

EFFECT OF COVID-19 ON SOCIO-ECONOMIC WELL-BEING AND EMPLOYMENT RELATIONS IN NIGERIA.

BY

IKOTUN, AANUOLUWA SEUN
Department of Economics,
Osun State College of Education,
Ila-Orangun.
iktmercy@gmail.com

ABSTRACT

The study examined the effect of COVID-19 on socio-economic well-being and employment relations in Nigerian industrial sector. The study employed cross-sectional survey research design. Respondents were randomly selected in managerial and Human Resources Departments from industrial sectors in Ibadan. Data was analysed and interpreted using simple statistical methods analysis. The study revealed that COVID-19 pandemic had significant effect on socio-economic well-being and employment relations in Nigeria. The study concluded that the advent of COVID-19 has brought new managerial insight into employment relations. The study hereby recommends that the Nigeria government should institutionalize social work practice in Nigeria and give the profession a place in the main stream of the economy. The government should pay more attention to the Nigerian health sector in terms of funding, equipping hospitals, and training of medical staff. Government reform is necessary to be rid of corrupt politicians who embezzle funds meant for the health sector renewed and refined managerial practices to employment relations in the banking sector.

Keywords: COVID-19 pandemic, socio-economic, well-being, employment relations, mental health, industrial Sector.

Introduction

Since the debut of Covid-19, the global economy appeared to have entered turbulence. Coronavirus disease 2019 (Covid-19) is a respiratory illness that can spread from person to person. The World Health Organisation (WHO) on 11 March 2020 declared Coronavirus Disease 2019 (COVID-19) discovered in Wuhan, China a

serious public concern (Wong et al., 2020). As in the case of 1918–1920 Global Mortality “Spanish” Influenza Pandemic with published death rate of 455,000 (Johnson & Mueller, 2002; Gewald, 2007). COVID-19, as at 05 June 2020, has spread globally with 6,194,533 cases, 376 320 deaths, Africa accounting for 108,121 cases, 2,700 deaths and Nigeria Cases: 11,516; Deaths 323 (WHO report, 2020; Nigeria Centre for Disease Control (NCDC), 2020).

The pandemic caused operational disruption in the lives of people and organizations across the globe.

Symptoms of Covid-19 infection include: fever, dry cough, shortness of breath or difficulty in breathing, muscle aches, headache, sore throat, or diarrhea, runny nose, tiredness (CDC, 2020b; Foundation for Medical Education and Research [MFMER] 2020). The incubation period lasts up to 14 days (Gallagher, 2020), and the symptoms may appear 2–14 days after exposure (Minnesota Department of Health, 2020). Most people infected with the Covid-19 virus will experience mild to moderate respiratory illness and will recover without requiring special treatment. There are also preventive measures for the coronavirus that include washing of hands; using alcohol-based sanitizer frequently; maintaining social distance of not less than 2 meters; using face masks; avoiding facial contact with an infected person; not touching your face; coughing into your elbow; staying at home if you can; seeking medical care early when you notice fever, cough, and difficulty breathing; throwing used tissues in the trash; cleaning and disinfecting frequently touched surfaces; staying informed; and following advice given by a health-care provider, (CDC, 2020; WHO, 2020).

Covid-19 infection and death is increasing around the world. At the time of this report, at least 141,422,630 coronavirus infections have been confirmed globally, including 3,020,112 deaths in 212 countries and territories (European Centre for Disease Prevention and Control [ECDC], 2020; Worldometer, 2020). The most severely affected countries outside of China—the country of coronavirus origin (82,918 cases)—include the United States (1,367,963 cases), Spain (264,663 cases), Russia (221,344 cases), the United Kingdom (219,183 cases), Italy (219,070 cases), France (176,970), and Germany (171,879 cases) (Statista, 2020). The United States has

recorded the highest number of deaths (79,528) from the corona virus, followed by the United Kingdom (31,930) and Italy (30,560) (Al Jazira, 2020). The U.S. medical system is currently overwhelmed by the rise in cases of coronavirus (Wen, 2020). Many events and activities around the globe have either being disrupted or postponed as a result of the Covid-19 pandemic. For example, the Tokyo 2020 Olympic games has been postponed to 2021 as a result of the pandemic—there has been a lot of mixed feelings among lovers of sports, but “safety first” has informed the postponement of the games and other interesting activities around the globe.

