



INNOVATIVE AND FLEXIBLE APPROACHES TO WORKING TIME

CASE STUDIES



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CASE STUDY. SPAIN

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1 INTRODUCTION

The Spanish regulatory framework on working time stands out in the European context for its notable flexibility, both from a unilateral managerial perspective and within the framework of negotiated arrangements. This flexibility is anchored in the legal provisions of the Workers' Statute (Real Decreto Legislativo 2/2015), particularly Articles 34 and 34 bis, which allow for a wide range of working time arrangements, including irregular distributions, adaptations requested by workers for work-life balance, and the implementation of remote or hybrid work through individual agreements or collective bargaining. Such legal scaffolding enables Spanish companies to explore innovative ways of organising working time while remaining compliant with core guarantees such as maximum daily and weekly hours, rest periods, and the right to disconnect.

The dual pathway for implementing flexibility—through either unilateral management decisions or collectively negotiated agreements—reflects an adaptable approach that accommodates the varying realities of different sectors and company sizes. On the one hand, Article 34.2 WS empowers employers to apply, within limits, irregular working time distribution of up to 10% annually without prior negotiation. On the other hand, the same article fosters collective autonomy by explicitly encouraging collective bargaining agreements or pacts with employee representatives as tools to tailor working time to the specific needs of a workplace or industry. Furthermore, Article 34.8 WS reinforces this capacity for innovation by granting employees the right to request adjustments in the scheduling and mode of work delivery, thereby promoting work-life balance, especially for vulnerable or caregiving groups.

In this context, the Spanish labour law enables a fertile ground for the development of innovative working time arrangements across diverse sectors. This case study presents an in-depth examination of three real-life experiences within companies of varying sizes and from different

economic activities, illustrating how this legal and collective bargaining flexibility is materialised in practice. Importantly, the selection of the three companies—Ephimera, Software El Sol, and Schneider Electric—has been made with the deliberate aim of representing the broad applicability of innovative time management solutions across the Spanish labour market.

Each of these companies operates in markedly different sectors: creative services, digital technologies, and industrial manufacturing. Additionally, they vary in organisational size, from a small team of twenty employees to a multinational workforce of thousands. This diversity allows for a nuanced analysis of how working time innovation can be designed and implemented under both favourable and less evidently conducive conditions. Notably, the companies selected demonstrate different forms of leadership in promoting flexibility: while in some cases the initiative stems from managerial commitment to attract and retain talent, in others the development of innovative measures is the outcome of social dialogue with trade unions, highlighting the role of collective bargaining in the Spanish context.

Without delving into the detailed content of each case at this stage, it is important to underline that these examples illustrate the extent to which Spanish companies—regardless of size or sector—can adapt their working time systems to better respond to economic, organisational, and social challenges. Whether through compressed workweeks, negotiated telework frameworks, or flexible scheduling options, the case studies underscore the multidimensional nature of time management innovation. In doing so, they showcase Spain's capacity not only to accommodate but to encourage transformative practices that support productivity, well-being, and gender-sensitive work organisation.

This case study contributes to the broader INNOVAWORKING project by offering a representative portrait of Spain's legal and institutional tools for working time flexibility, and by highlighting the practical avenues through which companies can implement forward-thinking arrangements in diverse operational contexts.

2 HOW THE CASE STUDY EMERGED

The Spanish case study was designed to explore the diversity of pathways through which flexible working time arrangements are emerging in practice. In doing so, it seeks not only to document success stories but also to identify conditions, challenges and enabling factors that make such practices viable within the Spanish institutional and legal framework. The case study thus aims to offer meaningful insights into the concrete implementation of working time innovations, drawing from a spectrum of company profiles and working environments. For this purpose, three companies were selected: Ephimera, Software El Sol, and Schneider Electric.

The selection process was guided by a set of criteria intended to ensure analytical diversity rather than statistical representativeness. The key variables considered were: company size, sector of activity, degree of unionisation, type of workforce (blue- vs. white-collar), and the form in which flexibility was introduced (unilateral management decision, collective bargaining, or a mix of both). This strategy allows for an exploration of flexible time arrangements not only in companies that would appear naturally inclined towards innovation (such as those in the digital or creative sectors), but also in more traditional industrial settings, where change is often slower and more structurally constrained.

The case of Ephimera, a small-sized enterprise operating in the event management and creative services sector, provides valuable insight into how managerial leadership can foster flexibility in non-unionised environments. Ephimera's decision to implement a four-day workweek was made unilaterally by the company's management, motivated by a broad conception of employee wellbeing and a desire to facilitate work-life balance. The organisational structure, built on small, self-managed teams, allowed for an informal and consensual internal coordination of time-off. This case demonstrates that even small firms, often presumed to

be less adaptable due to limited staff or operational constraints, can successfully implement innovative models of time organisation.

In contrast, Software El Sol, a medium-sized software company with more than four decades of experience, illustrates a different path. In this case, the proposal for reducing the workweek to four days originated from the company's management, but was later reflected and formalised in the company-level collective agreement. Although it was not a jointly initiated measure, the agreement received the full support of the workers' representatives and introduced a structured and balanced reconfiguration of working hours without reducing salaries. This approach illustrates how business leadership can take the initiative in driving innovation, while respecting the formal negotiation framework and ensuring that the changes are legitimised through collective bargaining. The company also demonstrates how internal differentiation (for example, between rotating and fixed shifts) can be managed within a flexible model, even in departments such as customer service where availability requirements are higher.

The inclusion of Schneider Electric, a multinational company in the metal sector, serves to broaden the scope of the case study and to test the feasibility of flexible working time arrangements in a more rigid institutional environment. The metal industry in Spain is characterised by a strong tradition of sectoral and provincial collective agreements, a predominance of blue-collar roles, and generally less experimentation in working time matters. Nonetheless, Schneider Electric has managed to implement a range of flexibility measures, including remote work and flexible schedules, primarily through internal company policies and, in some cases, through negotiated agreements with trade unions. This case shows the coexistence of unilateral and negotiated approaches, and highlights both the opportunities and the challenges of internal flexibility mechanisms—particularly when such mechanisms are not always equally accessible to all categories of employees.

Taken together, these three cases reflect the diverse strategies through which Spanish companies are implementing working time flexibility in practice. They offer valuable lessons on how legal frameworks, managerial initiative, and collective bargaining can interact—sometimes complementarily, sometimes in tension—to shape new forms of work organisation. The case study thus does not aim to present a uniform model, but rather a set of distinct yet comparable experiences that reflect the real complexity of the Spanish labour market. By deliberately including companies of different sizes, sectors, and governance cultures, the study enhances its relevance and provides a robust basis for policy and practice-oriented conclusions.

3 MEASURES ADOPTED IN MATTER OF WORKING TIME

3.1 Measure 1: Reduction of the working week to 4 days in the company (Firm level)

Software ElSol is a company with over four decades of existence, dedicated to the development and support of software for small business management. In 2021, it was integrated into the Italian company TeamSystem Company.

Until 2017, Software ElSol did not have its own collective agreement. In that year, following negotiations with representatives from two unions (FASGA - *Federación de Asociaciones Sindicales*, now called Valorian, and IDS), its first collective agreement was approved. This agreement established an annual working hours schedule of 1,726 hours for the years 2018 and 2019. The working hours were structured as follows: during the winter period (from September 16th to June 14th), Monday to Thursday consisted of eight and a half hours of effective work, flexible between 8:00 AM and 7:00 PM, and Fridays had a continuous working day of 6 hours from 8:30 AM to 2:30 PM. The summer schedule, covering June 15th to September 15th, comprised a continuous seven-hour workday from 8:00 AM to 3:00

PM. This collective agreement was initially valid until December 31, 2019, but negotiations for the subsequent agreement commenced on February 3, 2020. It's worth noting that the collective agreement itself provided for the continuity of its effects for one year.

On June 17th of the same year, a new collective agreement was reached with the full support of the employee committee, now composed solely of the FASGA union (with five representatives) and four independent workers. This new collective agreement introduced a revised work schedule without a reduction in salary.

According to the information provided by company personnel, the initiative for this reduction in working hours comes from the company's management and was accepted by the workers' representatives during the negotiation process.

The new annual working hours were set at 1,495, spread across a four-day workweek. This entailed increasing the daily hours during the winter period to nine hours from Monday to Thursday, while maintaining a seven-hour workday on Fridays. Indeed, in the statistical report required by the labour authorities, the weekly working hours were set at 36 hours, representing a reduction of 4 hours from the previous agreement. The system involved shifts, although this first agreement did not establish specific regulations.

Analyzing in detail the distribution of working time, it can be seen that there is a reduction in working hours to transition from a five-day week to a four-day week. However, this is not a 20% reduction (which would simply be achieved by reducing one working day) but rather slightly less than 14%. This result is achieved through a slight extension of the daily working hours and the elimination of additional rest days provided for in previous agreements (such as a day off for birthdays). In this way, the result of improving work-life balance is achieved without losing salary, but with a smaller increase in the cost per hour for the company.

The 2023 collective agreement notably improved in all its sections (related or unrelated to working hours), specifically mentioning a shift work system with three modalities:

Rotating shift: Employees have rotating days off each week from Monday to Friday.

Standby shift: Employees have rotating days off on Mondays or Fridays.

Fixed shift: Employees always have Fridays off.

3.2 Measure 2: reduction in working hours in Ephimera

Ephimera is a small company offering quality spaces for events in Madrid and Barcelona. They work hand in hand with a creative network to offer the best locations for conferences, congresses, meetings, press conferences, pop-ups, showrooms, product launches, etc. Not only do they provide a place, they also develop content in the spaces they manage: they take care of devising the concept, developing the project, positioning it and making its marketing plan. The company has around 20 employees. The demographics of the workforce are young and female dominated. The professional profile of the employees is creative.

The employment relations in the company fall under the National Collective Agreement for Advertising Companies¹, which, regarding working time, establishes that the maximum number of hours of effective work on a weekly basis shall be thirty-seven and a half hours from Monday to Friday. This already entails a reduction compared to what is established by law (40 weekly hours).

In April 2022, the company introduced a 4-day working week. Since then, the employees work 4 days a week instead of 5 days a week. This change

¹ Convenio colectivo del sector de empresas de publicidad: <https://www.boe.es/boe/dias/2016/02/10/pdfs/BOE-A-2016-1290.pdf>

entailed a reduction in weekly working hours. After the introduction of this measure, employees work 32 hours per week, distributed over 4 days. Thus, the measure introduced by the company comprises not only a change in the weekly schedule (from 5 to 4 working days) but also a reduction in the total number of hours worked (from 37.5 to 32 hours).

The measure was introduced unilaterally by the company's management, taking into account that the two owners publicly promote the 4-day week on a general level.

The aim of the measure, according to the company representative interviewed², is to facilitate the reconciliation of work and family life. Here, the company's representative accepts a broad conception of work-life balance, understanding that the day off can serve multiple personal purposes, including recreational and educational purposes. The general concept in which the measure is placed is that of employee wellbeing.

