# Addressing psychosocial risks in Estonian SMEs Krystyna Bakhtina\*

- 1. Introduction. 2. Organizational response to psychosocial risks. 3. Estonian legislation.
- 4. The role of the Labour Inspectorate. 5. Conclusion.

#### **Abstract**

Although Estonian SMEs dominate the economy, they are still experiencing challenges when it comes to addressing psychosocial risks, such as the lack of the required knowledge of how such challenges can be tackled and lacking the resources to do that. The present paper aims to address the problem of psychosocial risks experienced by SMEs in Estonia. The article aims to look at the problem from a legal perspective by examining hard and soft law measures that are required for solving this problem. The paper proposes to apply a multifaceted approach to tackle the issue. It is suggested to have more elaborated laws, strengthen enforcement, and focus on the development of collective bargaining. Besides the legal tools, it is also necessary to continue working on awareness-raising and create initiatives to promote a healthy working environment.

Keywords: Psychosocial risks; Estonia; SMEs; Occupational health; Occupational safety.

## 1. Introduction.

In the present days, we observe that more and more workers care not only about the level of their salary, or end-year bonus but they also care about their well-being at work. Workers do not want to experience constant stress, or too much pressure from the management; they want to enjoy a positive working atmosphere, and get support from colleagues as well as management. This is clear, especially in the case of younger workers, who express the importance of a healthy working environment. For example, 80% of millennials consider how the job will influence their work-life balance.<sup>2</sup>

Psychosocial risks in the workplace are regarded as the major emerging risks to the health and safety of a worker. According to International Labour Organization, psychosocial risks are 'interactions among job content, work organisation and management, and other environmental and organisational conditions, on the one hand, and employees' competencies

<sup>\*</sup> Lecturer University of Amsterdam, Amsterdam, the Netherlands. This essay has been submitted to a double-blind peer review.

<sup>&</sup>lt;sup>1</sup> Han B.C., *The burnout society,* Standford University Press, Redwood City, 2015.

<sup>&</sup>lt;sup>2</sup> Alesso-Bendisch F., Millennials Want A Healthy Work-Life Balance. Here's What Bosses Can Do, in Forbes, 2020, available at:

and needs on the other that prove to have a hazardous influence over employees' health through their perceptions and experience'. <sup>3</sup> In short, as stated by Lovelovk, the work-related psychosocial risk is an adverse workplace interaction or working condition 'that compromises a worker's health and well-being'. <sup>4</sup> Generally, work-related psychosocial risks arise from bad work organisation and management, and poor social context of work. They may lead to negative psychological, physical and social outcomes that can cause work-related stress, burnout or depression. The typical examples of psychosocial risks include lack of support from management, excessive workload, workplace bullying, harassment, etc. To this end, it is very important to address the topic of psychosocial risks since they significantly impact individuals, organizations and even national economies. <sup>5</sup>

Estonia is not an exception, as psychosocial risks are widespread in the Estonian workplace.<sup>6</sup> During the corona period in 2020, 64% of Estonians experienced work stress. As a result of the study conducted by Seesam insurance group, 18% of respondents stated that work stress caused them to avoid contact with clients or colleagues.<sup>7</sup> Stress is caused by various risk factors, among which are a very high workload,<sup>8</sup> poor working relationships, too fast work tempo and a work-life imbalance.<sup>9</sup>

The Director General of the Labour Inspectorate also acknowledged that a lot more attention has to be paid to a healthy working environment. In small and medium companies, there is a lack of resources given to occupational health and safety (OSH) as well as a lack of professional competence in the area of health and safety. Moreover, there is little interest shown in addressing psychosocial risks from the side of the management as well as employees. This can be explained by the fact that the main features of working life in Estonia are long working hours, time pressure, and tight deadlines. Accordingly, psychosocial risks are not considered a priority for smaller companies as most of the

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<sup>&</sup>lt;sup>3</sup> ILO, Psychosocial factors at work: Recognition and control, International Labour Office, 1986.

<sup>&</sup>lt;sup>4</sup> Lovelock K., *Psychosocial hazards in work environments and effective approaches for managing them*, WorkSafe Mahi Haumaru Aotearoa, 2019.