Africa, especially Nigeria has been adversely affected by the Covid-19 pandemic since it arrival on 27th of February, 2020. The index case of coronavirus started in Nigeria when an Italian national working in Lagos flew into the commercial city of Lagos from Milan, Italy, on February, 25, 2020 (Nigeria Center for Disease Control [NCDC], 2020). At the time of this research, Nigeria has reported 164,423 cases of coronavirus, 2,061 deaths, and 154,441 recoveries (NCDC, 2021; Worldometer, 2021). The Nigerian government has been making a great effort to stop the further spread of coronavirus within the country. Such efforts include a ban on social gatherings (there are mechanisms to arrest and punish those who defy this); a shutdown of Lagos, Abuja, Ogun and later total lockdown of the whole country. Other preventive measures such as an increase in screening at border entry points, self isolation, social distancing of not less than 2 meters, use of hand sanitizer, and washing of hands frequently, all of which have been emphasized and publicized through formal and informal media outlets was also adopted. (Adnan, 2020; Obiezu, 2020; Olurounbi & Bala-Gbogbo, 2020). Based on this, this study was embarked upon to investigate the effect of Covid-19 on the socioeconomic well-being and employment relations in

Nigeria tertiary institutions.

Covid-19 and Socioeconomic Well-Being

Structured Interview conducted during and after the total lockdown across the country showed that the Covid-19 has created panic into the mind of Nigerians. People were of the opinion that as a result of the Covid-19 pandemic the Nigerian economy and transportation or movement of people has all been shut down, the shutdown of every activity made it very difficult for some sections of the Nigerian population to survive. These sections of the population are those who depend on daily activities for survival. This also has adverse effects on social and religious life of Nigerians. For instance, people can no longer hold weddings; the ones that have been scheduled have been canceled, and churches and mosque can no longer hold until of recent that the restrictions are slightly relaxed.

Another interviewee was of the view that the coronavirus pandemic has led to a high rate of unemployment and crime and a hike in prices of commodities, most especially personal protective equipment which we are experiencing in the country now. Responses show that the Nigerian entertainment industry has been adversely affected by the covid-19 pandemic. Those affected include comedians, musicians, sportsmen, and fans. Students were of the view that Covid-19 has affected school activities adversely. School calendar was grossly affected. A whole year was wasted across all tiers of education.

Another person said that Covid-19 has created fear, panic, and termination of all social life. There is tremendous fear among Nigerians. Fear is one of the major responses of people in this pandemic. The positive aspect of the fear is that it has made people be more careful. However, for some people, it can be traumatizing. Another participant sees the effect of the Covid-19 pandemic from the international trade perspective. Ninety percent of Nigerian revenue comes

from import and exportation (Buheji and Ahmed, 2020).

Global oil prices have fallen because of Covid-19. Even though diversification is being emphasized in Nigeria currently, crude oil remains the dominant source of revenue for Nigeria. Given that global oil prices have fallen drastically, the Nigerian economy has been adversely affected. He said further that *“The effect of the coronavirus nationwide is that Nigeria is a country that is dependent on other countries for survival. We have to sell our crude oil; they will refine it for us to buy it back. We cannot even refine our own. Borders are locked down, no more importation and no more exportation. Nigeria is a country that is not dependent on itself for food and many other things. This virus is affecting Nigeria economically because we are not able to export or import, so it is going to crash the economy. The civil servants are in trouble; they depend on the federal government, and the federal government depends on crude oil that is not even doing well. The market price of crude oil has fallen because countries are channeling their resources to fight the coronavirus. When Nigeria brings their crude oil, it is priced at a very low price. It makes Nigeria to make low profit from crude oil sale. So, it is going to crash the economy because the civil servants are likely not going to get their pay, because the federal government is likely not to have money to pay them. Foreign exchange is not as it was before. Nigeria is dependent on it and have refused to build their Internally Generated Revenue (IGR). We have to depend on other country to pay salary; they have to take loan, and loan comes with interest. The countries that could give us loan are even struggling, so it cannot work. Stock market has crashed, bitcoin has crashed and so many other things because of this pandemic. This pandemic has caused inflation; more money pursuing fewer goods or fewer goods that more money is pursuing”*.

