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The Value of Employee Health Benefits During the Coronavirus Pandemic in Hungary

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Abstract: The coronavirus pandemic has affected the lives of employers and employees worldwide. This is why it is important for HRM to look at employee health from a new perspective. In our research, we investigated whether health has been valorised in employees' minds as a result of the coronavirus pandemic and, if they could choose health benefits as fringe benefits, to what extent they would prefer health-related benefits. Our primary questionnaire survey used a non-representative sample (N=250). The main objective of our research was to understand the importance of health and the opinions of individuals aged 18 and over with an active working life in Hungary on health-related fringe benefits during the pandemic. The data was collected through an online, anonymous questionnaire. Their health status at the time of completing the questionnaire was more important than before the COVID-19. 85.6% of respondents have not introduced any new health-related benefits at work in 2020 and 41.2% do not have any, even though 81.2% of respondents would like to have some kind of health-related benefits that they consider useful and important. 70.4% of respondents would opt for dental check-ups and treatment. More than 50% would also use some kind of general or complex managerial screenings.

Keywords: employee; health; benefits; Hungary; coronavirus; pandemic

1 Introduction

The importance of health and its appreciation has changed in recent months. Individuals, organizations, and institutions have been affected by the coronavirus pandemic, the health situation surrounding it, and the health status of individuals. All organizations, businesses, and institutions are made up of many individuals who contribute to their functioning through their activities. Perhaps this is why the critical question is whether employees' health has become more valuable. What are the views of employees and employers in support of this situation? In the present research, we were interested in finding out how the COVID-19 pandemic has



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affected the survey respondents who are active workers in Hungary, whether and to what extent health and health maintenance benefits are essential to them.

2 Literature Review

2.1 The health sector and COVID-19

In the autumn of 2020, the pace of the pandemic's spread accelerated (Bolcsó, 2020), not only in Hungary but also worldwide. The COVID-19 outbreak has reached populations worldwide in high numbers, as it has done across Europe. The infection and its serious consequences have been published, highlighting the rapidly increasing mortality figures. In addition to health-related indicators, the impact of the pandemic was also felt in economic indicators - most notably the negative trend in unemployment rates and GDP growth rates (OECD/European Union, 2020).

Our research took place when the V4 countries (Poland, Czech Republic, Slovakia, and Hungary) had high daily positive COVID-19 test rates among the population. Both the prevalence and mortality were high. The governments of the countries have taken several different restrictions. In Hungary, restrictions and closures were imposed (koronavirus.gov.hu, 2021a). The pandemic has put a strain on the health system, resulting in the postponement of planned surgical procedures, a drop in emergency center attendance, and a reduction in the volume of outpatient specialist care for both acute and chronic patients (OECD/European Union, 2020). Once the pandemic has subsided, patients will be overwhelming the health system, as they will not have consulted a specialist for their problems and illnesses, and this will have a financial impact on the care provider side and the financing side (Csiki, 2021a). As for private health care providers, after a slight temporary downturn, an increase in demand emerged in the second half of 2020 and is still present in 2021. The financing difficulties of the Hungarian healthcare system (lack of resources) and the phasing out of the gratuity scheme will lead to an increasing number of patients with ailments being forced out of the public care system. The pandemic has also pushed patients in a new direction, as telemedicine systems have allowed private providers to continue to provide specialist care despite epidemiological restrictions (e.g., curfew restrictions) (Csiki, 2021b).

The daily positive COVID-19 test rate has been increasing since September 2020 (Our World in Data, 2021a), and this has marked the second wave of the pandemic in Hungary (Bolcsó, 2020) (koronavirus.gov.hu, 2021b). In addition, the number of deaths has also shown a rapid increase from September 2020 in Hungary and beyond (Our World in Data, 2021b) (OECD/European Union, 2020).