<sup>&</sup>lt;sup>5</sup> European Agency for Safety and Health at Work, *Psychosocial risks and stress at work*, 2022, available at: https://osha.europa.eu/EN/THEMES/PSYCHOSOCIAL-RISKS-AND-STRESS, accessed 27 June 2022.

<sup>&</sup>lt;sup>6</sup> Republic of Estonia Labour Inspectorate, *Study: the most widespread danger factors at workplaces in Estonia are psychosocial and musculoskeletal 21.10*, 2016, available at: HTTPS://WWW.TI.EE/EN/NEWS/STUDY-MOST-WIDESPREAD-DANGER-FACTORS-WORKPLACES-ESTONIA-ARE-PSHYCHOSOCIAL-AND-MUSCULOSKELETAL (Accessed 27 June 2022).

<sup>&</sup>lt;sup>7</sup> Seesam, Nearly every second Estonian experiences work stress during Corona year, available at: https://www.seesam.ee/en/blog/nearly-every-second-estonian-experiences-work-stress-during-corona-year/(Accessed 28 November 2022).

<sup>&</sup>lt;sup>8</sup> Järvis M., *Psychosocial risks in the workplace: an increasing challenge for Estonia*, Publication Office of the European Union, 2020.

<sup>&</sup>lt;sup>9</sup> PE Konsult, *OPSTI - Organizational Psychosocial Factors Indicator*, available at: https://www.pekonsult.ee/(Accessed 14 July 2022).

<sup>&</sup>lt;sup>10</sup> Republic of Estonia Labour Inspectorate, nt. (6).

<sup>&</sup>lt;sup>11</sup> Järvis M., et al., The view from the workplace: Safety and Health in Micro and Small Enterprises in the EU. Estonia, European Agency for Safety and Health at Work, 2018, 16.

<sup>&</sup>lt;sup>12</sup> Editorial Staff, *Work life balance*, in *Passport to trade – A bridge to success 2.0*, 2022, available at: https://businessculture.org/eastern-europe/estonia/work-life-balance/ (accessed 29 June 2022).

<sup>&</sup>lt;sup>13</sup> Järvis M., et al., nt. (11), 15.

managers in SMEs do not apply a systematic or holistic approach to prevent, reduce or eliminate psychosocial risks.<sup>14</sup>

Research has shown that workers in smaller companies are particularly susceptible to psychosocial risks. <sup>15</sup> As has been mentioned, Estonian SMEs which dominate the economy <sup>16</sup> experience challenges when it comes to addressing psychosocial risks. The present paper aims to examine the problem of psychosocial risks experienced by SMEs. The article aims to look at the problem from a legal perspective by analysing hard and soft law measures. Doctrinal legal analysis is mainly applied in this article. In addition, some elements of comparative legal analysis were mobilized.

### 2. Organizational response to psychosocial risks.

Generally, it is not easy to address occupational diseases in SMEs because of various factors, e.g., the lack of health controls, which cause problems of adequate detection and recording of true incident rates. Other factors are related to the social and economic situation in Estonia. For example, employees may have a risk of losing their job if they complain about psychosocial risks, such as excessive workload. Employers in smaller companies may be having a dilemma about hiring new employees to balance a company workload or facing the risk of economic losses. Overall, based on the case studies conducted in Estonia, it can be seen that psychosocial risks are a low-priority issue for companies. During the conducted interviews, managers of the enterprises generally could describe psychosocial risks. Still, no concrete and systematic actions were undertaken to decrease or eliminate psychosocial risks.

SMEs may learn to some extent from the experiences of larger companies. Based on the conducted research it can be seen that generally bigger enterprises pay more attention to the aspects of psychosocial risks. For example, in the higher education industry, Tallinn University in its annual report 2019 stated that the promotion of the mental health of employees was a major concern during the preparation of the University's new development plan. <sup>19</sup> Similarly, University of Tartu employees who would like to cope with or prevent psychosocial risks are invited to take part in training courses on creating a positive work environment, including those regarding work-related stress and mental health. <sup>20</sup> Since 2011 the University conducts annual employee feedback surveys which reveal, among other things,

<sup>15</sup> Beck D., and Uwe L., Consideration of psychosocial factors in workplace risk assessments: findings from a company survey in Germany, in International archives of occupational and environmental health, 92, 3, 2019, 435-451.