The reduction in working hours is completely independent of other possible measures in place aimed at facilitating the reconciliation of work and family life (telework, hybrid work, adaptation of working hours...).

From an organisational standpoint, each week the shifts for the following week are fixed. The day off is not a fixed day in the week, but every employee selects the day she/he wants off. The usual procedure for allocating days off according to workload is by consensus of the employees, not by imposition from above. There are some rules that must be followed by all employees in order to guarantee the functioning of the business: for instance, not all members of a team can select the same day off.

3.3.Measure 3. The consolidated Flex@Work in Schneider Electric

² We interviewed Carmen Fernández Marinas on 22 May 2024. Carmen is a director of Ephimera.

Schneider Electric is a French company which operates in the metal sector. The company is located in different provinces in Spain with a workforce around 6000 employees. From a gender perspective, approximately two-thirds of the workforce is made up of men, although Schneider Electric shows an evident initiative to achieve equal representation of both genders in all job positions [1].

The qualification of the workforce in Schneider Electric differs depending on the workplace. In this regard, there are three kinds of workplace depending on the specific functions carried out: (i) technical offices, (ii) manufacturing plants and (iii) logistics centres. Workforce in technical offices (essentially, the workplaces in Madrid and Sevilla) is constituted basically by white-collar workers, while almost all employees in manufacturing plants and logistics centres are blue-collar ones [1]. Notwithstanding this, the majority of the workforce in Schneider Electric is white-collar [2]. This fact is in contrast with what prevails in the sector, which are blue-collar workers [1].

Concerning union representation, the leading trade union in Schneider Electric is CCOO, followed by UGT, ELA and LAB. These four trade unions are present in a social dialogue roundtable ("Mesa de Diálogo Social") in which different issues are dealt with at company level, although any agreements reached within this roundtable must be endorsed by each workplace's representatives for the purposes of its effective implementation [1].

Working conditions are regulated by the sectoral collective agreements at national and provincial level. The most weight of collective agreements focuses on the provincial level that represent around 62[3]. So far Schneider Electric has not negotiated a collective agreement at enterprise level. At national level it is applicable the IV Convenio colectivo estatal de la industria, las nuevas tecnologías y los servicios del sector del metal[4] that provides a short regulation on remote work and the right to disconnect[5]. Furthermore, Schneider Electric and trade unions have negotiated an agreement on remote work[6]. For its part, Schneider

Electric has approved a policy on flex working (called Flex@Work) and a policy on Global Family Leave.

In the metal sector the maximum working time is regulated by the provincial collective agreements. No differences between professional categories (shift workers and technicians) are established in the matter of working time. The maximum working time is set province by province:

Provincial level	Maximum working time agreed in the collective agreement
Barcelona	1750
Madrid	1754
Navarra	1695
Sevilla	1759
Valencia	1744
Vizcaya	1708

In most of the mentioned provinces the maximum working time agreed is very similar to the average of the metal sector (around 1749,93 hours per year in 2023) [7]. Collective agreements of the metal industry comply partly with the proposal of working time reform at least in 2024 (1759 in 2024 and 1712 in 2025).

Provincial level	Maximum working time agreed in the collective agreement	Uneven distribution of working time
Barcelona	1750	80

Madrid	1754	10%
Navarra	1695	48 +80[8]
Sevilla	1759	220
Valencia	1744	135
Vizcaya	1708	100

According to a trade union report, the evolution of the average maximum working time from 2012 (1755) to 2022 (1754) is not very relevant. Negotiators need the support of the legislator to reduce more working time [9].

Schneider Electric applied a consolidated flex working model many years ago. In this connection, Schneider Electric's work culture has been traditionally based on promoting the autonomy of employees (those who are white-collar, in particular) in the development of their duties, which is highly facilitated by this flex working model [1].

It seems that Schneider Electric often implements flexible working measures through company policies rather than by means of agreements reached with the employees' representatives. Although these company policies are focused on the employees' well-being and satisfaction, and are hence welcomed and highly valued by the workforce, according to a union representative they may occasionally not foresee some issues or details that are relevant within their implementation, issue that could be possibly avoided or mitigated if these measures were previously negotiated and agreed with the employees' representatives. In addition, this union representative states that, as subject to internal policies unilaterally decided and applied by the Company, and not as a result of collective negotiation, these measures may not be respected by the managers in some cases [1].

A pilot experience on a compressed work week was tried with around 80 employees (managers, technicians and financial officer) for six months. The experience concentrated the working time in four days per week (usually from Monday to Thursday), which set up a 10-hour workday, and was combined with remote work. From the point of view of employees one of the main negative points was the fact that the measure was a compression of working time and not reduction of working time. The measure was worse for employees with family responsibilities and during periods with more workload. The debate about the reduction of the maximum working time was not raised[10].

In addition to the above, it was stressed out that the mentioned measure was refused by trade unions because a compressed work week implied a modification on the daily working time. According to trade unions, it required previous negotiation and agreement with the employees' representatives, which had not occurred. In this connection, the employees' representatives were concerned about the harmful impact that a 10-hour workday could have on the employees' productivity and health; specially, considering the representatives did not have a proper visibility on the terms that this pilot experience was being implemented and could not monitor it either [1].

Concerning remote work, although it was already applied before the pandemic, the agreement on the same was reached on the occasion of the Covid-19, which highly promoted remote work and the issuing of a law on this matter in Spain (Ley 10/2021, de 9 de julio, de Trabajo a Distancia) [1].

As a general rule, remote work is organised in some of the following alternative options: 1) Full days: between 1 up to 3 days per week. 2) Half-days: up to 4 mornings or 4 afternoons. Nevertheless, there are some groups of employees who are not offered the possibility of remote-work; basically, those whose work cannot be carried-out remotely, who are mainly blue-collar workers [1].

It should be pointed out that the company offers remote employees the monitoring of psychosocial risks. Furthermore, remote employees should carry out training on risks of his tasks, remote work and the right to disconnect.

Furthermore, all employees with the exception of shift workers have flexible schedules from 7:00 to 10:00 in the morning, and a flexible lunch break of up to 2.5 hours. It is not necessary to request it, inform in advance or justify the measure. These employees (white-collar ones) have full autonomy to organise their own work [1].

A group of flexible measures are applied to all employees. In particular: 1) Floating days: possibility to work on a holy day and move the rest day to another day that the employee decides. 2) Possibility to buy extra holidays. Each employee is entitled to achieve up to five extra days for holidays. It means a reduction of the wage. 3) Non-paid leave. Employees can request a non-paid leave from fifteen days to two months. Company pays for the social security contribution for the mentioned leave.

With regard to the aforementioned, there were some concerns pointed-out by a union representative [1]. By way of example, regarding the “floating days” measure, it was remarked that, although it should be voluntary for the concerned employee to request it, it could be eventually misused by a manager by suggesting one of his/her subordinates to request it for the purposes of adapting his/her working time to whatever productive needs could arise.

Another highlighted concern was that the possibility to buy extra holidays could eventually lead to a delay and increase in workload, resulting in work-related stress and a reduction in productivity.

In addition, Schneider Electric applies a Global Family Leave policy which offers, among others, a Paid leave to care for the family (employees can request leave to care for their family for up to two weeks) and a Paid leave for the birth of a child (employees can request leave for the birth of a child

up to a week). Those measures have been approved into the company policy.

[1] Interview with trade union representative from CCOO on 15 October 2024.

[2] Análisis Económico, Ambiental y Social, Grupo Schneider 2015-2018, CCOO, p. 18.

[3] La negociación colectiva en la industria del metal en 2023, Fundación Confemetal, 2024, p. 23.

[4] IV Convenio colectivo estatal de la industria, las nuevas tecnologías y los servicios del sector del metal, BOE 12.1.2022, nº 10. See <https://www.boe.es/buscar/doc.php?id=BOE-A-2022-479>

[5] Article 49 establishes that enterprises shall not impose disciplinary measures against employees who effectively make use of their rights to disconnect. Furthermore, collective agreements at provincial and enterprise level may increase the guarantees and limits against the monitoring measures of digital rights.

[6] The agreement was signed on 20 September of 2021 by four trade unions (UGT, CCOO, ELA and LAB) and the company.

[7] La negociación colectiva en la industria del metal en 2023, Fundación Confemetal, 2024.

[8] The extra 48 hours is to facilitate competitiveness of enterprises. The extra 80 hours is to face the variations in the production programs.

[9] Nuevas formas de trabajo y distribución de la jornada en el sector metal, UGT FICA 2023, pp. 173-174.

[10] Interview with trade union representative from UGT on 20 May 2024.

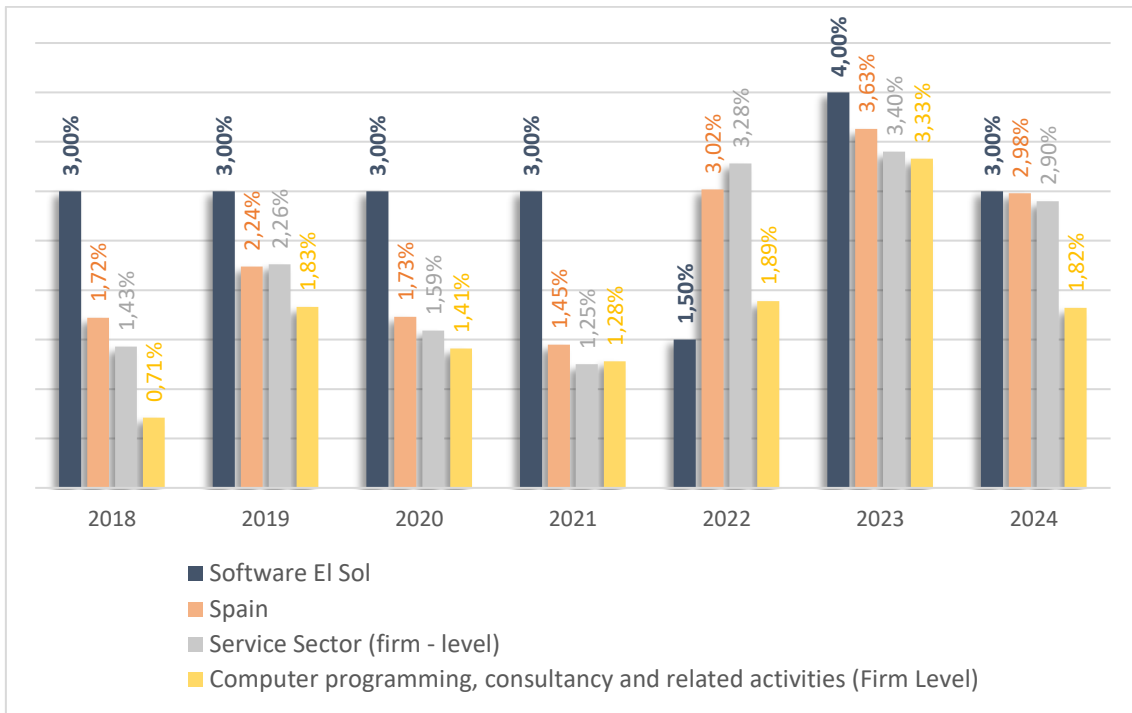
4 IMPACT OF THE MEASURES

Software ElSol

From an economic perspective, it should be noted that the salaries stipulated in the 2017 collective agreement, while similar to those under the state collective agreement applicable at the time, were based on a shorter work schedule (the state collective agreement for consultancy firms and market research and public opinion companies, in fact, established a 1,800 annual hours work schedule. This equates to approximately a four percent higher number of hours compared to the analysed company's agreement.

