

## Template concluding analysis report – DENMARK

Carsten Jørgensen and Steen E. Navrbjerg, FAOS, University of Copenhagen

### Methodology

In the search for central and highly placed interviewees in the relevant organisations, it became obvious that both unions and employer associations considered the questions a matter of *working environment*, that is, focus was on working conditions of the virtual employees rather than the regulatory framework that covered them. Thus, the interviewees in the respective organisations at peak and sector level were chief working environment consultants or head of the department of working environment. This is probably because the only collective agreement that specifically covers virtual work is the EU Social Partner Framework Agreement on Telework from 2002. The majority of the sector agreements and the pacesetter Cooperation Agreement in the private sector have implemented the EU SP framework agreement, either in an attached protocol or as text in the collective agreement itself. No other collective agreement encompasses virtual workers alone. They are part of collective agreements covering all employees' wage and working conditions in the respective sectors.

This made it a challenge to find companies, where 'virtual work was a result of good social dialogue at local or company level'. In Denmark, it is mostly absent, because the sector level agreement already cover virtual work, and unless special conditions is present, there is no need for making new regulation. Besides, virtual work is rather widespread through informal agreements. Therefore, we focussed on companies that had either introduced new work organisations that included local discussions about new types of virtual work combined with companies with a formal cooperation according to a collective agreement. That is, companies where at least an elected employee representative was in place with the task to enforce the sector agreement, and/or a Cooperation Committee. This way we could secure that virtual work was a result of good social dialogue at company level.

### Regulation and assessment at cross-sectoral level

The main regulatory framework regarding virtual work is the EU Social Partners' Autonomous Framework Agreement on Telework agreed in 2002. The framework agreement has been incorporated in most of the large collective agreements such as the public sector (state, local and regional administration), the financial sector, the industrial sector - however, not in the social health care sector regarding home care work. In this case, a wide-ranging collective agreement on working time regulates the virtual social and health care assistants and helpers.

It is significant for the regulation of virtual work that no collective agreements nor legislation covers virtual work in particular. Virtual work is part of broader agreements also covering other employees working with the same issues at the employers' premises. There are no specific agreements covering virtual workers only. Legislation also cover the more wide-ranging working environment covering more workers – with one exception: An instruction on telework from the National Working Environment Authority that maintain that in case an employee works more than one day at home, the employer must install a fully equipped home office. On the other hand, the instruction is not the same an act passed in the Parliament.

In other cases, virtual work - or more precisely telework from/at home - has been an informal part of the everyday work organisation without anybody – employers/employees – ever contesting the legitimacy. The financial sector and the ICT sector are examples of this. On the other hand, work organisation in the financial and the ICT sector in particular, has long ago superseded original telework. The new ICT tools has made virtual work more than just working outside the

employer's premises. It is working with agile production method in scroll teams, which includes video conferences and virtual meetings and working at clients' premises or occasional work at home. Some virtual workers live and work outside Denmark for a Danish company. The latest development in work organisation including working outside the employer's premises is the introduction of Activity Based Work design where the task rather than physical settings decides the organisation of work. In this case, the concept of telework has a new meaning. For instance, in a company, it is calculated that only 75% of the total workforce work at the special designed offices, workstations and meeting areas at the same time. The rest works outside the premises. Therefore, the maximum seats cover 75%. The task determines where an employee works.

Virtual work is part of the debate about a good working environment. As in the case of agreement coverage, this debate has a broader spectrum than just virtual work. In most cases, unions and employers agree that defined borderlines around virtual work is essential in order to prevent work without limits in time and space. To this end, the unions have pointed at the need for a consolidated act on the psychosocial work environment, as it is the case in Sweden. As it is, there is no special focus on psychosocial work environment. Before the summer 2019, the Danish Parliament actually passed such a consolidated act. The new Social Democratic government (since the general election on 5 June 2019) has furthermore decided to introduce a formal training for managers in how to maintain a healthy psychosocial work environment in a company. This was hot on the 'wish list' for not only all the unions interviewed, but also for some employer representatives in the public as well as in the private sector. In this connection, they agree that a high level of 'social capital' – meaning a high level of self-management and mutual trust at workplace - is important.

### **Virtual work in the health care sector**

The Health Care Sector is the only large sector in Denmark that has not implemented the EU social partners' framework agreement on telework. The main regulatory framework to cover virtual work is a broad working time agreement that covers all work including virtual work. There are no specific regulation concerning virtual work only. Besides, virtual work in this sector distinguish itself from the types of virtual work in the finance and the ICT sectors. The home care assistants and helpers do the same work they have always done, i.e. visiting citizens with more 60 years of age in need of home care. The difference is that now the usual documentation and consultation take place on ICT tools as smartphones and iPads. The introduction of ICT tools in the sector have had considerable impact on working conditions and thus indirectly on management policies.