<sup>19</sup> University of Tallin, Annual report 2019, University of Tallinn, 2020, 54.

<sup>&</sup>lt;sup>14</sup> *Ibidem*, 16.

<sup>&</sup>lt;sup>16</sup> According to Statista, in Estonia in 2021 there were 71,010 enterprises which employ up to 9 people, there were 5357 companies having from 10 to 49 employees and 976 companies with more than 50 employees. See Statista, Number of small and medium-sized enterprises (SMEs) in Estonia from 2008 to 2022, by size, available at: https://www.statista.com/statistics/879041/number-of-smes-in-estonia/ (accessed 20 November 2022).

<sup>&</sup>lt;sup>17</sup> Järvis M., et al., nt. (11), 16.

<sup>&</sup>lt;sup>18</sup> Ibidem

<sup>&</sup>lt;sup>20</sup> University of Tartu, Annual report 2019, University of Tartu, 2020, 34.

to what extent employees cope with work-related stress and aim to improve the working environment.<sup>21</sup>

Luminor Bank, one of the top companies in Estonia, in its annual report emphasised the importance of employee wellbeing. In 2021 the bank set up a new Wellbeing Partner role and conducted several online seminars on wellbeing and mental health, and tools to address workplace stress. The enterprise integrated questions on wellbeing and mental health into the survey of employees which was conducted in November 2021. The results showed that employees feel psychologically safe within their teams and with their managers. The target of the bank is to keep the improving positive trend for Employee Net Promoter Score and for the following year reached a score +20.<sup>22</sup> Such approach to psychosocial risks seems to be useful since the company not only develops tools to cope with psychosocial risks but also aims to assess their success.

Another recent development is the agreement on psychosocial risks 'Maintaining Mental Health in the work environment' concluded on the 28th of June, 2021 by ROTAL and the Ministry of Finance. It originates from the fact that a large proportion of civil servants are exposed to intellectually and psychologically challenging work on a daily basis, and maintaining mental health in the work environment is, therefore, one of the most important issues related to occupational safety.<sup>23</sup> The purpose of this agreement is to increase the awareness of work-related psychosocial risks with the goal to prevent and manage mental health problems in the workplace. It contains recommended principles for maintaining mental health in the workplace.

Despite the fact that some arrangements on psychosocial risks exist in bigger organisations, generally little is known about their effectiveness and impact on the lived experience of the employees. In my view, the case of Luminor Bank can be a good example of how to approach psychosocial risks. The first step is to develop policies and initiatives which target the problem of psychosocial risks. The second step is to perform the evaluation of such initiatives by, for example, conducting surveys among the employees. Lastly, based on already existing policies and the experiences of the employees regarding psychosocial risks, companies can plan further actions and set concrete targets which can measure the success of such actions.

Policies or initiatives are not a substitution for collective bargaining, which is generally regarded as a mechanism for improving working conditions.<sup>24</sup> It is considered one of the most effective tools to target psychosocial risks.<sup>25</sup> Collective agreements can make the

<sup>&</sup>lt;sup>21</sup> University of Tartu, Annual report 2020, 2021, 37.

<sup>&</sup>lt;sup>22</sup> Luminor Bank, Annual report 2021, Luminor Bank, 2021, 20.

<sup>&</sup>lt;sup>23</sup> Eesti Ametiühingute Keskliit, Rahandusministeerium ja riigitöötajad leppisid kokku viisid, kuidas töökeskkonnas paremini vaimset tervist kaitsta, 17 June 2021, available at : https://www.eakl.ee/rahandusministeerium-jariigitootajad-leppisid-kokku-viisid-kuidas-tookeskkonnas-paremini-vaimset-tervist-kaitsta (accessed 29 June 2022).

<sup>&</sup>lt;sup>24</sup> Wright M.J., Collective Bargaining and Safety and Health, in ILO Encyclopaedia of Occupational Health and Safety, 15 February 2021, available at: https://www.iloencyclopaedia.org/part-iii-48230/labor-relations-and-human-resource-management/item/200-collective-bargaining-and-safety-and-health (accessed 4 July 2022).