The reduction in working hours did not lead to a reduction in agreed salaries for Software El Sol; on the contrary, a 3% increase over the previous year's salary was agreed upon for 2020. This actually represents an 18.9% increase in hourly wages.

Examining the evolution of agreed salaries across successive company collective agreements, it is evident that except for 2022, they have consistently exceeded those stipulated in official statistics for other sectors. This trend is illustrated in the graph, showing increases in all years except that one, surpassing both national collective agreements in Spain and sector-specific agreements within the "Computer programming, consultancy, and related activities" sector (NACE rev. 2, code 62) to which the analyzed company belongs. In fact, for the entire period from 2019 to 2024 (spanning the transition from a five-day workweek to the most recent arrangement), the agreed-upon increase has been 15.3% at Software El Sol, compared to 10.1% for its sector as classified under NACE rev. 2 at the two-digit level.



Additionally, it should be noted that the company asserts that this change has helped attract talent and has sustained revenue growth (22% in 2022). These results, however, should be viewed within the framework of a broader human resources policy aimed at employee well-being.

Nevertheless, these outcomes should be approached with caution, as being a pioneering company has significantly enhanced its corporate image, benefiting from media attention. Apart from the specifics of its fundamentally technological work (which also facilitates concentrated work schedules), it should be highlighted that if this practice were to become widespread across all businesses, its impact on talent attraction would diminish as it would lose its "distinctive" nature.

The aforementioned statistical sheet also indicates that the size of the workforce has not been affected; in fact, while the 2017 agreement stated it covered 155 people, the 2023 agreement records it as having grown to 189. Simultaneously over this period, without conclusive evidence of causality, there has been a notable advancement in gender

parity: the percentage of women in the workforce has increased from 44.5% six years ago to 49.2%.

From a work-life balance perspective, while it will always have a positive impact, this impact will be greater for employees with fixed or standby shifts due to their increased ability to plan their personal lives, compared to those on rotating shifts.

From the perspective of human resources management, turnover—which was already very low—remained at these levels. Although it is true that the workforce composition has become more gender-balanced in recent years, the reduction in working days does not appear to be the cause; rather, it is the feminization of activities related to technological development. In terms of attracting talent, the company did notice a significant increase in job applications following the implementation of the four-day workweek.

Ephimera:

The result of applying the measure has been satisfactory and has not caused any significant problems, according to the company representative interviewed. Staff are happy with the measure. The remuneration has not been affected by the measure.

Schneider Electric

In Schneider Electric the assessment of the measures is very positive according to the survey and the interview with the trade unions (CCOO and UGT).

Remote work does not mean a risk for the quality of the productive process. The productive process is remotely controlled. In addition, according to the union representative from CCOO, remote work has implied an important reduction of costs for the Company, while it constitutes a relevant incentive for the employees.

There is consensus between trade unions to conclude that neither remote work nor the possibility to enjoy flexible schedules have affected work

performance; in fact, they facilitate the employees to self-manage their work and carry out their tasks in an autonomous way (which is, as above-said, typically seek by the work culture in Schneider Electric), successfully fulfilling their duties.

However, the experience of trade unions shows that when there is a flexible policy of working time it is relevant to enhance the health and safety of employees. Employees voluntarily may work more than the maximum working time and suffer psychological risk if they do not respect the minimum statutory resting periods.

In short, these two relevant flex working measures implemented in the Company, which are remote work and flexible schedules, imply both benefits and inconveniences: they contribute to the employees' well-being, operating as an important incentive for them without hindering work performance; but, being the Company's culture focused on the autonomous working of the employees and the self-assumption of responsibility of their own duties, these measures may to end up leading to the performance of excessive working hours which is self-inflicted by the employees themselves.

5 GENERAL EVALUATION AND CONCLUSIONS

As mentioned at the beginning, Ephimera implemented the measure of working 4 days a week as a management commitment to attract and retain human capital in a highly competitive industry. The result has been very good to date, with no negative impact on productivity or the organization of resources. The fact that it is a small company means that organizational problems are solved to a large extent by the self-management of the teams.

The reduction of the workweek to four days has proven to be a viable experience in medium-sized companies; even when there is a need to maintain activity over five (or seven) days a week, services can be

provided through shifts. For this, it is essential to design the work time distribution system with flexibility so that, according to the personal needs of each group within the workforce, they can choose fixed shifts (Monday-Thursday or Tuesday-Friday) or shifts with varying days off. Moreover, without undermining the importance of negotiation, the experience of Software El Sol shows that with adequate business leadership, an initiative from the company's management is sufficient, which is unlikely to be rejected by the workers' representatives. Although the experience can be extrapolated to other companies, it is evident that the model will present more complications in small-sized companies, where the distribution of time will be shared among fewer workers.

The example of innovative flexible working time arrangements in the sector metal shows the collaboration between collective agreements (at sectoral and provincial level) and company policies. It seems relevant that the sectoral level (national level) sets some general rules on this issue to promote flexible working time arrangements which may be completed at provincial level or company level.

The role of trade unions in the metal sector to address the way of flexible working time arrangements was very effective. First, to refuse the pilot project on a compressed work week when it may cause worse working conditions for employees. Second, to negotiate with the company the agreement on remote work.



CASE STUDY. FRANCE

N. Ramos Martin

P. van der Kluf P. van der Kluf collaborated in the preparation of the INNOVAWORKING project case studies in the framework of her Applied Research Project/ARP: *Innovative and Flexible Approaches to Working Time: Comparative Analysis on Working Time Approaches in The Netherlands and France*, THUAS, the Hague, (2024), supervisor: Stefania Marassi. This country report is partially based on the research carried out for that ARP.



1 HOW THE CASE STUDY EMERGED

The INNOVAWORKING project aims to investigate and analyse innovative policies on working time arrangements that have been negotiated between trade unions and employers both in the public and private sector. In this case study on France two sub-case studies (measures) are addressed. This report examines innovative agreements that provide for shorter or flexible working time, also covering hybrid and remote working practices. A central feature of this research is the aim to assess to what extent those innovative agreements contribute to a better work-life balance. In this report the focus is on initiatives adopted in France, in both the private and the public sector, regarding flexible approaches to the organisation of working time. It will also examine trade unions and employers' responses to flexible working time arrangements.

This report follows a mixed-method approach and includes a review of the legal framework and regulations governing working time in France. The research is conducted through an extensive review of existing literature, national and international reports, journals, newspapers, articles, books and legal documents.

In the INNOVAWORKING project the research team addresses the major challenges for companies and their employees related to the recovery from the COVID-19 pandemic, namely: the introduction of digitalisation, the impact of an ageing workforce and the need for urgent action to tackle climate change. Attention is paid to how trade unions and employers are called to play a key role in addressing those challenges. Innovative changes to the organisation of working time can be part of the solution, potentially delivering increased productivity, improved work-life balance and well-being, more sustainable working practices and greater flexibility to the benefit of both workers and employers.

In the case of France, the first sub-case focuses on the activities undertaken by the CFE-CGC (union of executives/managers, technicians, and supervisors) through a project aimed to developing management and work organization in light of the expansion of teleworking and hybrid working, and auditing the evolution of managerial practices dealing with the risks and challenges of that model of work.

The second sub-case study focuses on the public sector, in particular, on innovative flexible working time arrangements/reduction of working time in the local and central administration sector (municipalities and ministries). From the desk research carried out, information has been extracted on the relevant initiatives undertaken by some municipalities of some major cities in France. For example, the Metropole of Lyon has implemented a plan for the 4-day working week of their employees. Also, at the ministries level in France, since the beginning of 2024, there are plans to undertake initiatives implementing pilots of a shorter working week.

2 MEASURES ADOPTED IN MATTER OF WORKING TIME

2.1 Introduction

In France, throughout the years, many reforms aimed at reducing working time have been adopted and provisions of the Aubry laws have been implemented into the French Labour Code. Therefore, due to the implementation of that legislation, since 2002 most firms implemented the 35 hours full-time workweek. However, a few firms and industries have exceptions to the 35 hours rule and can implement a workweek between 35 and 39 hours.

The aim of the Aubry laws was to reduce the working week from 39 to 35 hours.¹ In practice, employees could still work 39 hours, but some of the extra hours they worked (4 hours per week) are accumulated to be used in the form of a half or full day off (in French, this mechanism or device is called Réduction du temps de travail “RTT”).² Since the legal regular working week is set at 35 hours, all hours worked above this figure are considered overtime. In any case, the maximum number of hours worked in one year was set at 1,607 hours per year in 2005.

Also relevant is the fact that company directors and executive managers are exempted of the application of the legislation on the maximum working week of 35 hours. This exception applies to managerial employees who exercise companies' responsibilities, are autonomous in the decision-making process, and are remunerated in the highest pay levels of the company.³ This exception is relevant for the measure 1 explained in this case study document. As Martín Puebla has explained, the problematic application of the legislation reducing working time to this type of workers lies in the fact that the managers (“cadres”) do not constitute a homogeneous category of workers,⁴ including several subcategories, the manager directors who participate in the strategical decision of the company, the managers integrated in a service, department, or work-team (the major category amounting to more than 50% of the managers)⁵

¹ Law of reduction of working time, Aubry Law I, (‘Loi n° 98-461 du 13 juin 1998 d’orientation et d’incitation relative à la réduction du temps de travail (dite loi Aubry)’): <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000000558109/> and Law of reduction of working time, Aubry Law II, (‘LOI n° 2000-37 du 19 janvier 2000 relative à la réduction négociée du temps de travail’): <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000000398162>. See INNOVAWORKING Country Fiche France for further information.

² See: [Réduction du temps de travail \(RTT\) | Service-Public.fr](#)

³ See Code du Travail L.212-15-1 to L.212-15-4.

⁴ Martín Puebla, E., La reducción del tiempo de trabajo en Francia, Ministerio de Trabajo y Asuntos Sociales, 2006, 111-114.