Traditionally, the home care workers met the citizens in need of health care in their homes. The citizen had a 'Citizen's Book' where the home care assistant or helper noticed some information about a possible problem of special needs of the citizens. The book was the main source of documentation. In the beginning of 1990ies the municipalities, which are responsible for the home care efforts in Denmark, started to introduce ICT tools in the home care. The home care assistants were equipped with a forerunner for the smartphone, a PDA. This ICT tool contained the daily work plan of the assistants and documentation on the visits to the citizens.

In the beginning, the employees rose an outcry against the introduction of ICT in their work - for two main reasons. Firstly, they claimed that the 'computerisation' of their traditional work would be an obstacle in the personal relationship between the home care worker and the citizen, because of the time needed with the 'machine'. Secondly, and most important, the employee representatives pointed at the fact that their colleagues were mostly low educated and frightened at the prospect of having to use an advanced piece of IC technology. Other critics claimed that the PDA were not convertible with the computer equipment at the base office in the municipality and therefore required double work. Finally, the equipment of those days suffered from children's diseases, which was subject to many irritations.

In other words, it was uphill for the management to maintain and develop the system. However, this was overcome with a targeted effort including involvement of the employee representatives from the union of the home care workers, Trade and Labour, FOA, towards upgrading the employees combined with improved ICT equipment including smartphones and iPads and a new reliable app called Cura.

The regulation of the transition to ICT based work took place within the framework of existing collective bargaining system. Thus, it was not necessary to set up a specific regulatory framework covering the new virtual work. Furthermore, and just as important, the cooperation system within the collective bargaining system offered an already at hand forum for consultations about the new ICT-technology. All institutions and departments under the municipalities have a cooperation and participation committee – a so-called MED-committee – containing an equal number of representatives from the local management and the employees. In the MED system there is mutual information obligation, which means that both management and employee representatives are obliged to inform each other and discuss questions relating to working conditions. In addition, management has a duty to inform and discuss their intended decisions before making them into reality so that the employees' views and suggestions can be included in the decision basis.

The introduction of ICT in the sector was a unilateral decision by the municipality. However, how to implement it and how the employees were involved was a matter for the MED-committee. In this case in the MED-committee in the local 'social and health care centres' in the municipality. Thus, the daily work with the ICT-tool were determined at local level. The employees followed well-prepared training programmes to deal with the tools. Thus, according to surveys made by FOA, care workers' strong resistance against the introduction of ICT in the beginning turned into great satisfaction with the new supporting ICT-technology.

The main issues regarding working conditions of the employees following the significant use of ICT tools before during and after the home visits to – or computer screen conversations with - the citizens are related to working time and virtual management. In the interviews with the partners in the sector, both sides pointed out that there was a need for better-educated virtual managers in the teams. Many employees complained about lacking support and clear work assignment from the immediate manager.

The conclusion regarding the local Social and Health Care Centre (home care centre) in relation to the introduction of virtual work to a very traditional work relation between home care worker and citizen is that a good social dialogue and cooperation turned fierce scepticism into a broad acceptance and satisfaction with the new (virtual) working conditions.

The conclusion at sector level regarding regulation of virtual work is that:

- The EU social partner framework agreement on telework is not implemented in the social and health care sector
- A broadly defined working time agreement regulates work for all employees including virtual employees
- There are no specific provisions or agreements regarding virtual work alone
- The working environment of the virtual workers is centre of attention and social dialogue
- The introduction of ICT in the home care work was followed up by a mutual effort of the involved partners to 'get everyone geared' in relation to use the ICT tools and the Cura app.

### **Virtual work in the financial sector**

The banking sector has de facto had long traditions for relatively flexible working conditions, i.e. quite a few employees have had the opportunity to work at home or other places. While the European social partners' framework agreement on telework has been duly incorporated in the collective agreement in the financial sector, it has not been possible to identify any local agreements in particular on virtual work within the sector. On the other hand, there has been no grievances regarding virtual work within the sector. Rather, the sector has developed a modus

vivendi regarding virtual work so that both management and employees are able to take advantage of virtual work. As such, the financial sector challenges the understanding of telework as something forced upon the employees. Rather, there has been a long tradition for mutual acceptance between the single employer and the single employee that the employee has the possibility to work from home, if wanted.

However, the wished-for flexibility in the sector is inhibited by the Health & Safety authorities demand that if an employee has more than one home working day, the employer has to do a H&S Risk Assessment and install a fully equipped home office. This has made the employers refrain from allowing employees to work more than one day per week. at home. At the same time, in practice and informally, employers at many work places in the financial sector accept that employees work at home more than one day per week.