<sup>&</sup>lt;sup>25</sup> Héas F., Prevention of Psychosocial Risks in Labour Law: Role of the Law and Collective Bargaining, in Lerouge L. (eds.) Psychosocial Risks in Labour and Social Security Law, Springer, Berlin, 2017, 67.

challenges related to psychosocial risks more visible.<sup>26</sup> However, there are no collective bargaining agreements covering psychosocial risks in Estonia. In principle, collective bargaining in Estonia is not very popular, trade union density is very low, and in SMEs collective bargaining almost does not exist.<sup>27</sup> It can be suggested to develop collective bargaining in order to better address the challenges related to psychosocial risks, especially when it comes to SMEs.

#### 3. Estonian Legislation.

The Estonian Occupational Health and Safety Act of 1999 contained the definition of psychological hazards, which were regarded as 'monotonous work or work not corresponding to the abilities of an employee, poor work organisation, working alone for an extended period of time, and other similar factors that may gradually cause changes in the mental state of an employee'. In January 2019 the new version of the law came into force, currently, the law specifically refers to psychosocial risks which are covered by the section 9¹ of the Act. The concept of psychosocial risks is defined as work that involves a risk of an accident or violence, unequal treatment, bullying and harassment at work, work not corresponding to the abilities of an employee, working alone for an extended period of time and monotonous work and other factors related to management, organisation of work and working environment that may affect the mental or physical health of an employee, including work-related stress.<sup>28</sup>

Additionally, the law imposes some obligations on the employer. In order to prevent damage to health arising from a psychosocial risk, the employer shall take measures, including adapting the organisation of work and workplace to suit the employee, optimizing the employee's workload, enabling breaks to be included in the working time for the employee during the working day or shift and improving the enterprise's psychosocial working environment. Based on section 13 of the Act the employer is obliged to organise a risk assessment of the working environment to ascertain working environment hazards, measure their parameters as necessary and assess the risks to the health and safety of an employee. In principle, in Estonia, every employer who has at least one employee working under an employment contract has to perform a risk assessment.<sup>29</sup> At the same time, the employee has the right to receive information on working environment hazards, and the results of risk assessments of the working environment.<sup>30</sup> It is welcome that the law incentifies companies when organizing the work to think about how to improve the psychosocial working environment and how to better manage the workload of the employees. Even if the law in

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<sup>&</sup>lt;sup>26</sup> Leka S., et al., Psychosocial Risk Management: The Importance and Impact of Policy Level, in Leka S. and Cox T., (eds.), The European Framework for Psychosocial Risk Management (PRIMA-EF), i-WHO, 2008.

<sup>&</sup>lt;sup>27</sup> Walters D., et al., Safety and health in micro and small enterprises in the EU: the view from the workplace, Publications Office of the European Union, 2018, 40.

<sup>&</sup>lt;sup>28</sup> Occupational Health and Safety Act 1999.

<sup>&</sup>lt;sup>29</sup> Republic of Estonia Labour Inspectorate, *Risk assessment*, available at: https://www.tooelu.ee/en/79/risk-assessment#what-is-risk-assessment, (Accessed 28 June 2022).

<sup>&</sup>lt;sup>30</sup> Section 14 of the Occupational Health and Safety Act 1999.

Estonia imposes some obligations on the employer, in my opinion, the law has only basic provisions on psychosocial risks, providing only general protection to employees. When reading the provisions of the law in this regard, it seems that the legislator wanted to address psychosocial risks only on the surface level. The law could be more elaborated and include, for example, some more concrete recommendations for the employer on what can be included in the risk assessment in order to guarantee proper prevention of poor mental health. It could also include important definitions, such as violence, harassment, unhealthy workload. It is believed that it is good to include the definitions related to psychosocial risks in the legislation since this helps employers and employees recognize these negative developments.

Further, the results of the Second European Survey of Enterprises on New and Emerging Risks (ESENER-2) show that Estonia is regarded among those countries that have insufficient information on how to include psychosocial risks in risk assessments.<sup>31</sup> Indeed, research demonstrates that there is a weak quality of risk assessment on psychosocial risks which reduces the effectiveness of occupational health and safety in general and decreases the effectiveness of the law.<sup>32</sup> Even if the Labour Inspectorate has developed guidelines on how to prepare the risk assessment and there is a special digital tool to ease the process, the risk assessment process remains rather confusing for the companies.<sup>33</sup> Generally, larger companies are more abiding when it comes to submitting risk assessments. In 2021 only 57% of the SMEs submitted the risk assessment to the Labour Inspectorate.<sup>34</sup> In my opinion, this questions the effectiveness of the Estonian law that requires all employers with a minimum of one worker to submit the risk assessment. Some companies simply do not make risk assessments and in principle, as will be shown in the next section, Labour Inspectorate will not apply severe measures to the companies for non-compliance. Another aspect is the quality of such assessments. Since the Labour Inspectorate does not generally perform inspections of companies with less than five employees, 35 it is difficult to assess if risk assessments really correspond to the actual situation in the company.

