

Study analyzes the impact of the economic cycle on temporary disability

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Working conditions, mass layoffs and other economy-related reasons could explain the rises and falls in temporary disability rates.

Professor José María Peiró from the University of Valencia directed a study commissioned by Umivale analyzing the impact of the economic

cycle on the rate of temporary disability (TD). Colloquially known as work absenteeism for health reasons, TD increased significantly in Spain as the economy improved during the 2014-2019 period.

The report was entitled "Changes to the temporary disability rate before, during and after the [economic crisis](#)." Alongside lecturer Peiró, member of the Institute for Research on the Psychology of Human Resources, Organizational Development and Quality of Work Life at the University of Valencia (IDOCAL), researchers Tobias Hauth and Juan M. Mesa were also on the research team.

Whereas a total 2.7% of the working time of Spanish workers was lost in 2013 due to a leave of absence due to an illness or an accident, this indicator gradually increased until reaching 4.12% in 2019. According to the report, this increase entailed a cost both for the [public health system](#) and for the companies of around €42,530 million in 2019, which equates to 3.42% of the GDP for that same year. This is a burden for the competitiveness of the Spanish economy. For the researchers, "the fact that during that year 787,747 Spanish workers did not go to work every day due to TD gives further visibility to the magnitude of the issue."

According to Peiró, the main goal of the research was "to shine a light on the possible reasons behind this increase in TD, which took place at the same time as Spain exited the economic crisis, as well as to explore paths of improvement by taking into account the viewpoints of different relevant actors and [interest groups](#). And lastly, to contribute to understanding the different interpretations and stances of these different groups on this phenomenon and to produce constructive and fruitful communication between them." To carry out the study, the researchers invited 79 participants from different groups: companies, lawyers and mutual insurance companies, public entities (the Valencian Health Agency, the Employment Inspectorate, INSS, INVASSAT and Labor Courts), as well as members from union organizations. Attendees were

grouped in 11 roundtables or focus groups and addressed the various topics of the issue with a semi-structured methodology of discussion. The quantitative elements of their statements were then analyzed with a data analysis program and a qualitative analysis of their contributions was also performed.

TD is a labor situation intended for when a worker can not go to work due to a disease or accident and is receiving medical assistance. Several participants say that not all situations with health modifications necessarily entail a TD. The conditions and particularities of the job as well as the person's condition must be taken into account in the decision-making process. The report also adds that TD usually involves a Social Security benefit in order to lessen the pay cut that a leave of absence can represent for a worker. When analyzing this phenomenon, the participants considered both an appropriate use of this benefit as well as the abuse that takes place when a worker is in a situation of TD without the required health and legal conditions being present.

On the quantitative analysis of the data from the contributions made on the various matters, the report highlights that the three most stated mechanisms that explain the increase in TD among almost all groups were: job insecurity, a deterioration of working conditions and legislative changes.

In the qualitative analysis, the researchers verified that during the group's meetings, participants posed a wide range of interpretations and explanations for the evolution of the TD rate. The analysis begins by analyzing the two main phases of the economic cycle, the recession (approximately between 2008 and late 2013) and subsequent growth (from late 2013 to 2018). Regarding the recession phase, participants provided two essential mechanisms to explain the decrease in TD. Firstly, they stress that the criteria to enforce collective dismissals were, among others, workers' levels of commitment and absenteeism. By firing

workers with high levels of absenteeism, the companies possibly had workforces with lower rates of absenteeism. These layoffs worsened the situation in the labor market, generating job insecurity which, according to the participants, made workers more reluctant to request time off. As the other conditions were the same, a working population with good health, greater commitment and which is also reluctant to request time off due to the tough situation of the work market could have caused the decrease in TD during the first phase of the economic crisis.

However, in order to explain the subsequent increase in TD while leaving the crisis during the years of growth, the report also adds that the participants had an even wider range of possible explanations. They say that in these phases, companies took on more workers, which had two main effects on TD: First, it increased the perception of safety at work, which made workers less reluctant to request time off. And secondly, workers with possible health issues or with a tendency to greater rates of absenteeism possibly joined the working population to a greater extent. Furthermore, as a way to adjust to the crisis partly facilitated by the labor reform of 2012, participants stressed that companies gradually lowered the quality of working conditions during the growth phase, with adverse consequences for [worker](#) health. Researchers explain that "this has generated a sense of injustice and imbalance among the workers, which some could have tried to rebalance through a TD. Lastly, the changes to the public health system, the new confirmation forms (2014) and less resources for the system caused by decreased expenditure may have contributed to an increase in TD."

More information: The report is available in Spanish. Estudio cualitativo de la evolución de la incapacidad temporal: paradigmas y propuestas de mejora de los diversos actores: umivale.es/salud-y-absentismo-...-incapacidad-temporal

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