The impact of teleworking and digital work on workers and society

Annex III - Case study on Finland
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Abstract

The study analyses recent trends in teleworking, its impacts on workers, employers, and society, and the challenges for policy-making. It provides an overview of the main legislative and policy measures adopted at EU and national level, in order to identify possible policy actions at EU level. The study is based on an extensive literature review; a web survey; interviews with representatives of European and national stakeholders; and five case studies of EU countries: Finland, Germany, Ireland, Italy and Romania.

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MAIN STUDY

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BBC</td>
<td>British Broadcasting Corporation</td>
</tr>
<tr>
<td>Cedefop</td>
<td>European Centre for the Development of Vocational Training</td>
</tr>
<tr>
<td>COVID</td>
<td>Coronavirus disease</td>
</tr>
<tr>
<td>DESI</td>
<td>Digital Economy and Society Index</td>
</tr>
<tr>
<td>EECN</td>
<td>European Environmental Communication Networks</td>
</tr>
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<td>EMCC</td>
<td>European Monitoring Centre on Change</td>
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<td>ESF</td>
<td>European Social Fund</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>ICT</td>
<td>Information and communication technology</td>
</tr>
<tr>
<td>KT</td>
<td>Local Government Employers</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
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<td>JRC</td>
<td>Joint Research Centre</td>
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</table>
1. MAIN CURRENT AND FUTURE TRENDS IN TELEWORK IN THE COUNTRY COMPARED TO THE EU AVERAGE

Before the beginning of the pandemic in 2019, Finland was one of the European countries with a comparatively high proportion of employees working from home. According to Eurostat (2020a), 14.1% of employed people usually worked from home in Finland, the highest proportion in 2019 (together with the Netherlands). This compares with a European average of 5.4%. The proportion of employees working from home regularly or at least sometimes exceeded 25% in Finland in 2019 (European Commission and Eurofound 2020).

Several factors contribute to the scale of telework in Finland compared to other European countries, including type of profession, institutional setting, level of digitalisation and culture (Büttner and Breitkreuz, 2020). For example, Finland has a larger proportion of workers in knowledge and information and communication technology (ICT)-intensive service sectors, where telework is more common (European Commission and Eurofound, 2020). The report also notes the impact of company size, with larger companies tending to have higher proportions of telework - in Finland, a relatively high number of employees (30-40%) work in large companies. Finland also has a high level of digitalisation compared to other European countries, as measured by the Digital Economy and Society Index (DESI) (European Commission, 2020). Key DESI indicators are connectivity, human capital, use of internet, integration of digital technology, and digital public services. In 2019, Finland had the highest score across all five indicators, at 69.9, compared to an EU average score of 52.5 (European Commission, 2019). Finland also ranked first on the human capital and digital public services indicators. Culture is an important element, with Finland’s deeply rooted culture of trust acting as an enabler for remote working and flexible working hours (BCC, 2019). A recent Eurobarometer study found that Finland is the most trusting country in Europe, with more than four in five Finnish citizens stating that they trust other Finns (Yle, 2018). Flexible working is enshrined in Finnish law - the Working Hours Act of 1996 gave employees the option of adjusting their daily hours by starting or finishing later/earlier (BBC, 2019). In 2011, a global survey of organisations found that the highest proportion of companies offering flexible working arrangements was found in Finland, at 92% of the sample (Walter, 2011).

One stakeholder interviewed noted that, during the pandemic, government restrictions on movement saw teleworking and ICT-based mobile work increase significantly across Europe. In Finland, public sector employers instructed employees to work remotely where possible, while authorities recommended working remotely in the private sector, to the extent possible. Across Europe, 37% began to telework as a result of the pandemic, with the ‘Living, working and COVID-19’ survey in April 2020 showing that Finland had the highest proportion of employees (59%) who started to telework because of the pandemic (Eurofound, 2020a).