If we compare the laws on psychosocial risks in Estonia and Sweden or Belgium, countries regarded as having rather effective legislation on psychosocial risks,<sup>36</sup> we can conclude that Estonian law contains only the minimum. Currently, in Sweden, there are several laws focused on psychosocial risks which contain a number of important provisions. For example, Systematic Work Environment Management law asks the employer to perform continuous risk inventories and risk assessments, including risks to mental health. The law also mentions the importance of leadership to mental health. A manager may delegate to a middle manager

<sup>&</sup>lt;sup>31</sup> EU-OSHA, Second European Survey of Enterprises on New and Emerging Risks (ESENER-2), 2016, available at: https://osha.europa.eu/en/publications/second-european-survey-enterprises-new-and-emerging-risks-esener-2-overview-report (Accessed 18 November 2022).

<sup>&</sup>lt;sup>32</sup> Järvis M., nt. (8), 1.

<sup>&</sup>lt;sup>33</sup> Novatska T., Assessment of psychosocial well-being of employees in APL Agencies Estonia OÜ, University of Tallinn, 2020

<sup>&</sup>lt;sup>34</sup> Republic of Estonia Labour Inspectorate, *Annual report of work environment 2021*, Labour Inspectorate, 2022, 25.

<sup>35</sup> Järvis M., et al., nt. (11).

<sup>&</sup>lt;sup>36</sup> Cefaliello A., Psychosocial risks in Europe. National examples as inspiration for a future directive, ETUI Policy Brief, 2021.

specific work environment tasks. The middle manager has to know what kind of physical, psychological, and social conditions might be harmful to employees. They must also know how to create a good work environment.<sup>37</sup> So, in principle, managers are supposed to be trained to prevent and take necessary action against psychosocial risks. Further, the involvement of social partners is crucial to ensure effective prevention.<sup>38</sup> In Belgium, the first law on psychosocial risk was issued in 1992 introducing the protection of workers against sexual harassment. Since then it has been evaluated, further modified and expanded.<sup>39</sup> The Belgian law on psychosocial risks is rather elaborated, for example, it contains important definitions such as violence at work, sexual harassment at work.<sup>40</sup> The law also says that when evaluating psychosocial risks at work, it is important to consider risks connected to elements of work organisation, the content of work, working conditions, and interpersonal relationships at work. Additionally, the risk assessment has to be conducted by the employer with the contribution of employees.<sup>41</sup>

#### 4. The role of the Labour Inspectorate.

In Estonia, the Labour Inspectorate monitors compliance with OSH requirements. However, during the last years, the Labour inspectorate was implementing mainly awareness-raising measures to address psychosocial risks.

The annual reports of the Labour Inspectorate raise a concern when it comes to psychosocial risks, revealing the problems of stress, violence, bullying, discrimination in the workplace.<sup>42</sup> In the course of the last years, the Labour Inspectorate has organized various initiatives to address psychosocial risks. Starting from 2009, the Labour Inspectorate has been gathering best workplace practices from diverse employers to solve practical problems in the area of OSH, including the management of psychosocial risks, with the goal to improve working conditions and/or measures to reduce health and safety risks. Despite the fact that employers and safety managers expressed positive opinions about this initiative, there was no systematic assessment of this program in terms of its effectiveness and impact.<sup>43</sup>

Several years ago, a national programme was launched by the Labour Inspectorate aimed at providing consultancy services, initiated to promote OSH in SMEs. The consultancy services initiative provided by the Labour Inspectorate was rather successful. There were

<sup>39</sup> Van Hoof E., *Tackling psychosocial risks in a complex political structure*, Publication Office of the European Union, 2020, 7.