⁵ The regulation on working time, including the provisions regarding working time duration, rest time, holidays, and reduction of working time is applicable to the workers included in this second category. See Martín Puebla, E., La reducción del tiempo de

and an intermediate category, which is the one where there are more problems to calculate the duration of their working time. The inclusion of a worker with managerial functions in this last category takes place by reference in the applicable sector collective agreement or, when that is lacking, by the national collective agreement applicable to the “*cadres*”. In the case of this last group the legislation establishes the general principle that these workers should also benefit of an effective reduction of their working time (Art. L.212-15-3 *Code du Travail*.) Usually, the reduction of working time of the managers (“*cadres*”) belonging to this last group occurs through an individual agreement of *forfait*, including the maximum numbers of working hours or days agreed on a weekly, monthly or annual basis.⁶

The Aubry laws contributed to decentralizing collective bargaining, allowing negotiations between employers and employees at the company level, particularly regarding working time and flexibility.⁷ This approach allowed the social partners to determine the level of bargaining and the accompanying pay arrangements for reducing working hours. Additionally, these collective agreements recognized various forms of working time flexibility, providing a framework for adapting to different workplace needs.⁸ Aubry I offered financial support for companies that engaged in negotiations to reduce working hours by at least 10% and recruited new employees, encouraging companies to participate in collective bargaining processes to implement these reductions.⁹ The Ministry of Employment was tasked with validating the outcomes of these negotiations, giving approval and temporarily authorizing innovations resulting from the collective agreements made under Aubry I law. This

trabajo..., op. cit., 116. See: Loi n° 2003-47 of 17 January 2003 relative aux salaires, au temps de travail et au développement de l'emploi.

⁶ Martin Puebla, E., *La reducción del tiempo de trabajo...*, op. cit., 118-119.

⁷ Tros, F. ed. et alt., *Pathways in Decentralised Collective Bargaining in Europe* (Amsterdam University Press, (2023)

⁸ Ibid p.18

⁹ Ibid. p. 95

validation process ensured that the negotiated working time flexibility policies complied with legal requirements and were in line with the objectives of the legislation.¹⁰ Regarding negotiating collective bargaining, employers must comply with the labour code, and the applicable sector level collective agreements.¹¹

Following the Aubry laws, there have been several legislative measures that have included nuances and exceptions to the 35 hours working week (article L3121-275 of the French Labour Code) or equivalent to 1,607 hours per year. Conventional provisions (collective agreement, branch agreement, company agreement or establishment/company agreement applicable in labour law) may provide for a working week of more or less than 35 hours. In the 2003-2004, some social security taxes were permanently reduced for all companies, and the quota for overtime hours was also increased to 220.¹²

In 2007, during the Sarkozy's administration, a new legislation was adopted (Loi Travail, Emploi, Pouvoir d'Achat)¹³ which established a 25% bonus for overtime hours exceeding the 1,607 hours per year. It also promoted exemptions from income tax and social security contributions for workers for overtime pay and cuts in social security contributions for employers. In 2012, the revised 2012 Budgetary Law included the abolition of the exemption from overtime pay and reductions in social security contributions, except for companies with 19 or fewer employees.¹⁴

¹⁰ Ibid. 96

¹¹ Flichy Grangé Avocats, 'Employment Law France' (L&E Global, 12 April 2024) <<https://leglobal.law/countries/france/employment-law/employment-law-overview-france/>> accessed 18 May 2024

¹² See: Solana Gázquez, D. J., 'Jornada laboral: la evolución en Francia' , *Actualidad Social Internacional*, Ministerio de Trabajo y Economía Social, N. 264 (2024), p. 5-10.

¹³ LOI n° 2007-1223 du 21 août 2007 en faveur du travail, de l'emploi et du pouvoir d'achat <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000000278649>

¹⁴ Solana Gázquez, D. J., 'Jornada laboral: la evolución en Francia' , *Actualidad Social Internacional*, Ministerio de Trabajo y Economía Social, N. 264 (2024), p. 5-10, op. Cit.

France therefore currently continues to consider the 35-hour work week as the reference for full-time employees. However, this does not mean that this is the work week for all workers in France. It is the reference framework, but subject to the conventional provisions included in collective agreements, which may consider that working time is more or less than 35 hours per week (calculated annually as maximum 1,607 hours). This means that a worker can exceed these annual hours, which will be calculated as overtime, holidays or days off.¹⁵

Also important in the context of this study is the regulation of the right to disconnect. This right was introduced as part of the French Labour Law reforms, specifically by the Loi Travail or El Khomri Law in August 2016.¹⁶ The main goal is to ensure that employees have the right to disengage from work during non-working hours, promoting a better work-life balance and protecting their health and well-being. The legislation in France acknowledges the right to disconnect due to the growing concerns in the workplace about addicted conducts regarding work. Studies show that a significant number of employees feel pressured to be constantly available.¹⁷ The recognition of the right to disconnect has been included in interprofessional agreements and has been partially acknowledged by courts. Additionally, various initiatives have been taken by companies and organizations to address this issue.¹⁸ However, reports and studies have highlighted the need for a legal framework to establish and protect the right to disconnect, especially in the context of digital transformation in the workplace.¹⁹

Employers need to implement policies and practices that support the right to disconnect. This might include setting clear expectations about after-

¹⁵ Ibid.

¹⁶ LOI n° 2016-1088 du 8 août 2016 relative au travail, à la modernisation du dialogue social et à la sécurisation des parcours professionnels

¹⁷ Ministry of Labor, Health and Solidarity, *Impact study* (LGR) p. 235 (2020)

¹⁸ Ibid. p. 234

¹⁹ Ibid. p. 233

hours communication and establishing times when employees are not expected to check mails. Employers are required to negotiate with their employees or their representatives and they must ensure that employees can effectively exercise their right to disconnect.

In today's digital age, where remote work and flexible schedules are becoming more common, the right to disconnect acknowledges the need to adapt traditional working time arrangements to accommodate new working methods. It recognizes that flexibility in working hours should not come at the expense of employees' well-being. Flexibility in working hours can sometimes blur the lines between work and personal life. Despite its enforcement challenges, the implementation of the right to disconnect may mitigate these potential downsides by establishing clear boundaries relating to working time.²⁰

Regarding industrial relations: France has one of the lowest union membership rates of all European countries, standing at 9% (2019).²¹ Paradoxically, collective bargaining has relatively high coverage rate, with a significant portion of the workforce being covered by collective agreements, but there have been challenges in recent years, with union membership stagnating and not keeping pace with employment growth.²²

Regarding social dialogue and collective bargaining in France, the main employers' organization is the MEDEF (Mouvement des Entreprises de France). The MEDEF is an influential organization representing French businesses and companies, and employers across various sectors of the

²⁰ Ministry of Labor, Health and Solidarity, *Impact study (LGR)* p. 235 (2020)

²¹ Gautier M, 'Nombre d'adhérents Des Principaux Syndicats Français 2022' (*Statista*, 24 October 2023) <<https://fr.statista.com/statistiques/1375149/nombre-adherents-syndicats-francais/>> accessed 18 May 2024

²² Ibid.

economy. MEDEF engages in social dialogue with trade unions to find common grounds and promote sustainable economic development.²³

In France, five (major) trade union confederations have been recognized as representative at the national level:

- CFDT (Confederation Francaise Democratique du Travail) advocates for social justices and workers' rights through negotiation rather than confrontation. Known for its willingness to engage in dialogue with employers and government agencies.²⁴
- CGT (Confederation Generale du Travail) represents a diverse range of workers across various industries. Known for their long history of advocating for workers' rights through strikes and protests.²⁵
- FO (Force Ouvriere) represents a wide spectrum of political opinions within its memberships and participates in collective actions and bargaining.²⁶
- CFE-CGC (Confederation Francaise de L'Encadrement – Confederation General des Cadres) represents professional and managerial employees.²⁷

²³ (Who we are?) <<https://www.medef.com/en/who-are-we>> accessed 18 May 2024

²⁴ (NOS valeurs - CFDT) <https://www.cfdt.fr/portail/nous-connaître/nos-valeurs/nos-valeurs-rec_79841> accessed 12 May 2024

²⁵ 'Qui Sommes-Nous ?' (Accueil) <<https://www.cgt.fr/dossiers/qui-sommes-nous>> accessed 12 May 2024

²⁶ Ouvrière S internet F, 'Vos Questions Sur Le Site' (Force Ouvrière) <<https://www.force-ouvriere.fr/vos-questions-sur-le-site>> accessed 12 May 2024

²⁷ 'Qui Sommes-Nous ?' (CFE) <<https://www.cfecgc.org/cfe-cgc/qui-sommes-nous>> accessed 18 May 2024



- CFTC (Confederation Francaise des Travailleurs Chretiens) represents workers across various sector, particularly those who align with Christian values.²⁸

The first case study (measure 1) deals with an initiative regarding flexible working arrangements (telework and hybrid work) developed by the CFE-CGC.

Collective bargaining in France has been recognised since 1936. Traditionally, France had a centralized collective bargaining system. However, the 2016 and 2017 labour law reforms increased the autonomy of company-level bargaining, creating a compulsory division of topics between bargaining levels.²⁹ With company-level agreements taking precedence over sector-level agreements in specific areas, as indicated by the El Khomri law.³⁰ However, sectoral agreements still apply for all matters only in the absence of company-level agreements.³¹ On top of that, legal standards will apply, if negotiations at both company and sector-level are unsuccessful.³²

These reforms have eroded the traditional sectoral bargaining system, favoring company-level agreements and granting more bargaining

²⁸ 'Le Projet CFTC' (CFTC, 19 March 2024) <<https://www.cftc.fr/projet-cftc>> accessed 18 May 2024

²⁹ Tros, F., Armaroli, I., Czarzasty, J., Haijeter, T., Iossa, A., Jansen, N., Kahmann, M., Muñoz Ruiz, A. B., Paolucci, V., Ramos Martín, N., Rönmmar, M., Rosenbohm, S., & Vincent, C., *Pathways in Decentralised Collective Bargaining in Europe*, Amsterdam University Press, (2023), 144.

³⁰ Till Nikolka and Panu Poutvaara, *Labour Market Reforms and Collective Bargaining in France* (2018) Ifo DICE report 44

³¹ Lhernould J-P, 'France: Government Unveils Plans to Reform Labour Laws' (*France: Government unveils plans to reform labour laws | European Foundation for the Improvement of Living and Working Conditions*, 23 November 2017) <<https://www.eurofound.europa.eu/en/resources/article/2017/france-government-unveils-plans-reform-labour-laws>> accessed 31 May 2024

³² Nikolka, T. and Poutvaara, P., *Labour Market Reforms and Collective Bargaining in France* (2018) Ifo DICE report 44

power to employers.³³ This shift towards decentralization of collective bargaining has allowed for more flexibility in negotiating temporary agreements that may provide lower pay rates in exchange for employment security. Despite the reforms, the system remains coordinated and the principle of favorability ensures that sectoral agreements still play a significant role.³⁴

Research has critiqued the traditional centralization/decentralization dichotomy, suggesting that a more nuanced understanding of how norms are articulated across levels better captures the dynamic nature of collective bargaining in France. This system promotes a responsive and practical approach to collective agreements, balancing local needs with the broader regulatory framework. However, it also requires robust institutional structures to manage the interplay between autonomy and coordination, ensuring that agreements at different levels complement rather than conflict with each other.³⁵

2.2 Measure 1³⁶

In this section we discuss the project 'SUPERManagement' carried out by the trade union CFE-CGC in cooperation with the Agency ANACT (Agence Nationale pour l'amélioration des conditions de travail). The 'SUPERManagement' project (Savoir, Unir, Promouvoir, Entraîner, Reconnaître dans le MANagement) aimed at supporting and equipping managers and their employees in the transformation of work organizations

³³ Tros, F., et al., *Pathways in Decentralised Collective Bargaining in Europe*, Amsterdam University Press, (2023), 144.