While the Danish Industrial Relations system is characterised by most issues being negotiated by the social partners and a high level of cooperation at sector as well as company level, this is even more pronounced in the banking sector. Hence, dialogue has been the way of dealing with challenges, including telework, and as such, no real conflicts between the employers' organisations and the unions have been identified. While telework has been a practice in the financial sector for more than 15 years, new ways of working including new types of assignments has led to new types of work organisation. Activity Based Work is a concept where the work or project at hand dictates the whereabouts of the employee. The single offices are replaced by a single open office containing of different project-defined zones. In activity based workplaces, it is the task or the project than determines where the single employee sits that day. The employees moves between different zones according to the nature of the task. There are no fixed desks and chairs for the individual as there are no fixed meeting times. Building on surveys regarding a normal office's use intensity, the new open offices of a large Nordic bank (company studied here) consisting of zones only have space for 80% of the workforce. The rest works outside the premises of the workplace. The rapid technological development in the early 2010s entailed a paradigm shift. Suddenly it was possible to work anywhere both on and off the workplace. In this development, the idea of the activity-based office fits in very well. We could say that activity based working is Virtual Work 4.0 because the concept of 'fixed premises' is eliminated. All work is virtual. There is no clear 'centre' to relate to - the whereabouts are inferior. Therefore, it is implicit that activity based working demands a high level of self-management and individual employees with a well-developed ability to take responsibility. Seen in the optic of a psychosocial working environment, this a big challenge for the individual.

This also points to the need of new and perhaps more specific forms of regulation of virtual work. While the big actors in the financial sector in Denmark might represent the state-of-the art in virtual work and social dialogue, there might be other parts of the sector where a different and more Tayloristic work organisation is in force, and where a more rigid regulation is needed to protect the employees. The case of the Danish financial sector is illustrative for the problem of a 'one-fits-all' regulation, as the sector has found its own modus vivendi to make thing work locally, to the benefit of both management and employees. Virtual team working is widespread in the sector. In this respect, it is positive that the government will set up a special education for managers in order to make them professional virtual team leaders.

### **Virtual work in the IT sector**

In Denmark, the computer sector is fragmented. There are a few large companies – less than 1% have more than 250 employees – and around 10,000 SMEs and micro companies. New sectors mix with old. Computer gaming industry – computer game design and developing – is increasing, while programming and consultancy still employ a large amount of different ICT

experts. The coverage of collective bargaining is solid in big programming and consultancy companies, while small companies working with IC-technology and software of a newer date as big data and internet of things or modern business models are fragmented regarding coverage of collective bargaining. However, most of the important companies with a broad portfolio are members of the three influential employer organisations, Confederation of Danish Industry, DI, the Danish Chamber of Commerce, Dansk Erhverv, and the Danish Employers' Association for the Financial Sector, FA. They all conclude collective agreements in the ICT sector.

The unions organising programmers etc. in the sector are many - PROSA (The Union for IT-professionals), IDA (Danish Society of Engineers), Samdata/HK (Union of IT-specialists), DM (Danish Association of Masters and PhDs), DJØF (Danish Association of Lawyers and Economists), and the Financial Services Union (Finansforbundet, FF)..

In the ICT sector, the prevalence of virtual work is considerable. Thus, the impact of virtual work on working conditions in the ICT sector is more of a quantitative than a qualitative nature. Virtual work, i.e. working outside the main office, does not have specific attention, neither as a matter of regulation nor as a matter of particular interest. Regulation of virtual work between employer and employee is rather informal. The attention regarding virtual work falls within the working environment.

The EU social partners' framework agreement on telework from 2002 is part of the main collective agreements in the sector – in most cases attached as a protocol to the agreement. As such, it is the only collective agreement that focusses in particular on virtual work. No newer agreements nor legislation covers virtual work in the sector. In the private sector a Cooperation Committee (CC), as stipulated in the pacesetting *Cooperation Agreement* in the private sector, is only obligatory in companies with 35 employees or more. In 2006 the parties to the agreement, the main confederations on both sides of the industry, the Danish Confederation of Trade Unions, LO, and the Confederation of Danish Employers, DA, amended the EU social partner framework agreement on telework to the Cooperation Agreement. This meant that all private companies with a CC were covered by the framework agreement.