A national survey of public sector employees in May 2020 showed that about 97% had started or increased the frequency of remote work during the COVID-19 crisis (Blomqvist, 2020). A recent study of the whole public sector showed that 36% of local government employees and 72% of state employees worked remotely in 2020 (Pekkarinen, 2021). The transition to remote working in the public sector was considered smooth, considering that telework was more advanced in the private sector prepandemic (Helsinki Times, 2020). Some of the factors outlined above enabled telework to be stepped-up, including the very strong digital infrastructure already in place that allowed employees to work from home, and a high level of digital skills and competence. One stakeholder interviewed noted that strong leadership in organisations, together with mutual trust between employees and leaders were also essential for increasing telework and strengthening the telework culture in companies.

In July 2020, 78% of employees across Europe stated that, after the pandemic, they would prefer to
work from home at least occasionally (Eurofound, 2020b). In Finland, most national survey participants were satisfied with teleworking, their level of concentration and productivity, and their work-life balance (Yle, 2020). However, despite positive remote working experiences overall, many employees said they would also like to return to the workplace and interact with their co-workers (Helsinki Times, 2020), with one interviewed stakeholder suggesting that a large proportion of employees would choose to work remotely some of the time rather than full-time. As yet it is too early to predict the extent and form of future telework in Finland (i.e. blended working, working in co-working spaces). Stakeholders interviewed mentioned that restrictions and recommendations remain in place as of February 2021, limiting those who can return to the office to work.
2. MAIN POSITIVE/NEGATIVE IMPACTS OF THESE FORMS OF WORK ON WORKERS AND SOCIETY

Teleworking has a range of positive and negative consequences for employees, employers and wider society (Gajendran and Harrison, 2007). This includes impacts on work-life balance, productivity and flexibility, mental and physical health, digital skills and environmental benefits. Stakeholders interviewed observed that the effects on workers also depend on their individual circumstances, including whether they live alone or have a family, their digital skills, and whether they have just started the job or have been working in the same role for some time.

Negative trends are also evident for work-life balance (Eurofound, 2020c). According to Working Life Barometer 2013, while flexible hours and remote working can support work-life balance in Finland (Eurostat, 2015), 65% of teleworkers had been contacted, mostly via email, about work-related matters outside normal working hours (Eurofound and International Labour Organization (ILO), 2017). Telework was also linked to expanded working hours and a reduction in free time (Nätti et al., 2011). The study highlighted the increased risk for stress as a result of longer working hours, although, culturally, Finnish employees work 40 hours per week and take their lunch breaks (BBC, 2019). These statistics date from several years before the COVID-19 crisis, when the culture of telework was not as advanced. As telework becomes more embedded, work-life balance routines are being developed to separate professional and private life. Finnish trade unions held a positive view overall, despite reporting several examples of organisations implementing work policies that negatively impacted work-life balance. In one company, for example, only the most productive 25% of employees were permitted to telework, which resulted in increased workloads (ILO, 2017). During the COVID-19 crisis, stakeholders interviewed noted that employees generally had a positive experience of telework, including balancing their work and personal lives, with satisfaction with telework increasing during the first half of 2020.

Reduced social contact is one potential negative impact of teleworking on employees. In the 2020 national survey, 74% of employees reported feeling separated from their colleagues, 54% felt isolated, and 56% missed their co-workers (Blomqvist, 2020). A significant proportion of employees reported experiencing more stress when teleworking and working autonomously during the pandemic. Stakeholders interviewed highlighted that concerns about well-being and levels of stress were particularly evident for employees living alone. On the other hand, 60% still trusted their colleagues and felt close to them. Another study indicates that isolation can be linked to higher burnout levels among teleworkers (Gschwind and Vargas, 2020).

Finnish research highlights the positive effects of teleworking on productivity: around 66% experienced fewer interruptions while teleworking and stated that their remote work location was less noisy. Employees reported being able to focus on tasks as well or better than in their workplace (Blomqvist, 2020). The same survey findings indicate that employees still felt productive and satisfied with their performance during the pandemic. More specifically, 91% of employees felt effective, 73% felt efficient, and 71% felt productive. This links to a Eurofound study showing that in European countries that saw an increase in teleworking, fewer workers reported a decrease in their working time, such as furlough or other reductions in work hours (Business Finland, 2020). While this is a positive finding for employers in terms of productivity, stakeholders mentioned the challenges that remain with innovation and developing new ideas while working virtually.