³⁴ Eurofound (2022), *Collective bargaining coverage*, European Industrial Relations Dictionary, Dublin p.75

³⁵ Tros, F., et. al. *Pathways in Decentralised Collective Bargaining in Europe*, Amsterdam University Press, (2023), 144.

³⁶ This section is mainly based on the interview conducted with a high representative of CFE-CGC en charge du secteur Travail: Organisation Santé, Interview 1 – Trade union representative conducted on 30/04/2024.

and included several studies.³⁷ The 'SUPERManagement' project consisted of evaluating and developing management and work organization in light of the development of teleworking and hybrid working, and auditing the evolution of managerial practices.

As mentioned before, the CFE-CGC is the national union of executives, technicians, and supervisors/managers and negotiates and signs agreements regulating the rights and working conditions for employees in the management sector.

This project (measure 1), based on an extensive survey with respondent managers in France, aims to support and equip managers and their employees with the skills necessary for the transformation of work organizations. The project consists on evaluating and developing management and work organization in light of the development of teleworking and hybrid work, and auditing the evolution of managerial practices. The project analysed dozens of European agreements on teleworking, and the place given to managers in this context. In the course of the project, the CFE-CGC also launched a two-stage survey (large masses then qualitative panel) among its federations and members to measure, among management staff in companies and administrations, their working conditions in teleworking, their perception, and the manager/managed relationship.

The project analysed the challenges and opportunities of telework and hybrid work, with the focus on the managerial functions and considered that a hybrid manager is one who works part of the time away from his workplace. All or part of his team teleworks at least one day per week. This configuration generates varied relational situations, the team being able to be entirely on site, entirely remote or in a hybrid format. The project is based on the hypothesis that these new working arrangements,

³⁷ These studies have been published in 2024 in a report and a guide for managers available at:

<https://www.cfecgc.org/publications/nos-guides/supermanagement>

particularly due to the use of digital communication tools, have impacts on the roles and uses of managers and aim to highlighting that impact.

Regarding innovative and best short-time work practices/flexible working time arrangements observed within workplaces in France, the trade union representative interviewed mentioned that there is a long tradition of reduction of working time in France due to the implementation of the Aubry laws since 2001. It is clear that the current legal system and institutional setting in France facilitate the introduction of short-time/flexible work practices. In France, there have been some companies applying pilots on the four days working week and that, for managers in particular, (target group of workers of this trade union) that could lead to an intensification of work. Despite the fact that, for employees the 35 working hours week is applicable in France, managers (as an exception group) work sometimes up to 40 hours per week due to the fact the managerial position and tasks are difficult to undertake with reduced working time. Therefore, a reduction of working time for that group of workers needs to be well-designed with an innovative organisation of work, and well-informed decisions on the distribution of working time with the work-team, the potential impact of the intensification of work, and the due respect to the right to disconnect. That right is clearly and strongly regulated by labour law in France, as mentioned above.

Another issue important to take into account when implementing shorter working time or reduction of working time, such as the four days working week, is the need to clarify that the reduction of working time is not connected with a reduction in wages. Otherwise, there is risk for rejection of the measure among the employees, including the ones in managerial positions. By paying due attention to all the abovementioned factors this could lead to a “win-win” situation for the employer and the employee but the risks and the health and safety at work perspective, as well as the conciliation of work and private life, needs to be considered when designing those measures. According to the interviewee 1 (trade union

representative 1), social dialogue is potentially an effective tool to deal with those issues and negotiate innovative measures which can lead to success, also in terms of the key issue of the productivity of the workforce.

According to the findings of the 'SUPERManagement' project, there are some issues with teleworking for managers and adaptation to teams. While more than half of respondents of the conducted survey (53%) indicate that they telework an average of 2 days per week, the survey results highlight that managers have more difficulty than their employees in using their telework days. They also tend to adapt to the telework days of their teams and spend more time in the office to see all the team members, who are not all performing work on-site on the same days.³⁸

Hybrid and teleworking practices (combined with flexible working time arrangements) are widespread in French companies. Regarding the drivers, barriers, and consequences of the introduction of short-time and flexible Working (including telework/remote work) arrangements, the interviewee 1 mentioned that this expansion of remote work (also in its hybrid format) has to do with the COVID-19 pandemic. The health emergency led to the adoption of public health emergency measures by many EU member state governments, including lockdown. As this confinement measure entered into force, a large proportion of the workforce was instructed to stay home and continue to work remotely. As a result of the COVID-19 crisis, telework became the new reality for many employees in France (and in many other countries).³⁹ Therefore, the expansion of telework during the pandemic is, according to the

³⁸ See CFE-CGC, 'SUPERManagement studies on the impacts of teleworking and the related managerial issues', (2024), p. 7

<https://www.cfecgc.org/publications/nos-guides/supermanagement>

³⁹ Muñoz Ruiz, A., & Ramos Martín, N. (2021). Health and safety at work in COVID-19 times (BLOG). Web publication or website, EuSocialCit. <https://www.eusocialcit.eu/2643-2/>

interviewee, the major factor that led to a change of mentality of the employee. Especially high-skilled workers demand flexible working arrangements which often includes remote work (often partially). As there is a shortage of this kind of workers in strategic sectors, employers are reorganising the production and providing more opportunities for remote work, in part to avoid recruitment difficulties. Therefore, the ideational motivation of social partners to arguing and bargaining for flexible working time arrangements has clearly been affected by the experience of telework during the lockdown due to the pandemic. The employees have experienced the advantages and flexibility of remote working and hybrid work and are reluctant to change to full presential onsite work at the office. Companies and managers need to deal with these demands while preserving efficiency and productivity.

In the 'SUPERManagement' project several agreements regarding telework and remote work signed at various levels, company, sector or national were analysed. The interviewee 1 mentioned that there have been interesting agreements signed at company level, for example in the banking sector. Also relevant for the recommendations extracted on how to integrate telework in current company policies and properly address the risks associated with remote work are the provisions of the 2020 cross-sectoral agreement on digitalisation at work and the telework cross-sectoral agreement of 2005. There is also an European framework agreement on the subject.

For companies the main drivers for the introduction of short-time and flexible working (including telework/remote work arrangements) are the need to be competitive, to attract high skilled workers, to promote conciliation of work and family life and to ensure health and safety at work, including compliance with the right to disconnect. Of course, there are challenges and barriers connected with the risks associated with telework regarding costs, control of safety and health requirements when working remotely, the risks of isolation and of a decrease in creativity of the work-team. That is why the 'SUPERManagement' project was

developed by the CFE-CGC, in cooperation with the ANACT; to properly evaluate the consequences of implementing telework and remote work practices and to offer practical solutions for managers to those challenges. A main aim is to help trade union representatives to negotiate telework/hybrid work policies in their company agreements and integrate telework well in the overall organisation of work.

Regarding the strategies of bargaining partners to negotiate short-time and flexible work practices (telework and remote work in particular). For the CFE-CGC, the results of the conducted project are that they should focus their work on the following challenges:

- Putting people at the centre: the CFE-CGC maintains its priority of “people first,” highlighting health and sustainability values.
- Management and organizational transformation: the role of the manager is becoming crucial in this new professional landscape. Their financial, industrial or human resources decisions shape the world in which we live. It is important that they are trained, supported and inspired by leaders with a clear vision. Clear guidelines on how to deal with remote work-related issues is a crucial part of their professional development.
- Social dialogue: in the face of rapid transformations, the need for mutual trust and adapted solutions serving collective well-being becomes essential.⁴⁰

Concerning the last point, a relevant finding of the survey of the ‘SUPERManagement’ project is that unionized managers who are members of the CFE-CGC stressed the advantage of unionism as a genuine way of acting on work organizations and providing, through the strength of the collective, support and a voice specific to managers. Not only does membership in a union provide them with personal support, but

⁴⁰ See CFE-CGC, ‘SUPERManagement studies on the impacts of teleworking and the related managerial issues’, (2024), p. 5., op. cit.

it also allows them to better perform their managerial functions: access to other levels of information and broader vision of the company.⁴¹

The results of the 'SUPERManagement' study of managerial clauses in agreements and charters addressing hybrid work show interesting findings regarding the level at which these agreements are negotiated (company, sector or national), the content of those clauses, and the circumstances under which trade unions and employers agree on flexible and working arrangements such as telework.

Explicit managerial clauses are included in national interprofessional agreements. These clauses addressing managerial relations in the framework of telework appear more explicitly in recent national interprofessional agreements. As such, they have been able to inspire more decentralized agreements.

Several classic and innovative clauses on managers are found in branch, group, and company agreements. The role and means of the manager to manage telework are often provided for by agreements or charters around the following themes:

- the role and power of the manager in the individual and collective management of telework;
- the relational dimension between the manager and teleworkers;
- awareness-raising and training of the manager on the working relationship in a hybrid environment.

Some agreements supplement these themes with more specific clauses addressing: management of disagreements between the manager and the employee on access to and progress of teleworking; support for managers by the human resources department; feedback from

⁴¹ Ibid, p. 7.

managers; integration and social cohesion; and performance and teleworking.⁴²

The role of the Human Resources/Personnel departments in order to facilitate teleworking and remote work is estimated as quite relevant in this context for a successful performance of the managerial tasks. However, there are, according to the trade union representative interviewed over this measure (interview 1), strong differences in the resources depending of the company dimension. Big firms have enough HR resources to assist managers but SMEs face more problems regarding this issue.

Experiences of employers and employees with regard to short-time and flexible working practices.