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2.2 Remuneration and incentives

Incentives, and the various benefits, are influenced by many environmental factors that directly and indirectly impact. External factors: economic situation; demographic situation; employment situation and labor market; legal regulation (Poór et al., 2020). Hungary's economic situation was favorable before the coronavirus pandemic, i.e., in 2020 and before - the unemployment rate was at its lowest in 2019 at 3.42%, rising to 4.35% in 2020 (statista.com, 2021a). The GDP growth rate in 2020 fell by -4.96% due to the pandemic (statista.com, 2021b). In contrast, the Government of Hungary has designed the legal framework to allow employers to offer favorable benefits to employees, taking into account tax considerations (Government Decree 140/2020 (IV. 21.), 2020). Employers can offer benefits in (1) fixed or (2) flexible forms (fixed: the same benefit is offered to all employees) (flexible: the employee can choose between the benefits and the proportions of the amount that can be used) (Poór et al., 2020). Flexible benefits are preferable from the employee's point of view, as they can be tailored to the employee's preferences and thus contribute to meeting different needs. It can also increase employee loyalty and motivation towards the organization (Poór et al., 2018). The coronavirus pandemic has reduced the mobility of the population in Hungary (and the rest of the EU) (OECD/European Union, 2020), which has sometimes encouraged employers to offer home-office working to employees who can perform their tasks in this way, thus protecting their health (Pénzcentrum, 2020).

Analysis of labor market and employee data shows that the COVID-19 impacted the whole labor market. New technologies can improve the safety of working environments and help protect the employees from infection from any disease (Caselli et al., 2021). Remote work can be one of the benefits for the employee. The pandemic caused changes in work organization - working from home, virtual teamwork is routine. Furthermore, there is an impact on workers – such as social distancing, stress, and unemployment (Juchnowicz – Kinowska, 2021).

3 Material and methodology

3.1 Research

In our research, we formulated assumptions and examined respondents' feedback:

Q1: Do more than 75% of respondents consider some form of health-related benefits their employer offers important?

Q2: Is their health more important to respondents when completing the questionnaire compared to the pre-COVID-19 pandemic (pre-2020)?



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Q3: If the employer offered a package of health services available at a private health facility, which health services would be most likely used?

Our survey was conducted online between October 2020 and February 2021. The data collection was not based on a probability sample. Specifically, a snowball sample and the data collected cannot be considered representative but may provide a good indication of specific trends. The primary research used a 22 question online anonymous questionnaire with Likert scale, closed, and semi-closed questions.

Statistical methodology:

Digital data were processed, organized, and cleaned using Microsoft Excel software, and the organized data were analyzed using IBM SPSS Statistics 24 software. Descriptive statistical analysis was used to examine the general characteristics of the respondents who completed the questionnaire.

Sample characteristics:

An anonymous questionnaire was used to collect responses from 250 people. Responses from individuals actively employed in Hungary when completing the questionnaire were analyzed. In a sample of N=250, 62% had been employed for more than 48 months in their current job, 12-12% had been employed for 12-24 months and 25-48 months, while 14% had been employed for less than 12 months at the time of completion. The gender distribution was 71.2% female and 28.8%, male. The distribution by age group was as follows: 18-23 years (4.8%), 24-29 years (22.4%), 30-35 years (12.4%), 36-41 years (10.4%), 42-47 years (21.2%), 48-53 years (17.6%) and 54 years and over (11.2%). Respondents worked in the following sectors at the time of completing the questionnaire: health (32%), social sector (22%), public sector (16%), industry (15%), services (7%), economy (6%), education (2%).

3.2 Results

In the questionnaire, we asked respondents how important their health was to them, which was reflected in two different questions, and they were asked to rate their answers on a 1-5 Likert scale (1=Not at all important; 5=Very important). The first question was "How important was your health before the COVID-19 pandemic (before 2020)?" with a mean of 4.436 (standard deviation 0.7538). The second question is "How important is your health and its protection to you now?" with a mean score of 4.704 (standard deviation 0.5455). The results presented in Table 1 show that in the sample of 250 items, the mean value increased for the question on the period COVID-19. Therefore, it can be said that the pandemic has led to a reassessment of the importance of health and its protection. These questions reflect the attitude of individuals, which should be contrasted with the opportunities offered by the employer.