Telework and ICT mobile work is often presented in the context of employee-oriented working time flexibility. In their analysis of the Finnish Work and Health Survey 2009, Kandolin and Tuomivaara (2012) showed that flexibility in time and place of work was positively associated with employee well-being.
Employees carrying out more telework experienced feelings of strength and energy at work more often than those doing less telework (Eurofound and ILO, 2017). However, an analysis of time use survey data by Statistics Finland (2009) highlighted that teleworking is conducted outside normal working hours, especially during the evenings and at weekends (Eurofound and ILO, 2017).

In addition to productivity, flexibility and work-life balance, health can potentially be impacted by increased teleworking. National research by a Finnish furniture company showed that more than half of workers had not considered ergonomics while working from home (Turvallisuusuutiset, 2014), with the vast majority noting that their employers had similarly overlooked the issue. Nearly half of the employees who completed the survey did not have an office chair or work desk at home. Almost half reported experiencing work-related pain (Eurofound and ILO, 2017).

Telework has potential implications for surveillance and monitoring of employees activities. In Finland, employers are required to inform employees of any such monitoring and to comply with monitoring rules agreed in cooperation negotiations (i.e. negotiation between employer and employee) as set out in the Act on Cooperation within Undertakings (Eurofound, 2020d). The Finnish Quality of Work Life Survey of 2018 showed that nearly half of survey respondents (44%) felt that that the digitalisation of work had contributed to increased workplace monitoring (Eurofound, 2020d). Nearly all of the employees surveyed stated that their work was monitored in some way, with only 7% not monitored at all (Eurofound, 2020d). This monitoring typically included recording the hours spent per tasks (57%) performance-based monitoring (48%), and access control (34%).

Finland has a higher level of digitalisation than any other European country, as measured by DESI (Council of Europe and European Commission, 2020). More specifically, people in Finland (69%) have higher rates of basic digital skills than other European countries (Cedefop, 2020). In addition, 37% of employers in Finland provide ICT training for employees, compared to the European average of 25% (Joint Research Centre (JRC), 2020). Scope remains for further training, however. The current set of virtual platforms and remote tools for collaborative working enhance the telework experience and efficiency, but these will continue to change and require new skills. Stakeholders interviewed noted that there is also more to be learned about managing workloads and tasks while working remotely, as telework during the pandemic has demanded increased self-direction from employees.

At organisational level, leaders and managers have worked to stay connected with employees and manage their work online during the COVID-19 crisis. According to stakeholders, the easing of restrictions may see a change in the role of the office and organisational structures towards supporting telework.

Finally, the impact of teleworking on the environment is rather complex. Reduced commuting has a positive impact on carbon emissions, with one Finnish study showing that telework reduced the total kilometres travelled by 0.7% in Finland (Helminen and Ristimäki, 2007). However, it also increases domestic heating and electricity use (European Commission and Eurofound, 2020). Changes to business travel are also expected, according to stakeholders, now that virtual meetings have proved effective..
3. MAIN LEGISLATION AND POLICY APPROACHES ADOPTED IN RECENT YEARS

Unlike other European countries, Finland implemented the European Framework Agreement on Telework 2002 through a soft law mechanism (Eurofound, 2010). On analysis of the framework, the social partners decided that a legislative amendment to existing collective agreements was unnecessary (European Social Partners, 2006), instead adopting a voluntary (non-legally binding) agreement, a decision that should be viewed in light of Finland's strong culture of industrial relations and collective bargaining (Eurofound, 2010). Sectoral and company agreements play an important role, and sectoral-level collective agreements sometimes have template work contracts for teleworking, based on the European Framework Agreement on Telework, which generally act as guidance for employers (Eurofound, 2020e).