Among the main difficulties related to teleworking/remote work pointed by the 'SUPERManagement' study are the following:

When asked about the difficulties associated with teleworking, managers mainly highlight poor connection quality: (18%), a breakdown in interactions with their colleagues, (14%), a feeling of surveillance and control, (14%), and a large range of working hours (12%). Overall, it appears that the implementation of collective agreements in companies on teleworking partly eliminates the difficulties, without however erasing them. Face-to-face days appear to be an effective way to maintain team cohesion, foster collective emulation and carry out managerial actions. For managers, it appears that teleworking days allow for concentration time with better management and filtering of external requests in order to dedicate themselves to substantive tasks. Nevertheless, many of them express suffering from "hyper-connection" in the context of remote working. Moreover, managers indicate that it is sometimes more complex

⁴² See CFE-CGC, 'SUPERManagement studies on the impacts of teleworking and the related managerial issues', (2024), p. 8, op. cit.

to make oneself understood remotely, as well as to detect subtle problems: professional or personal difficulties of employees, tensions, etc.⁴³

One of the main recommendations derived from the project is the need to improve the training in hybrid management. 42% of the managers who participated in the qualitative part of the study say that they have not been sufficiently trained to lead their team in the context of remote work. That fact did not alter their trust in their employees, since

only 6% of managers report "a source of concern" about their teams working remotely. In general terms the experience with teleworking is assessed as positive, since almost half consider that teleworking makes their teams more autonomous. Unsurprisingly, the main difficulty expressed by managers is that of preserving the collective dimension of working tasks, with 40% highlighting "the lack of social cohesion" in the context of remote work.⁴⁴

Another important finding of this project is the need to improve the training in use of digital tools among employees to improve their efficient performance in teleworking. While the rise of teleworking has required new digital tools (Teams, Zoom, document sharing, etc.) to facilitate communication, it turns out that overall companies do little to train their employees to use these tools, seeming to rely on internal mutual assistance from employees. Nevertheless, the majority of managers say they are comfortable with digital tools and proficient in using them.⁴⁵

A relevant finding of the 'SUPERManagement' project is the pronounced rejection of the flex office. Among the 34% of respondents indicating that they work in structures that have implemented flex office (absence of a designated office workplace) - an often financially driven choice to

⁴³ See CFE-CGC, 'SUPERManagement studies on the impacts of teleworking and the related managerial issues', (2024), p. 6, op. cit.

⁴⁴ Ibid.

⁴⁵ Ibid, p. 7.

reduce the m2 of offices with a direct impact on comfort and logistics - 78% consider overall that its implementation is not suitable.⁴⁶

Among SME/VSE managers a combination of digital and managerial challenges arises concerning implementation of teleworking in their companies. The observation seems clear after the analysis: companies must continue to strengthen cyber security and promote employee well-being in the context of teleworking, by emphasizing flexibility, communication and consideration to individual needs. Regarding IT security and the home working environment, business leaders/employers acknowledge that companies have not addressed this point sufficiently and the means implemented in the companies using teleworking remain very basic or at the reflection stage.

Finally, employers recognize three major issues in the management of teleworking: governance, strategy, and relationships. They attach particular importance to improving relationships, by using approaches such as fluent communication, facilitation and conflict resolution. The employers acknowledge the need that training managers and employees is essential, with specific modules on hybrid work and IT security in a rapidly evolving digitalisation of the world of work. They seek to integrate flexibility further while being aware of the need to maintain effective performance, productivity, and cohesion within their teams.⁴⁷

2.3 Measure 2

Pilots on implementation of the four days working week in the public administration⁴⁸

⁴⁶ Ibid, p. 7

⁴⁷ Ibid, p. 8.

⁴⁸ This section is partly based on: Interview 2 with trade union representative 2, Trade Union Interco.CFDT, carried out on 30.08.2024, online format.

In France, in the private sector a few companies, such as the computer retailer LDLC (one of the first French private companies to adopt a four-day work week for all staff in 2021), are implementing the four days working week for their employees. After the expansion of remote work in the wake of the COVID-19 pandemic, the idea of reducing not working time (regular weekly working time is 35 hours in France already) but rather the number of days over which it is performed is gaining ground in France. The public sector has also started implementing this model. In this section we pay attention to several examples of that trend focusing on the public sector pilots implemented.

One of the first tests of the four-day work week for public employees has taken place in the Metropole of Lyon. Since September 2023, the Metropole of Lyon in France is applying (for a one-year trial period) an initiative of reducing the weekly working time of public employees. Participation in the pilot on a voluntary basis was offered to around half of the employees of this local administration (5 500 of the 9 600 agents), according to the public information provided by the Metropole. However, as indicated by the representative of the CFDT representative interviewed, only around 300 agents of the Metropole have joined the experiment.⁴⁹ The initiative foresaw a four-day or four and a half day working week without salary reduction. The three alternatives to the traditional five-day week foreseen by the pilot were: working four days a week, or four and a half, or alternating weekly between four and five days. The idea was to ensure that all full-time staff continue to perform work weekly for the 35 hours standard rule in France, while giving them more flexibility on the organization of the working time during the week.⁵⁰

⁴⁹ Interview 2 with trade union representative 2, Trade Union Interco.CFDT, carried out on 30.08.2024, online format.

⁵⁰ See, Phelan J., [French city of Lyon tests out four-day work week for public employees \(rfi.fr\)](https://rfi.fr/en/france/lyon-tests-four-day-work-week-public-employees), 10/09/2023, RFI.FR.

The measure is designed as a flexible working arrangement. The main goals of this initiative were reducing absenteeism, facilitating conciliation of working and family life, and narrowing the gender gap. The scheme was introduced partly to benefit working mothers, who often take part-time positions in order to manage childcare, which had a negative impact on their income.⁵¹ According to the estimates of the human resources department of this local administration, the option of a four-day week could enable some 900 female staff to return to full-time work and full-time pay.

There was one relevant condition for the participant employees who went down to four days. They earned fewer rest days under the RTT scheme, which compensated workers with paid time-off in exchange for overtime.

Another example of the reduction of weekly working day has taken place in the region of Picardy, where employees of an URSSAF fund (the regional organization in charge of collecting social security contributions) were offered the option of the four days working week since March 2024.

On February 2024, the French Prime Minister Gabriel Attal announced that, from spring 2024 onwards, several Ministries will apply a pilot of four-day week for their employees. This pilot (of a year duration) aims to assess the impact of this modulation of working time, particularly with regard to the conciliation between professional and private life. A first assessment of the implementation of this model is planned for the summer of 2025 and it will be used to prepare for the “perpetuation or extension” of the experiment.

The General Directorate of Administration and Civil Service (DGAFP) explained in a note published on March 2024⁵² that the pilot will be implemented without reducing the legal working time of 1,607 hours per

⁵¹ See: Schittly, R., published on 11 May 2023, Le Monde, [La métropole de Lyon va tester la semaine de quatre jours pour ses agents \(lemonde.fr\)](https://www.lemonde.fr/lyon/article/2023/05/11/la-metropole-de-lyon-va-tester-la-semaine-de-quatre-jours-pour-ses-agents_1811111_1881.html)

⁵² Direction générale de l'administration et de la fonction publique (DGAFP), 'Note sur la mise en place de cette expérimentation dans la fonction publique de l'État', of 22 March 2024.

year. The experiment will take place both in Paris and in the "decentralized" departments of the ministries (outside the capital) of the 'Fonction Public Etat'. The DGAFP finalized the list of services ready to test the modulation of working time in May 2024 and is planning to launch the first experiments immediately. The modulation of working time will begin "no later than September 2024 for a period of at least one year," according to the note of the DGAFP.

In addition to the four-day week, administrations will be able to test the four-and-a-half-day week or the alternation of four- and five-day weeks. The experiment will be deployed on a voluntary basis, but civil servants who have regulatory service obligations, such as teachers, or time cycles different from the traditional five-day week, will be excluded.

The objective of this pilot is to assess how the system would allow a large number of public employees and civil servants, and in particular those who do not have access to teleworking, to benefit from a reduction in the number of days worked with on-site presence. In public services welcoming users, the opening hours will not be reduced but can conversely be extended due to the presence of agents over a wider daily (hourly) range, according to the information provided by the DGAFP.

Main trade unions present in the public sector, in particular the CFDT and the CGT⁵³, have expressed their reluctance to the new pilots to be implemented at the Ministries. Some of the critical issues noted by the unions are summarized below⁵⁴:

⁵³ Interview 2 with trade union representative 2, Trade Union Interco.CFDT, conducted on 30.08.2024, online format.

⁵⁴ See CFDT reaction to the DGAFP's note, 'Expérimentation de la semaine en 4 jours en administration centrale', 3 April 2024, at https://finances.cfdt.fr/portail/finance/centrales-ecoles/actualite/experimentation-de-la-semaine-en-4-jours-en-administration-centrale-srv2_1355272



The articulation with telework remains to be defined. For the CFDT, the experiments of the 4-day week must not lead to excluding telework for agents in the civil service.⁵⁵

In order to allow for the conciliation of the four-day week with a time range not exceeding ten hours, the DGAFP note provides that "provisions may be considered such as the reduction of the number of RTT days at a fixed rate, at a level to be defined". The trade union representative of the CFDT interviewed considers highly problematic that the new working model will lead to a reduction in RTT (accumulated rest days).⁵⁶

In central administration, the CFDT indicated to the General Secretariat that it has very reservations about this method of organizing work, already tested in particular at the Caisse des Dépôts et Consignations, without much success. As mentioned by the trade union representative of Interco.CFDT (Interview 2): without a reduction in working time, a four-day week leads to an intensification of work. That shorter working time is being set at almost 9 hours (to which commuting time needs to be added) and commuting times are often not insignificant in Ile-de-France and in the Metropole of Lyon (regions where the pilots are first implemented).

The trade union representative 2 also expresses concerns regarding the potential impact of long working days on the employees' health and on the managerial support for the employees included. In particular, attention needs to be paid to the respect of the due resting time. The representative of CFDT considers that, according to the legal services of the union, the current system applied in the context of the four-day work week pilot might lead to a reduction of rest periods and constitute a

⁵⁵ Interview 2 with trade union representative 2, Trade Union Interco.CFDT, conducted on 30.08.2024, online format.

⁵⁶ Ibid.



breach of French legislation and of the EU Directive 2003/88/EC on Working Time.⁵⁷

The CFDT recalled in its reaction to the DGAFP's note that these experiments must be the subject of social dialogue before they are implemented, within the framework of the consultation bodies, and should not only be the subject of an a posteriori assessment. The representative of CFDT (interviewee 2) explained that she is the person in charge of following the dossiers dealing with the reduction of the working week of civil servants for that trade union.

The abovementioned pilots have been presented by the French administration as likely to improve the quality of life at work. However, according to the CFDT, the fact that flexible working time can, in some cases, facilitate the conciliation of working and private life must not overshadow the need of any working time reduction policy to respect the applicable legislation regarding prevention of health and safety at work and working time (rest periods). According to the CFDT interviewee, the current design of the pilots does not seem to prevent health and safety risks related to the intensification of work.⁵⁸

3 IMPACT OF THE MEASURES

Regarding the general impact of the legislation on the reduction of working time in France, the 2014 report by the Commission d'Enquete of the Assemble Nationale examined the effects of the French legislation reducing working hours. It spurred significant reorganization of work groups and increased negotiations at all levels, fostering dialogue on work

⁵⁷ Interview 2 with trade union representative 2, Trade Union Interco.CFDT, online, 30.08.2024.