COVID-19 and Employment

The coronavirus pandemic has no boundaries, and the effect is large and fast. According to Truter (2020) Covid-19 pandemic brought about restrictions on global and local mobility, including closure of schools and business across all the country with implications on employment relations actors' ability to honour contract of employment. Buheji and Ahmed (2020) postulated that (COVID-19) is not only a medical fight, but a human right enemy that should be fought regardless of national differences in existence before the pandemic. Coronavirus occurrence is an opportunity to redesign business models and contract of employments by inculcating goodwill and value into business models through re-evaluating ethical and transparency issues to build new contractual relationships because the corona challenge had opened different perspectives to life due to attitudes and behavioural changes that were caused by the shock the virus gave to the world (Atilola, 2020). Coronavirus caused several deaths in the world which may necessitate the need to include force majeure and other clauses in contract of employment that was not there at the onset. Hence many agreements hitherto concluded before Covid-19 needed to be revisit.

Prem, et al. (2020), assert that the unprecedented measures to slow down COVID-19 outbreak were the introduction of physical and social distancing measures. Venkatesh and Shantal (2020) opine that to mitigate the deadly impact of COVID-19 on

people, physical distancing measure should be enforced. On the contrary, Ezenwile (2020) stated that individual behavioural change to avoid gathering above twenty (20) people was a challenge because Nigerians are not used to living an isolated life. Africans emphasize communal living rather than individualistic way of life (Onah, Ezebuilo, & Ojiakor, 2016), but the emergence of COVID-19 brought about social/physical distance which threaten the sustenance of this culture.

Buheji and Ahmed (2020) argued that coronavirus presents an opportunity to review how human beings live in order to limit the virus spread, because this pandemic would bring in more innovative developments, not only in the medical, healthcare requirements and services, but also in all spheres of life, including how humans relate in the workplace. Taylor (2020) corroborate that home working via the internet with the aid of advance technological tools has become the new normal way of working due to the physical distance measure nevertheless, the out of sight, out of mind paradox will eliminate the healthy chatter and team building that keeps people interested throughout the workday.

Material and Methods

For this research, cross-sectional survey research design was adopted and the industrial sector was the focus of the study with Nigeria as the scope. Structure questionnaire was employed and its validity and reliability were established. The

question items were 4-point Likert scale and copies were electronically administered to simple randomly selected industrial staffs in Oyo State.

Findings and Results

Table 1: Population Distribution of the Respondents

Variable	Frequency in Percent
Age Group	
20–35years	15
36–45years	31
46–55years	43
56–65years	11
Workers Status	
Management	18
Directors	40
Senior Staff	31
Junior Staff	11
Length of Service	
1–7years	18
8–14 years	30
15–21 years	22
22–28 years	19
39–35 years	11
Educational Qualification	
NCE/OND	7
First Degree	43
Postgraduate	50

Source: Field Survey, 2021

Table 1 showed that most of the respondents were between 46 -55 years and majority of the staff were in the director cadre. Also, most of the respondents have worked for 8 -14 years, while most of the respondents had higher certificate.

Table 2: Impacts of Social or Physical distance of COVID-19 on organization's manpower ratio

Issues	Average
Social or Physical distance policy was practicable in the industries, especially when dealing with customers	4.23
During Covid -19, there was reduction in office layout in the industry	3.54
Adequate manpower needed are provided during Covid-19	3.62
Strategies to retrench manpower was implemented during Covid-19	4.24
Covid-19 pandemic resulted to lay-off of manpower and there was high workload on the remaining staffs.	4.15

Source: Field Survey, 2021

Table 2 reveals that the respondents agreed that successful compliance to social distance during the COVID-19 was perceived to be high among the respondents with reference to strategies to reduce the number of people working in banks as implemented (avg = 4.24) and high workload on the remaining staff (avg = 4.15). Thus, table 2 proves that Covid-19 policy on social and physical distance significantly has effect on manpower ratio in organization.