Following the release of the European Framework, the Finnish government introduced a number of reports and other measures to support the implementation of telework. In 2007, the Finnish Ministry of Employment, financed by the European Social Fund (ESF), published an 'employer guide for teleworking' to foster management and working arrangements for better productivity and work output for teleworking (Eurofound and ILO, 2017). In 2009, the Ministry published a report on teleworking, which also offered practical recommendations and methods to support the introduction of teleworking in companies and organisations (Eurofound and ILO, 2017). Two years later, a national teleworking day was established by the Finnish Environment Institute, in collaboration with Microsoft, as part of a campaign to raise awareness of the benefits of teleworking (EECN, 2011).

There is no further legislation governing work-life balance in teleworking, as the right to disconnect is part of collective bargaining. Despite recent debate, these issues are dealt with by social partners at workplace level and additional legislation is deemed unnecessary (Eurofound, 2020c).

Since 1996, Finland’s Working Hours Act has entitled employees to adjust their working hours. In March 2019, the Finnish government passed a new Working Hours Act (co-drafted with employer organisations and trade unions), which came into effect on 1 January 2020. The Act now includes flexiwork, which is a special case of telework (EMCC, 2020). More specifically, it provides full-time employees with the option to organise when and where they want to work, for half of their working time (Ministry of Economic Affairs and Employment, 2020). It does not govern the right to disconnect and no definition of rest time is included. However, changes to working hours have an indirect effect on the right to disconnect, as all work counts as working time regardless of where and when it is carried out (Eurofound, 2020c).
4. CONCLUSIONS AND POLICY INDICATIONS

Prior to the pandemic, telework was relatively common in Finland, with 14.1% of employees usually working from home, the highest proportion in Europe. During the pandemic, Finland had the highest proportion of employed people who started to telework, at 59% as of April 2020. While telework has become much more prominent, flexible working was already embedded in Finnish working culture. During the COVID-19 pandemic, the culture of teleworking advanced in many Finnish workplaces, with people seen to be trustworthy when teleworking full-time. Overall, the transition to teleworking in Finland was smooth, without major negative effects.

The 1996 Working Hours Act allowed employees to adjust their working hours, with 92% of companies offering flexible working arrangements in Finland in 2011. Other key enablers were the high level of digital skills and digitalisation. IT infrastructure is advanced, meaning that most companies could shift to teleworking at the start of the pandemic. The Finnish culture of trust was experienced as an additional key enabler: Finns trust one another and the leadership in their companies, while managers trust that employees are carrying out their tasks effectively. The prominence of knowledge and ICT companies, together with a high volume of larger organisations with developed IT infrastructure, also contributed to Finland being a leading country for teleworking.

Overall, teleworking is considered positive for employees and for employers. Key positive effects were noted in the productivity and flexibility of workers. A national study carried out during the pandemic, for example, showed that workers experienced fewer distractions and were able to focus better at home, while feeling efficient, effective, and productive. Another study demonstrated the link between flexibility of time and place of work and employee well-being. However, other studies on the impacts on teleworking for workers were less positive. While flexibility can promote positive experiences, it was also found to result in longer work hours - and thus higher level of stress - in some cases. Reduced social contact is another negative impact reported, which was exacerbated by government restrictions on meeting others socially. A national survey found that about half of employees felt isolated, despite continuing to trust and feel close to their colleagues. In addition to work-life balance and mental health, the health implications for teleworkers are drawing further attention.

There is no legislation in Finland governing telework generally or in relation to work-life balance and the right to disconnect. This reflects the country's long tradition of collective bargaining, with collective agreements in several sectors. Following the introduction of the European Framework Agreement on Telework of 2002, the social partners decided that no legislation was needed, with the government instead releasing several reports to guide the management of teleworking.

