers as they continue to navigate the pandemic while also preparing for the future. Consequently, key recommendations for different stakeholders are thereby put forward, including:

	There is a need for enterprises to be flexible, prepare for unplanned shocks and be futuristic in business plans; that is, business planning should be long-term in nature and be able to accommodate unexpected future changes and occurrences that may alter such plans.
	Enterprises should devise vital human resource management tools for managing the pool of employees who work either in-person or virtually. This becomes germane and essential for business success as Covid-19 has changed the employee mix those enterprises need going in future, even in an environment where the pandemic has completely ceased.
	There is a need for the maintenance and improvement of the safety and hygiene measures that enterprises have introduced in their workplaces, since such measures have a tendency to foster productive efficiency, customers' experience, and boost workers' morale. With the various safety and hygiene measures introduced by enterprises, both workers and customers are more confident about their safety in workplaces. Hence, enterprises should maintain and if possible increase these measures.
	It is imperative for enterprises to ensure constant and regular communication and dialogue in the workplace to ensure that workplace relations are not affected by the shift from in-person to virtual work modes.
	Enterprises need to take advantage of IT, which has become more prominent since the outbreak of the Covid-19 pandemic, by deepening the incorporation of technologies and digitisation of their operations. This would not only save costs, but also bring about improvement in their operations.
	As a corollary to (iii) above, enterprises need to intensify investment in training, upskilling and re-skilling of employees, particular to improve IT skills of employees and ensure they keep pace with changing skills needs at the workplace.



It is imperative for enterprises to ensure they are active members of EBMOs as the pandemic has brought to the fore the crucial role these organizations play in advocating and defending the interest of enterprises in the face of changing economic situations. For example, NECA was helpful in ensuring that government was able to implement several relief policies for enterprises during the pandemic in Nigeria.



The role of NECA in interfacing between its members and government is becoming increasingly important. This is especially the case for ensuring that government provides the needed support for enterprises to keep operating in emergency and crisis periods, such as during the Covid-19 pandemic.



NECA is also essential for facilitating training and funding support from both government and development partners such as the ILO, for the purpose of supporting capacity building for enterprises.



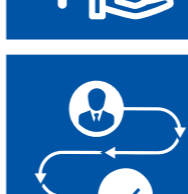
There is need for the ILO to provide technical support to the social partners (Government/Employers Organisation (NECA) and Labour Unions - Trade Union Congress (TUC) and Nigerian Labour Congress (NLC)) towards reviewing and possibly reforming the labour laws to better reflect flexible work, remote work and other work-from-home arrangements in these laws and in the country's industrial relations.



The National Assembly (NASS) should fast-track the desired changes to the existing labour law and regulatory framework to ensure that the framework is able to accommodate the changing modes of work and emerging associated safety and health challenges.



It is important for both the government and labour unions to increase their investment in and funding of capacity building and training for re-skilling and upskilling of workers, particularly their IT and other skills, which are needed to keep up with changing skills requirements in workplaces.



It is important for NECA to embark on advocacy with relevant agencies, most especially the Industry Training Fund (ITF), encouraging a review of its policy for reimbursement on training to ensure it includes virtual/online trainings.



Government should intensify its relief support for enterprises such as special loan facilities, low interest rate loans and granting of moratoriums on loans for Small and Medium Scale Enterprises (SMEs), as well as specific credit facilities such as agricultural loans and credit to pharmaceutical firms.

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