⁵⁸ Ibid.

organization and time management.⁵⁹ The laws created around 300,000 jobs and shifted social relations, encouraging dialogue on previously taboo topics. The 35-hour week increased flexibility for some workers, with 57% experiencing more variable schedules yet maintaining predictability.⁶⁰ This shift in flexibility highlights the importance of understanding how reduced work hours can affect not only working conditions but also leisure time.⁶¹ In any case, economists consider that this extra hiring/creation of jobs (estimated at around 300,000 jobs by the statistics service of the French Ministry of Labour) is mainly attributed to the drop in contributions that accompanied the reduction in working hours.⁶² Some experts have noted that the creation of new jobs was partly due to a favourable economic situation.⁶³

However, the impact of the 35-hour rule on the working hours of most workers was uneven. Very small firms were exempted from this workweek policy, and the proportion of workers exceeding the European 48-hour limit for weekly working hours continuously increased.⁶⁴ Various sectors such as healthcare, retail and many more were affected by the policy. Adaptation to the new regulations was complex and diverse workforce compositions had encountered challenges while maintaining operational efficiency. The annual calculation of hours and flexibility in the organisation of work had different effects at the two extremes of the working population. Managers and the liberal professions continued to

⁵⁹ Assemble Nationale, *Emploi, économie, modes de vie : réalités de la RTT* (No. 2436, 2014) p. 88

⁶⁰ Lehdorff S, 'It's a Long Way from Norms to Normality' (2014) 67 ILR Review 838 <<https://www.jstor.org/stable/24369628>> accessed 18 May 2024 p. 21

⁶¹ Lehdorff S, 'It's a Long Way from Norms to Normality' (2014) 67 ILR Review 838 <<https://www.jstor.org/stable/24369628>> accessed 18 May 2024 p. 16

⁶² Solana Gázquez, D. J., 'Jornada laboral: la evolución en Francia', *Actualidad Social Internacional*, Ministerio de Trabajo y Economía Social, N. 264 (2024), p. 5-10, op. cit.

⁶³ Dufour, C., 'Reduction of working time in France: a lone knight', in *Collective bargaining on working time: recent European experiences*, Keune M. and Galgóczi B. Eds., ETUI-REHS, Brussels, (2006), p. 99.

⁶⁴ Lehdorff S, 'It's a Long Way from Norms to Normality' (2014) 67 ILR Review 838 <<https://www.jstor.org/stable/24369628>> accessed 18 May 2024 p. 21

work much longer hours and transformed the 35-hour workday into 10 extra days of holiday, a tangible improvement. At the other extreme, in less qualified positions or without managerial responsibilities, the effects were less tangible.⁶⁵ In general terms, some experts estimates that the greater flexibility of working time in exchange for pay moderation has been broadly endorsed by the French society.⁶⁶

The available studies seem to agree that legislation establishing a reduction in the maximum weekly working time, in general terms, improved the quality of the reconciliation of family and work life.⁶⁷ However, in terms of impact on productivity: If we look at French labour productivity between 1975 and 2022, we cannot conclude that there was any impact in any sense of the reduction in the weekly working day in France.⁶⁸

An important factor in evaluating the impact of interventions on working time regulation is the gender factor. This is also required by the provision on the principle of gender mainstreaming included in Article 8 of the Treaty on the Functioning of the EU. While a measure such as the 35-hour norm can have a potential positive impact on women' employment as it facilitates the conciliation of working and family life, other measures such as the 2014 reform establishing a minimum legal working time of 24 hours per week for newly created jobs⁶⁹ (with some exceptions), might have had a negative impact on women's employment. Despite the fact that this measure was seen by policy makers as a way to increase hours worked by

⁶⁵ Solana Gázquez, D. J., 'Jornada laboral: la evolución en Francia', *Actualidad Social Internacional*, Ministerio de Trabajo y Economía Social, N. 264 (2024), p. 5-10, op. cit.

⁶⁶ Dufour, C., 'Reduction of working time in France: a lone knight', in *Collective bargaining on working time: recent European experiences*, Keune M. and Galgóczi B. Eds., ETUI-REHS (2006), p. 105.

⁶⁷ Solana Gázquez, D. J., 'Jornada laboral: la evolución en Francia', *Actualidad Social Internacional*, Ministerio de Trabajo y Economía Social, N. 264 (2024), p. 5-10, op. cit.

⁶⁸ Ibid.

⁶⁹ The 24h-rule was part of a package of labour market reforms: *Loi S'écurisation de l'Emploi*, 2013, <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000027546648/>



women and hence to reduce the gender gap in earnings, a study published in 2022, provides evidence on how the labour market adjust to such a restriction on low-hour jobs and can affect women's employment. The reform introducing a minimum workweek of 24 hours in France in 2014, affected 15% of jobs. According to the findings of the study, the law had a stronger negative impact on women, with the number of women employed decreasing by 1.26% after its introduction. Women were more affected by the minimum workweek's with a direct negative impact and benefited less from reallocation, leading to an increase in gender inequality.⁷⁰ While the welfare of unemployed workers increased, it remained lower than that of employed individuals. The average welfare of women decreased by 0,2%, contributing to a widening gender gap in average welfare.⁷¹

It is important to note that the Aubry laws were experimental in nature, allowing for lessons learned from the initial phase of working time reduction to inform the development of subsequent laws. The phased implementation of the laws, with different deadlines for larger and smaller firms created a natural variation in treatment. As well as that the laws were designed to test the hypothesis that reducing workings hours would increase employment, by setting specific targets and observing outcomes. The government closely monitored and documented the implementation and outcomes, allowing researchers to evaluate the impact of the laws.⁷²

⁷⁰ Carry, P., The Effects of the Legal Minimum Working Time on Workers, Firms and the Labor Market (2022) ≤ https://drive.google.com/file/d/1xz-MerkI1pnNxaCWmJ_XfkjSo8YubQj0/view?pli=1 accessed 18 May 2024

⁷¹ Carry, P. The Effects of the Legal Minimum Working Time on Workers, Firms and the Labor Market (2022) ≤ https://drive.google.com/file/d/1xz-MerkI1pnNxaCWmJ_XfkjSo8YubQj0/view?pli=1 accessed 18 May 2024, op. cit.

⁷² Meheru, A., Added Worker Effect Revisited: The 'Aubry's Law' in France as a Natural Experiment (2016) Vol. 8 Review of European Studies.

3.1 Impact measure 1:

The 'SUPERmanagement' project provides valuable documentary resources on teleworking and hybrid work, and recommendations on how to deal with innovative working arrangements for future company agreements. This measure has made available to any company's collective. The project studied includes the specificities of SMEs, and recommendations integrating the specific issues of management and working conditions. The provided recommendations regarding telework, hybrid work, and the effective application in practice of the right to disconnect are put into perspective with the subject of working conditions, health and the new demands for meaning at work that everyone is now asking for at company level, especially after the COVID-19 post-pandemic period.

The interviewee 1 for this measure highlighted that the pandemic has had a strong impact in the demand of telework and hybrid work arrangements and that the recommendations provided by the study are useful to provide answers to the desire for more flexible telework arrangements demanded by employees (who often consider teleworking as an acquired right) and the demands to return to the office by some employers. The recommendation tries to reconcile the growing demands for remote work with the needs of enhancing productivity, creativity, team-work and respect of diversity and singularity of the workforce.

3.2 Impact measure 2:

The pilots on the four-day week in the Metropole of Lyon and in the Departments of Ministries in the Paris region could be expanded after the first one-year trial period if they prove successful. Concerning the first joint assessment of the measures by the administration and the representative unions, in the case of the Metropole of Lyon, the conclusions of the '*bilan*' are ready. The representative of the CFDT interviewed considered that the results of the pilot are not sufficiently satisfactory from the union's point of view. In particular, concerns about the elimination of several RTT days for

the participants in the pilot and the intensification of work were mentioned as major problems.⁷³ The joint assessment of the pilot implemented in the Ministries of the Paris region will take place in 2025, after the trial period has expired. Therefore, for that second case, it is too early to draw conclusions on the effective implementation and the impact of the measures on the health at work and work-life balance of the participating public employees in the Paris region.

Previously, other public bodies have offered this possibility of working four days on a smaller scale, including the national pension fund CNAV, but the uptake was limited in that case, with some employees fearing that working for longer hours four days a week could lead to an exhausting intensification of work.⁷⁴

Even when some company executives consider that this way of working is the future of work because it can reduce burnout, stress, sick days and turnover, without cutting on wages,⁷⁵ trade unions are more cautious with this kind of pilots, especially in the public sector. They argue that condensing the same number of hours into fewer days, like at the Metropole of Lyon, could be counterproductive and hazardous for the safety and health at work of the employees, as the prominent unions CGT and CFDT put it. Therefore, both unions are proposing a further reduction in working time to a 32-hours working week in combination with the four days working week scheme.⁷⁶

⁷³ Interview 2 with trade union representative 2, Trade Union Interco.CFDT, online, 30.08.2024.

⁷⁴ See Scheffer, N., 'Le secteur public expérimente timidement la semaine de quatre jours', published on 12 April 2023, Le Monde, [Le secteur public expérimente timidement la semaine de quatre jours \(lemonde.fr\)](https://www.lemonde.fr)

⁷⁵ See: [Semaine de quatre jours : « On travaille mieux, c'est l'avenir », assure le patron de LDLC \(sudouest.fr\)](https://www.sudouest.fr)

⁷⁶ See the position of CGT and their proposals: [Semaine des 4 jours : une fausse bonne idée ? | CGT and interview 2 with trade union representative 2, Trade Union Interco.CFDT, online, 30.08.2024.](https://www.interco-cfdt.fr)

4 GENERAL EVALUATION AND CONCLUSIONS

In exploring the best innovative and flexible working time arrangements within French legislation and workplaces, distinct patterns and regulatory frameworks emerge, shaped by cultural norms, legal provisions, industrial relations, and employee representation. France is anchored in the 35-hour workweek, supported by legal rights such as the right to disconnect and 'forfait jours'. This EU country has been pioneer in the commitment to balancing professional and personal lives, albeit through different mechanisms such as the 35-hour workweek and the explicit recognition of the right to disconnect.

The French legislation, notably the 35-hour workweek, establishes a robust structure for regulating working hours, overtime, and rest period. The 35-hour workweek created job opportunities, reduced work-related stress, and increased employee leisure time. Though, the law adaption process was complex, leading to operational challenges for diverse workforces. In addition, the policy had a stronger negative effect on women, resulting in a 1,26% decrease in female employment.

Regarding working time arrangements France could be qualified as a "cooperative model" which promote engagement in tripartite dialogue but places greater emphasis on sectoral agreements and the role of works council and trade unions in shaping working time arrangements. Collective bargaining plays a crucial role in shaping working time regulation. In France, collective bargaining modifies and complements statutory working time regulations, facilitating company-level agreements that address the unique requirements of individual workplaces. However, this is not the case for the civil servants (*Fonction Publique*) in France, as pointed out by interviewee 2.⁷⁷

⁷⁷ Interview 2 with trade union representative 2, Trade Union Interco.CFDT, online, 30.08.2024.

In summary, France exemplifies an innovative approach to flexible working time arrangements through distinct yet effective approaches. The legal framework and the collective bargaining system aim to ensure that working time policies are responsive to the needs of employees and employers. The impact of these legal provisions underscores the importance of flexible and well-regulated working time arrangements in fostering healthy, satisfied, and productive workforces.