Table 1 Importance of health status according to respondents' views (N=250)

	How important was your health before the COVID-19 pandemic (before 2020)? (1-5 Likert scale)	How important is your health and its protection to you now? (1-5 Likert scale)
<i>Mean</i>	4,436	4,704
<i>Median</i>	5	5
<i>Std. Deviation</i>	0,7538	0,5455
<i>Variance</i>	0,568	0,298
<i>Skewness</i>	-1,028	-1,689
<i>Skewness Std. error</i>	0,154	0,154
<i>Kurtosis</i>	-0,076	1,932
<i>Kurtosis Std. error</i>	0,307	0,307

Source: own research, 2021

In the questionnaire, we asked the following closed question, to which respondents could select more than one of the 15 possible answers: 'Which of the following opportunities and benefits offered by your employer would be important to you?'. A very high proportion of respondents (76.8%) would consider benefits in the form of salary supplements (bonuses) to be the most important, followed by health insurance contributions (48.4%) so that health-related benefits are the second most important benefit for respondents. The other health-related benefits that are worth mentioning based on the results obtained are dental care subsidy (38.0%), complex screening (37.6%), and general screening (28.4%).

More than 80% of respondents think that some form of health-related benefits offered by their employer is significant (81.2% chose some form of health-related benefit, 18.8% did not select this option). The types of health benefits listed under the question "Which of the following options and benefits offered by your employer would be important to you?" are, in alphabetical order: general check-up, health promotion programs, health insurance contribution, dental care subsidy, medication subsidy, complex check-up (managerial screening), health screening days at the workplace, company health insurance, vaccination funding. The highest proportion of respondents in the sample (20.0%) indicated at least two different health-related benefits, followed by 18.4% who would choose at least one and 16.4% who would choose at least three different health benefits if offered by their employer in a private health care institution.

If we look deeper into what specific health service respondents would choose to receive in a private health facility is provided as a benefit by their employer, we get the following results. First, 70.4% of the respondents would choose dental examination and treatment, which is not surprising, as the Szinapszis Market Research and Consulting Institute research on health care has shown similar results (Szinapszis, 2017). The annual household expenditure on health care in 2020 for dental care is 29,926 HUF, representing 11% of their health care expenditure (Synapse, 2021). The second most common choice was a medical massage (59.2%),



followed by an eye examination (54.8%), a general screening (54.8%), and a complex managerial screening (49.6%).

Conclusions

Q1: Do more than 75% of respondents consider some form of health-related benefits their employer offers important? Our research suggests that for most respondents, some form of fringe benefits is essential. They would prefer a pay rise, but 81.2% of respondents would prefer some form of employer-provided health benefits.

Q2: Is their health more important to respondents when completing the questionnaire compared to the pre-COVID-19 pandemic (pre-2020)? The COVID-19 pandemic has led to a reassessment of the importance and protection of health - it was less important before the pandemic.

Q3: If the employer offered a package of health services available at a private health facility, which health services would be most likely used? Health benefits are valuable and essential to respondents, with more than 50% of them also taking advantage of some form of general or complex managerial screening as a preventive measure. This is important for both the health system and the individual (patient), as timely diagnosis or treatment initiated can help to curb or reverse the deterioration in health. The impact of COVID-19 has already led to an increase in the importance of laboratory tests (38.4%) among respondents. Behind this, laboratory testing due to compulsory epidemiological measures may be a factor, but prevention is supported. 70.4% of respondents will opt for dental examinations and treatment if they are employer-financed in a private health establishment. This is not a surprising result, as Szinapszis Market Research and Consulting found similar results in its research in 2017 and 2021. The second most common choice was a medical massage (59.2%), followed by an eye examination (54.8%), a general screening (54.8%), and a complex manager screening (49.6%).

In summary - the coronavirus outbreak has had an impact on the importance of health for workers in Hungary. This points to the fact that employers may be encouraged to offer health-related fringe benefits. This could take various forms, and it may be appropriate to allow employees to choose the type of benefit they wish to receive. Research shows that dental, eye examinations and screenings are attractive, as are medical massages. These health benefits can contribute to prevention and to maintaining the health of workers.



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