The 1996 Working Hours Act was amended in 2020 to include flexiwork and now gives employees the right to decide when and where half of their work will be carried out. The Act specifies that any work outside normal working hours counts as work time. As this Act was only recently introduced and the pandemic is still ongoing, no additional legislation will be considered until its impact has been observed. Continued training for employees will be crucial, and it is expected that teleworking (from home or in co-working spaces) will continue to grow. The experience of COVID-19 highlighted that the skills needed for distance meetings and distance learning were learned quickly. Stakeholders observed that one key to success was the support of co-workers and organisations, ensuring that no one was left alone.
### Annex I – Good practice example

<table>
<thead>
<tr>
<th>Name/title of the measure</th>
<th>‘Työ 2.0’ (Work 2.0) project launched in December 2019 and will run for two years. Designed in collaboration with the Ministry of Finance, Senate Properties, State Treasury and Government ICT Centre Valtor.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period of implementation</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>(Specify when the project/strategy/experience started, if it is still ongoing or finished and if concluded, indicate when)</td>
<td></td>
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<tr>
<td>Body responsible for implementation</td>
<td></td>
</tr>
<tr>
<td>Type of intervention</td>
<td>Two-year project creating a new work and learning environment. Centred on the Work 2.0 Lab, which is a multi-purpose workspace.</td>
</tr>
<tr>
<td>Territorial coverage</td>
<td>Lab located in Helsinki</td>
</tr>
<tr>
<td>(national, regional, local)</td>
<td></td>
</tr>
<tr>
<td>Financial allocations</td>
<td>Other partners financing the project are the Prime Minister’s Office, Ministry of Economic Affairs and Employment, Ministry of Justice, Ministry of Social Affairs and Health, Ministry of Education, Itla Children’s Foundation, City of Helsinki, Sustainable City Programme and Evangelical Lutheran Church of Finland.</td>
</tr>
<tr>
<td>Main goals and reasons for introduction</td>
<td>The project was initiated in light of: 1) The need for phenomenon-based preparation; 2) increase in location-independent and mobile work; 3) work in collaborative spaces; 4) smart and digital work; 5) collaborative learning; and 6) networking across sectors and silos. It is designed to promote collaborative and new ways of working for the public sector (the private sector already uses telework extensively). The Work 2.0 Lab brings actors together for networking, working, and events. It seeks to innovate, experiment with creative ways of working and co-development.</td>
</tr>
<tr>
<td>Main target groups</td>
<td>All agencies and civil servants in government.</td>
</tr>
<tr>
<td>Main partners/stakeholders involved (promoter and partners of the project/policy; typology and roles of actors involved)</td>
<td>Designed by the Ministry of Finance, Senate Properties, State Treasury and Government ICT Centre Valtor.</td>
</tr>
<tr>
<td>Main actions/measures implemented</td>
<td>Work 2.0 Lab  - Innovation Hub, consisting of structures and platforms (environments, spaces, networks, methods);  - temporary work-space for individuals; and  - events and workshops implemented by facilitators in the Lab.</td>
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</tbody>
</table>
Main results/achievements to date and expected longer term expected impacts according to available monitoring/evaluations [Both quantitative and qualitative – specify results and outputs]

Outputs: the Lab has been used by different public sector organisations and government employees. Several events and workshops have been hosted in the Lab.

Main weaknesses/obstacles and how they have been addressed

The physical space closed temporarily during the COVID-19 pandemic but the virtual space remained open. Workshops were delivered online and resources (including remote working tools) remain accessible.

Main strengths

• multi-purpose Lab: networking, event and workspace; and
• participants are not asked to represent their organisation but are treated as volunteers to test ways to work more efficiently.

Innovative aspects if any

• co-designed by a range of public sector organisations; and
• treating the public sector as a single type of working culture.

Main lessons learnt

• communication is key – keep stakeholders and partners involved and informed;
• be flexible and change your original plan when necessary; and
• ‘get started with a critical mass of enthusiastic pioneers’.

Additional comments (if any)

Resources:
• https://tyo-2-0-lab.fi/;
• https://oecd-opsi.org/innovations/work-2-0-lab/;
• https://vm.fi/documents/10623/0/Work+2.0+in+English/32ec81bd-8541-4b92-a469-c538f5c09569/Work+2.0+in+English.pdf.

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**Annex III – Interviewees**

Senior Adviser - Local Government Employers (KT).

Anonymous.
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