<sup>&</sup>lt;sup>37</sup> Steinberg M., Strength and Weakness of the Swedish Legislation Regarding to Psychosocial Risks, in Lerouge L., (eds.), Psychosocial Risks in Labour and Social Security Law, Springer, Berlin, 2017, 67.

<sup>&</sup>lt;sup>38</sup> Cefaliello A., nt. (36).

<sup>&</sup>lt;sup>40</sup> Belgium Government, *Definitions and scope of application*, available at: https://employment.belgium.be/en/themes/well-being-workers/psychosocial-risks-work/definitions-and-scope-application (accessed 20 November 2022).

<sup>&</sup>lt;sup>41</sup> Leka S., et al., Peer Review on "Legislation and practical management of psychosocial risks at work", Publication Office of the European Union, 2020.

<sup>&</sup>lt;sup>42</sup>Labour Inspectorate, Annual report of work environment 2017, Labour Inspectorate, 2018.

<sup>&</sup>lt;sup>43</sup> Hasle P., et al., Safety and health in micro and small enterprises in the EU: from policy to practice — description of good examples, European Agency for Safety and Health at Work, 2017.

43,778 individuals (both employers and employees) in 2015 and 56,352 persons in 2016 who received OSH counselling. 93 % of the respondents were satisfied with the services they received. This initiative, even if it was aimed at OSH generally can also serve to promote psychosocial risks and attract interest to this subject. Still, the program had a voluntary approach and voluntary decision to participate in this programme, that is why not all of the SMEs could be reached.<sup>44</sup>

As a part of the two-year campaign 'Healthy Workplaces Manage Stress' conducted by the European Agency for Safety and Health at Work, the Labour Inspectorate in Estonia was organizing a campaign to address workplace violence. As part of this project seminars on workplace harassment were organized in different cities.<sup>45</sup>

Other initiatives include trainings for working environment specialists covering psychosocial risks, specifically targeted inspections on psychosocial risks in the transport sector, creating videos on work-related stress, and organizing conferences on mental health.<sup>46</sup> In 2020, during the period of the pandemic, the Labour inspectorate put a special emphasis on psychosocial risks recognizing that they play a huge role in increasing the impact of all working environment risk factors. Inside its own organization, the Labour Inspectorate conducted a scrupulous assessment of psychosocial risks.<sup>47</sup>

Further, the website of the Labour Inspectorate is rather informative. It specifies detailed information regarding the risk assessment. It explains what risk assessment is and how to conduct it. It also covers some of the general principles of risk reduction.<sup>48</sup> In addition, the Labour Inspectorate has designed a digital risk assessment tool aimed mainly at SMEs to assist them in assessing the risks in the workplace.<sup>49</sup> Such initiatives are very welcome since the proper risk assessment allows to detect psychosocial risks and timely protect workers.

Labour Inspectorate is responsible for ensuring the supervision for the compliance with Occupational Health and Safety Act.<sup>50</sup> Section 27 (3) of the Act states that violation by an employer of requirements established for a working environment affected by psychosocial, amongst other, hazards if it involved a threat to the health or life of an employee, is punishable by a fine of up to 300 fine units.<sup>51</sup> In case the same act is committed by the legal person it is punishable by a fine of up to 32,000 euros. However, based on the conducted research, the Labour Inspectorate rarely imposes fines. According to the recent annual report, generally, the Labour Inspectorate does not pursue a goal of punishment in misdemeanour procedures. Penalty proceedings are used only in cases where the violation has taken place for a long period of time, when it impacts many employees, puts in danger a

<sup>45</sup> Republic of Estonia Labour Inspectorate, *Annual report of work environment 2015*, Labour Inspectorate, 2016.

<sup>50</sup> Occupational Health and Safety Act, Section 25.

<sup>44</sup> Ibidem

<sup>&</sup>lt;sup>46</sup> Republic of Estonia Labour Inspectorate, Annual report of work environment 2019, Labour Inspectorate, 2020.

<sup>&</sup>lt;sup>47</sup> Republic of Estonia Labour Inspectorate, *Annual report of work environment 2020*, Labour Inspectorate, 2021.

<sup>&</sup>lt;sup>48</sup> Republic of Estonia Labour inspectorate, *Risk assessment of psychosocial risk factors*, available at: https://www.tooelu.ee/en/79/risk-assessment#risk-assessment-of-psychosocial-risk-factors (accessed 28 June 2022).