Table 3: Effects of COVID-19 pandemic on initial agreement on contract of employment

Impact of Covid-19 on Contract of Employment	Average
Organisation reduced welfare packages and incentives after the COVID 19 crisis	3.40
Employers and entrepreneurs were unable to meet up and implement signed agreements with their employees	3.49
Half or Staggered payments are expected to replace monthly payments in the organisation during COVID -19 pandemic	3.11
Implementation of force majeure clause determination and salary re-negotiation in the contract of employment will be effected during and after the pandemic	3.90
Employees health status determination or test will include Corona virus and other epidemic tests before and during the recruitment	3.81
Salary negotiations to include epidemic/pandemic work absences reduction in payments within the contracts of employment	3.31
Non-payment of Leave of absence clause during pandemic/national crisis will be included in the contract of employment	3.26
Impact of COVID -19 is that it has drastically reduced manpower in the organizations	4.10
Monthly salary payments during a pandemic such as COVID-19 will now be explicitly stated in the contract of employment as payment for the number of days worked	3.02
Because of Covid 19, pandemic or disaster work arrangements will now be clearly written in the formal contract of employment	3.95

Source: Field Survey 2021

From table 3, COVID-9 pandemic has reduced manpower in organization (avg = 4.10), implementation of force majeure clause, salary re-negotiation in the contract of employment (avg = 3.90), Because of Covid-19, pandemic or disaster work arrangements clearly written in the formal contract of employment (avg = 3.95); inclusion of Coronavirus and other epidemic tests before and during recruitment (avg = 3.81) were rated relatively high. The respondents' perception however negates the position of Wigwe (2020) who stated that some industries have resorted into layoff of staff. This shows that Covid-19 has significantly affected the contract of employment. The result as presented asserts that nature of employment transformation in an organization occurs due to technological, operational and globalization disruptions which have similar indices with Covid-19.

Impact of Covid-19 Pandemic on Employees' Mental Health

Social distancing is one of the measure to slow COVID-19 spread and it has potential mental health implications which may lead to cognitive distress, anxiety and depression. Buheji and Ahmed (2020) stated that China failed to eliminate COVID-19 in spite of its technological advancement

due to the complex nature of the virus but the intrinsic power within humanity to mentally calm in the face of adversity is more important than any resources the country has during the crisis.

The emergence of this virus touched most essential things in the practice of being healthy and possession of intrinsic mental wealth (World Bank, 2020). Nevin et al. (2020) aver that one of the risks and challenges of the banking sector during COVID-19 pandemic is operational constraints of keeping the employees safe while meeting customers' expectations because the pandemic gave rise to unprecedented disruptions.

The New Industrial Relations (NIR) theory propounded by Kaufman (2007) assumes that in employment environment, employee involvement in the business is essential for organizational survival provides the framework for this study. NIR Theory explains that certain changes that are expected to take place within the employment relations space due to the emergence of unforeseen circumstances in the work environment has adverse impact on fulfillment of contractual obligations (Voskeritsian, 2009).

Table 4: The Impact of Covid-19 on employees' mental health

Issues	Average
Employers provided all needed health care materials during the Covid-19 pandemic	4.01
All precautionary measures are problematic for the employees	3.75
Staff reduction, social distancing, hand washing and etc increased employees stress during the pandemic.	3.04
The fear in the heart of the employees had a negative effect on their health.	3.25
Team bonding exercises was adopted by employers to reduce the fear level in staff	3.64
Employees engagement during work -hours was adopted by employers	3.40

Source: Field Survey, 2021

Table 4 shows that employees mental health was affected by the COVID-19 pandemic as the respondents indicated that employee stress level increased staff retrenchment (avg=3.04), fear in the hearts of employees (avg=3.25) employers provided all necessary health care (avg=4.01). Finding agrees with the assertion that industrial workers are among the group of workers under a great deal of stress. This finding supports that of Nevin et al (2020); Venkatesh & Shantal (2020); and Shah et al. (2020).