Due to historical reasons, the unions of professionals in the Confederation of Professional Unions in Denmark, AC, do not sign collective agreements in the private sector with employer organisations under the umbrella of the Confederation of Danish Employers, DA. Since the conclusion of the first Danish collective agreement in Denmark, the so-called September Compromise in 1899, employees with a higher education were trusted employees and thus hired on personal contracts. Only workers on shop floor could conclude sector collective agreements. The employers in DA has never felt obliged to change this relation – despite several attempts from the side of AC to allow collective bargaining rights for employees with an education at university level. This means that in private companies academic staff has individual employment contracts. This was the reason that AC preferred that the EU SP framework agreement should be a directive, when the peak-level social partners in Denmark (and EU) discussed how to implement the common agreement on telework. In Denmark, an EU-directive (whether from SP or the Council) would have been followed up with supplementary legislation – and this way the members of AC would have been automatically covered. As it is, the implementation of the SP framework agreement on telework is voluntary and only for the partners to make into effort.

However, according to the interviewees on both sides the lacking implementation is not a hindrance for the incidence of virtual work. Virtual work is an integrated part of working conditions. It is either a matter for the HR department or an informal agreement between employer and employee to set the limits for virtual work. The legal instruction mentioned under the section of the financial sector (see above) that requires a fully equipped workplace at home, financed by the employer, if the employee wants to work more than one full day at home has no impact in the

ICT sector. The employer representative interviewed experiences the instruction as out of day because of the rapid development of ICT tools as smartphones and iPads combined with a mass of apps.

The core issue regarding working conditions for the virtual workers is, as in the other sectors, the relationship between the immediate manager and the virtual employee. The unions call for professional virtual management in teams of virtual workers and improved balancing of expectations regarding the tasks of the individual virtual worker. Self-management is a keyword, but according to the unions, this requires fixed borderlines between work and private life. The immediate danger is that the virtual worker is not able to set up limits between work and private life because the pressure of performing as good as possible is always present.

To this end, both unions and employers point at a high level of so-called 'social capital' as a fundamental issue in achieving a good working environment for virtual workers or virtual teamwork. Social capital builds on three key concepts: Trust, justice and collaborative skills. Trust – that employees trust what colleagues and management says, and management trust that the employees of their own accord carry out a good piece of work. Justice - that all parties in the company experience an equal and fair treatment. Collaborative skills cover that employees and management are capable of collaborating effectively about the core task. The employer interprets social capital prefers to interpret social capital as '*Strong relations, a low power distance and capability of the involved.*' Either way, an adequate level of competence is required in the teams at all times.

The ICT-company studied has adopted the 'agile development method'. The agile development process is flexible. The different actors cooperate about the succession of the elements of the process. In agile projects, planning is done at the start of the project. Then, the development team (a so-called 'scrum' team) implements the most important and highly prioritised parts of the product. After a development period, the stakeholders test and evaluate the outcome, and they together then decide the next prioritised development. Then, planning is rescheduled, and the team develops the prioritised parts. In this way, the project continues in a number of 'sprints' until it achieves a result that can give the desired business gains.

The agile development method requires that the employees are organised in teams depending of the tasks performed. This means that employees are mobile because they can work in more than one team. The mobile work includes virtual work. This can take place at the stakeholder's premises, in another branch office of the main company or at home if the employee for instance need to be at home for some reason. A new development in virtual work in the company is virtual meeting and conferences, where the actors are spread geographically. This adds an angle to the concept of 'virtual work' as understood in this project. An employee in the company, for instance, lives and works in France. He is in virtual contact with his colleagues by screen dialogues and the work he does is truly virtual since he is seldom personally present in the main facilities of the company in Denmark. He works at home. Another widespread type of virtual work in the sector working at rented offices. If all space in the main company is occupied the management can choose to rent facilities for their employees in office buildings serving this purpose. Since the employee always carry a portable computer, an iPad and a smartphone, it is very easy to settle in any office. At the same time, it is easy for the employees to switch between the company and the 'virtual office'. There are examples in the sector that the main facilities are either very small or even not existing. All employees work at rented desks.

Much of what counts for the ICT sector regarding virtual work also count for the financial sector, which has different large ICT-centres to facilitate the banks and other financial institutions.

Thus, the main conclusion for both regarding coverage of and working conditions regarding virtual work is that:

- The legal instruction of how to set up a home office if an employee works more than one full day at home is in reality put out of operation in line with the rapid development of ICT tools.
- The EU social partners' framework agreement on telework from 2002 is the only regulatory set up on virtual work in particular. All other collective regulation cover all employees including virtual workers.
- AC had preferred a SP partner *directive* instead of a voluntary *framework agreement*
- Activity based work and agile development work exist in both sectors. Both methods require virtual work, but the types are more broad spectred than a direct relationship between an employer and an individual teleworking employee.
- Self-management is widespread.
- Both sectors welcome initiatives from the government to introduce education for managers regarding virtual management and the psychosocial work environment