<sup>&</sup>lt;sup>49</sup> Ibidem

<sup>&</sup>lt;sup>51</sup> Penal Code § § 47 Section states that for a misdemeanour, a court or a body conducting extra-judicial proceedings may impose a fine of three up to three hundred fine units. A fine unit is the base amount of a fine and is equal to 4 euros.

human life or health, and can no longer be remedied. In 2021, misdemeanour issues were applied only in 59 cases as a result of supervision, most of them resulted in a penalty payment with an average amount of 250 euros.<sup>52</sup> Instead, the Labour Inspectorate prefers to issue recommendations or suggestions.<sup>53</sup>

In my view, such an approach of a Labour Inspectorate can be regarded as a weakness. It can be advisable for the Labour Inspectorate to actually consider applying more severe measures, such as fines. Fines can deter companies from violating the law and give a signal that occupational health and safety, including aspects related to psychosocial risks, have to be taken seriously. ESENER<sup>54</sup> report reveals that avoiding fines from the labour inspectorates is one of the motivators for the companies to manage OSH.55

#### 5. Conclusion.

The present paper started by demonstrating the problem that SMEs in Estonia experience challenges in addressing psychosocial risks, such as the lack of knowledge and resources. Generally, small and medium enterprises do not seem to care a lot about potential stress or burnout which can be caused to the employees, since they have different priorities, such as economic survival. The paper aimed to address the issue by analysing hard and soft law approaches.

The article showed that there are no collective bargaining agreements covering psychosocial risks in Estonia. There are just some policies in place targeting psychosocial risks to be found in bigger organizations, still, it is not always possible to assess to what extent such policies are effective. There is a law in Estonia which regulates psychosocial risks, however, it contains only basic provisions. Next, the Estonian Labour inspectorate has various measures in place to target psychosocial risks. It organizes different initiatives to tackle psychosocial risks, which may serve as a good example for labour inspectorates in the other Member States. However, the fact that it does not impose fines for non-compliance with the requirements related to psychosocial risks does weaken the enforcement.

To further enhance the current legal regime, the law could include the definitions of such terms as for instance violence and bullying and other concepts related to psychosocial risks. Including clear definitions in the law will give guidance to employers and employees on how to recognise the negative developments in the workplace. The law could further provide some recommendations for employers on how to address psychosocial risks, for instance, which preventative measures to organize. Estonia can also learn from the experiences of

<sup>&</sup>lt;sup>52</sup> Republic of Estonia Labour Inspectorate, Annual report of work environment 2021, Labour Inspectorate, 2022,

<sup>&</sup>lt;sup>53</sup> *Ibid.*, 22.

<sup>&</sup>lt;sup>54</sup> Third European Survey of Enterprises on New and Emerging Risks.

<sup>55</sup> EU-OSHA, Third European Survey of Enterprises on New and Emerging Risks (ESENER 3), available at: https://osha.europa.eu/en/publications/third-european-survey-enterprises-new-and-emerging-risks-esener-3 (accessed 19 July 2022).

other countries, such as Sweden and Belgium which pay more thorough attention to the issue of psychosocial risks and have more detailed and advanced legislation.<sup>56</sup>

Furthermore, it can be recommended for policymakers to strengthen the role of the Labour inspectorate, the governmental body which is given the powers to monitor the compliance of the OSH requirements. It can be suggested that Labour Inspectorate apart from awareness raising actively performs its enforcement functions by for example imposing fines for non-compliance with requirements related to psychosocial risks. It is further considered important to conduct inspections among companies with less than 5 employees since all the employees without exception may be affected by psychosocial risks.

As can be seen in the article overall SMEs are not ready to acknowledge the importance of psychosocial risks. The Estonian employees often see stress, or excessive workload as something quite normal, something acceptable. In order to better address the issue of psychosocial risks in Estonia it is suggested to apply a multifaceted approach. It is important to have more elaborated laws, strengthen enforcement, and start developing collective bargaining. However, besides the legal tools, it is necessary to continue working on awareness-raising and create initiatives to promote a healthy working environment, to better inform the employees about the devastating effects of psychosocial risks.

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<sup>&</sup>lt;sup>56</sup> Cefaliello A., nt. (36).

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