Conclusion and Recommendations

This article was designed to find out the effect of Covid-19 on the socioeconomic well-being and economic relations in Nigeria. The study discovered that the Covid-19 pandemic has had a negative impact on the socioeconomic and religious well-being of Nigerians. The effects have been devastating. The study revealed that

Covid-19 has disrupted and negatively impacted the socioeconomic and religious progress of Nigerians. All forms of formal education programs and schools were shut down, and formal academic learning was disrupted. The worst part of it is that Nigeria is very suboptimal in the use of information and communication technology (ICT) in learning, such as distance learning and online education. If this were not the case, the Nigerian education sector would not have been affected so badly by the coronavirus because academic activities would have continued online. The economy that is comprised of buying, selling, and production was shut down. Market men and women, artisans, and those who depend on daily activities for survival have been adversely affected. In fact, it was said that the "hunger virus" was more devastating to common Nigerians than the coronavirus. The Nigerian entertainment industry was shut down: Musicians; actors and actresses;

comedians; fine and applied artists who had events, shows, and exhibitions scheduled had to indefinitely postponed or canceled the shows entirely. All forms of social gathering were banned, such as weddings, birthday parties, and funerals. All forms of religious gatherings were banned; many congregants and worshipers were perplexed and dismayed. Other findings from several scholars from different nations also show that the Covid-19 pandemic has had a devastating impact on the socioeconomic well-being of Nigerians.

Substantial evidence from literatures on COVID-19 pandemic and virus related diseases revealed that human life will not remain the same which is similar to current COVID 19 and such has managerial implications on human resources and the interactions between employers and employees. The balance of economic interest and the harmonious relationship between workers and employers will be disrupted in the future when diseases of similar proportion emerge. Owners of business with capitalist mentality will re-structure in order to remain viable and operationally resilient.

The study hereby recommends that the Nigeria government should institutionalize social work practice in Nigeria and give the profession a place in the main stream of the economy. The government should pay more attention to the Nigerian health sector in terms of funding, equipping hospitals, and training of medical staff. Government reform is necessary to be rid of corrupt politicians who embezzle funds meant for the health sector. Also, the managers of human resources should inculcate new management philosophy along new industrial relations principles of collaboration and enablement into the organisation's strategic thinking.

References

- Adnan, A. (2020). *Nigeria ramps up response efforts to smash coronavirus*. Retrieved from <https://www.aa.com.tr/en/africa/nigeria-ramps-up-response-efforts-smashcoronavirus/1771922>
- Al Jazeera. (2020). *Coronavirus: Which countries have confirmed cases* Retrieved from <https://www.aljazeera.com/news/2020/01/countries-confirmed-cases-coronavirus>.
- Atilola. B. (2020). Covid-19, labour & employment law and the dilemmas of employers. Accessed from <http://www.hybridsolicitors.com/solicitor>
- Azlan, A. A., Hamzah, M. R., Sern, T.J., Ayub, S.H., Mohamad, E. (2020). Public knowledge, attitudes and practices towards COVID-19: A cross-sectional study in Malaysia. *PLoS ONE* 15(5).
- Buheji, M. & Ahmed, D. (2020). Foresight of coronavirus (COVID-19) opportunities for a better world. *Coronavirus disease (COVID-2019) situation reports*. (2020). Available at [diseases/novel-coronavirus-2019/situation-reports](https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports).
- Ezenwile, U. (2020). Commentary: COVID-19 and the new social behaviour in Igboland retrieved from <https://tinyurl.com/ybpxlyqc>
- Gallagher, J. (2020). *Coronavirus symptoms: What are they and how do I protect myself?* Retrieved from <https://www.bbc.com/news/health-51048366>
- Johnson, N. P. A. S. & Mueller, J. (2002). *Updating the accounts: Global*

- mortality of the 1918- 1920 "Spanish" *Influenza pandemic bulletin of the history of medicine*, 76(1), 105-115
- Kaufman B. E. (2007). The core principle and fundamental theorem of industrial relations. *International Journal of Comparative Labour Law & Industrial Relations*, 23: 5-33.
- NCDC. (2020). *First case of coronavirus disease confirmed in Nigeria*. Retrieved from <https://ncdc.gov.ng/news/227/first-case-of-corona-virus-disease-confirmed-in-nigeria>.
- Nevin, A. S., Amosun, A., Omosomi, O., Umweni, K. & Omosuyi, T. (2020). COVID-19 and its impact on the Nigerian banking industry: Counting the cost. Retrieved from <https://tinyurl.com/y78lqdmv>
- Obiezu, T. (2020). *Nigeria shuts down Lagos and Abuja to control coronavirus spread*. Retrieved from <https://www.voanews.com/sciencehealth/coronavirusmoutbreak/nigeria-shuts-down-lagos-and-abuja-control-coronavirus-spread>.
- Olurounbi, R., & Bala-Gbogbo, E. (2020). *Nigeria intensifies efforts to prevent spread of coronavirus*. Retrieved from <https://www.bloomberg.com/news/articles/2020-03-02/nigeria-intensifies-efforts-to-prevent-spread-of-coronavirus>
- Onah, O., Ezebuilo, H. & Ojiakor T. (2016). The place of the individual in the traditional African society: A philosophical appraisal. *International Journal of Social Sciences and Humanities Reviews* 6(3), 225 – 229.
- Prem, K., Liu, Y., Russell, T. W, Kucharski, A., Eggo, R. M., & Davies, N. (2020). The effect of control strategies to reduce social mixing on outcomes of the COVID-19 epidemic in Wuhan, China: A modeling study. Centre for the Mathematical Modelling of Infectious Diseases COVID-19 Working Group. Retrieved www.thelancet.com/public-health
- Shah, K., Kamrai, D., Mekala, H., Mann, B., Desai, K. & Patel, R. S. (2020). Focus on mental health during the coronavirus (COVID-19) pandemic: Applying learning from the past outbreaks.
- Taylor, S. (2020). Five ways to engage remote workers during the COVID-19 pandemic. Retrieved From <https://decision-wise.com/5-ways-to-engage-remote-workers-during-the-covid-19-pandemic>
- Truter . (2020). Covid-19: Impact on businesses and investments in South Africa. Available at <https://tinyurl.com/ybfotye>.
- Venkaesh, A. & Edirappuli, S. (2020). Social distancing in covid-19: what are the mental health implications? Retrieved from <https://www.bmj.com/content/369/bmj.m1379>.
- Voskeritsian, H. (2009). Industrial relations in crisis? The 'new industrial relations' theory and the field of industrial relations in Britain. PhD thesis, The London School of Economics and Political Science (LSE). Retrieved from <http://etheses.lse.ac.uk/301>.
- Venkatesh, A. & Edirappuli, S. (2020). Social distancing in covid-19: what are the mental health implications? Retrieved from

<https://www.bmj.com/content/369/bmj.m1379>

Voskeritsian, H. (2009). Industrial relations in crisis: The 'new industrial relations' theory and the field of industrial relations in Britain. PhD thesis, The London School of Economics and Political Science (LSE). Retrieved from <http://etheses.lse.ac.uk/301>.

Wen, L. S. (2020). *Hospitals are overwhelmed because of the coronavirus. Here's how to help*. Retrieved from <https://www.washingtonpost.com/opinions/2020/03/15/hospitals-are-overwhelmed-because-coronavirus-heres-how-help/>

Wigwe, H. (2020). There will be no downsizing, Access Bank assures its employees in spite of the pandemic. Nairametrics, retrieved from <https://tinyurl.com/y7msheeq>

Wong E, Ho KF, Wong SY, Cheung AW & Yeoh E. (2020). Workplace safety and coronavirus disease (COVID-19) pandemic: survey of employees. [Submitted]. Bull World Health Organ. E-pub: 20 March 2020. doi: <http://dx.doi.org/10.2471/BLT.20.255893>

Worldometer. (2020). *Coronavirus cases*. Retrieved from <https://www.worldometers.info/coronavirus/>