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CASE STUDY. THE NETHERLANDS

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Ramos Martín N.

1 HOW THE CASE STUDY EMERGED

The aftermath of the COVID-19 pandemic, combined with the ongoing process of digitalization, the impact of an ageing labour force, and the imperative to address climate change, will collectively reshape the way modern workplaces are structured.¹ These pressing concerns compel employers to adapt, creating work environments that not only attract employees but also sustain productivity. Moreover, the Netherlands faces a significant challenge in labour supply, with projected near-zero growth between 2026 and 2040.² To address these challenges, it is crucial for relevant stakeholders—including the government, trade unions, employers, and employees—to engage in negotiations and develop innovative working time measures.

This has led to a proliferation of flexible working time arrangements in many European countries. In the Netherlands in particular, there are several companies that have already implemented the four-day workweek or are experimenting with it, such as Achmea (insurance), Luscii (home monitoring for hospitals), Loyals (marketing), Donker Groen (gardening) and more recently the software company Afas which has implemented the four-day workweek since June 2024 while maintaining

¹ Jaumotte, F., 'Digitalization during the COVID-19 Crisis: Implications for Productivity and Labor Markets in Advanced Economies' (IMF, 2023) IMF Staff Discussion Notes No. 2023/003 Paper, <<https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2023/03/13/DigitalizationDuring-the-COVID-19-Crisis-Implications-for-Productivity-and-Labor-Markets-529852>> accessed 20 April 2024 p. 19.

² De Nederlandsche Bank, 'Tight labour market calls for broad public debate' (DNB, 2023) <<https://www.dnb.nl/en/current-economic-issues/labour-market/>> [accessed: 20 April 2024]

the same salary for its employees.³ In addition, in the public sector many government agencies often work with four-day workweeks.

This case study examines the implementation of two working time measures in the Netherlands: the four-day workweek under Article 6.5 of the Construction & Infrastructure Collective Labour Agreement and the 30-hour Workweek proposed by CNV. Utilizing a mixed-methodological approach, including doctrinal and empirical research methods, the study combines desk research and qualitative interviews with a policy advisor, a member of the works council, a director in a trade union, and an employer in the construction sector.

2 MEASURES ADOPTED IN MATTER OF WORKING TIME

2.1 Introduction

This Case study consists of research into the drivers, barriers, and consequences associated with one collective agreement in the construction sector, signed by FNV and a proposed working time reduction initiative, shaped by CNV of a 30-hour workweek instead of 40 hours. The majority of information for this research is collected by four interviews with professionals in the field of working time measures and Trade unions, including a Director of FNV, a former construction employee and employer, and policy advisors of FNV.

The first measure, outlined in the Construction & Infrastructure Collective Labour Agreement, allows employees in the high-risk construction profession aged 55 and older to request a transition to a four-

³ Houtman, J. J., 'Vrije dag bij winstmachine Afas 'wordt geen gemeengoed' in bedrijfsleven', published in het FD on 12 June 2024.

day workweek.⁴ This arrangement, detailed in Article 6.5 of the agreement, aims to accommodate the needs of senior workers while maintaining productivity and safety standards.⁵ To work four days a week, workers in the sector can use paid leave days, such as vacation days or holidays, or combine buying a certain number of leave days.⁶ The accumulation of the workers' pension, vacation days, and additional annual days off, remains the same as that of a five-day workweek.⁷

The second measure is a proposal of the CNV to implement a nationwide reduction in the standard full-time workweek of 30 hours instead of 40 hours for all workers, without having an impact on pay.⁸ This initiative seeks to optimize work-life balance, enhance productivity, and mitigate burnout risks across the workforce.⁹ Furthermore, this proposal focuses on addressing pressing societal challenges and improving the well-being of a significant portion of the workforce. According to CNV, 1.4 million workers are close to burnout or facing significant stress due to various factors such as combining paid work with demanding caregiving responsibilities.¹⁰

By providing detailed research into the drivers, barriers, and consequences of two working time measures in the Netherlands, the case study aims to provide a clear overview of the effectiveness of such

⁴ CAO, 'Bouw en Infra CAO' (FNV, 2024) < <https://www.fnv.nl/getmedia/0477f2bb-04f6-4a98-b3cb-6e5f85d736fe/488-bouw-en-infra-cao-2024-interactiefv29022024.pdf?ext=.pdf&dtime=202404050739/47> > accessed 18 April 2024 page 60

⁵ Ibid

⁶ FNV, 'Vierdaagse werkweek 55-plus' (FNV, 2018) < <https://www.fnv.nl/getmedia/c7e13eb9-135b-43e2-a908-be92db3367c8/vitaal-doorwerken-in-de-bouw-infra-nov-2018.pdf> > [accessed: 9 June 2024].

⁷ Ibid

⁸ CNV, '30-urige werkweek' (CNV, 2019) < <https://www.cnv.nl/nieuws/30-urige-werkweek/> > [accessed: 18 April 2024]

⁹ Ibid

¹⁰ Ibid

measures. In addition, this study directly aligns with the objectives of the INNOVAWORKING project, which seeks to explore new and flexible ways of organizing work hours to adapt to changing societal and economic realities.

2.2 Measure 1: FNV's Four-Day Workweek Measure under Article 6.5 of the Construction & Infrastructure Collective Labour Agreement

Drivers behind FNV's Four-Day Workweek Measure

The three drivers behind the implementation of the four-day workweek under Article 6.5 of the Construction & Infrastructure Collective Labour Agreement which was settled on 13 December 2023 and valid for the period between January 1st 2024 and December 31st 2024, were rooted in longstanding agreements between FNV and employers.¹¹

Most workers in the construction sector begin working at age sixteen and there is just a small minority who make it to their retirement without physical complications.¹² This early start means that by the time these workers are approaching retirement, currently 67 years,¹³ they have spent several decades engaged in physically demanding labor. According to an interview with a professional who has decades of practical experience in the Dutch construction sector, it is clear that the physical toll of construction work is very significant due to constant lifting, pushing/pulling, kneeling/crawling, bending, carrying, turning, and the repetitive nature of the work.¹⁴ Only a small minority of these workers manage to reach retirement age without experiencing serious physical complications. The

¹¹ Interview 1 with trade Union FNV, Director of the Construction Sector. (Utrecht, The Netherlands, 25 April, 2024)

¹² Interview 3 interviewee has worked 35 years as an employee and employer in the construction sector. (The Hague, The Netherlands, 17 May, 2024)

¹³ Rijksoverheid, 'AOW-Leeftijd 2024-2029' (2021) <<https://www.rijksoverheid.nl/onderwerpen/algemene-ouderdomswet-aow/aow-leeftijd-2024-2029>> [accessed: 9 June 2024].

¹⁴ Ibid

long hours, repetitive tasks, and often hazardous conditions contribute to a high incidence of work-related injuries and chronic health issues.¹⁵

Another driver for working time measures for workers in construction is the aftermath of the Early Retirement Scheme (VUT) in the Netherlands. The VUT was particularly popular between 1975 and 2005.¹⁶ The VUT allowed employees to retire early by providing an income from the time they stopped working until they reached the age for state pension (AOW) and additional pension benefits. The benefits under the VUT were funded by contributions from employers and/or employees who were still in the workforce. However, the VUT only benefited those who left their jobs at the designated age and not those who left earlier or continued working beyond that age.

The transition away from the VUT towards more flexible early retirement schemes underscored the need for adaptable and financially sustainable retirement options. This historical context serves as a driver for the introduction of the four-day workweek measure for older construction workers. The four-day workweek, like the early retirement schemes, provides a way to reduce the workload for older employees while maintaining financial and pension stability, thus addressing both the well-being of the workers and the economic challenges posed by an ageing workforce.¹⁷

Barriers to implementation of FNV's Four-Day Workweek

¹⁵ Inspectie Ministerie van Sociale Zaken en Werkgelegenheid 'Fysieke belasting in de bouw Veilig en gezond werken' (2015) < https://www.arbowetweter.nl/system/files/veilig-werken-in-de-bouw-fysieke-belasting_2012_tcm335-330126.pdf> [accessed: 9 June 2024].

¹⁶ Interview 3, interviewee has worked 35 years as an employee and employer in the construction sector. (The Hague, The Netherlands, 17 May, 2024)

¹⁷ Interview 3, interviewee has worked 35 years as an employee and employer in the construction sector. (The Hague, The Netherlands, 17 May 2024)

FNV faced two concerns after the implementation of this initiative. Firstly, one challenge was the difficulty in accurately assessing the level of participation among workers in this alternative work arrangement. The absence of a formal reporting mechanism from employers to the FNV complicated the tracking process, as employers handle such arrangements directly with tax authorities, bypassing the involvement of the FNV.¹⁸ This lack of visibility into the utilization of the four-day workweek made it challenging for FNV to assess its effectiveness and potentially adjust the agreement.¹⁹

Furthermore, an unexpected barrier arose from the fact that there is an informal practice within the construction sector, workers often coordinate their commutes to job sites, travelling together for convenience and cost-efficiency.²⁰ In addition, construction sites are often location-specific for a long time. Introducing staggered days off, such as Wednesdays or Fridays, disrupted this established pattern of collective travel and caused logistical issues for employers. However, the sector demonstrated flexibility in resolving this issue. By predominantly scheduling Fridays as the day off for workers aged 55 and older utilizing the measure, the sector ensured that the communal travel arrangements remained largely unaffected throughout the beginning of the week.²¹

2.3 Measure 2: CNV's 30-Hour Workweek Initiative: Redefining Work-Life Balance

Drivers behind CNV's 30-Hour Workweek proposal

¹⁸ Interview 1 with trade union FNV, Director of the Construction Sector. (Utrecht, The Netherlands, 25 April, 2024)

¹⁹ Interview 1 with trade union FNV, Director of the Construction Sector. (Utrecht, The Netherlands, 25 April, 2024)

²⁰ Interview 1 with trade union FNV, Director of the Construction Sector. (Utrecht, The Netherlands, 25 April, 2024)

²¹ Interview 3 interviewee has worked 35 years as an employee and employer in the construction sector. (The Hague, The Netherlands, 17 May, 2024)

The proposal of CNV, published on 14 December 2019, is to implement a reduction in the standard full-time workweek from 40 hours of work to 30 hours, for all employees in the Netherlands, without impacting income.²² This initiative is intended to optimize work-life balance, enhance productivity, and mitigate burnout risks across the workforce.²³ Furthermore, this proposal focuses on addressing pressing societal challenges and improving the well-being of a significant portion of the workforce.²⁴ The ageing population in the Netherlands has created a gap in the workforce, particularly in senior positions. By reducing the standard workweek, the proposal seeks to create more opportunities for young people to enter the workforce and progress into higher roles more quickly.²⁵ Various sectors are experiencing high turnover rates due to irregular schedules, limited employee input in scheduling, and overall dissatisfaction with current work conditions. The 30-hour workweek aims to make job roles more appealing and manageable, thus driving employee retention.²⁶

The main driver behind the proposal is that the current norm for full-time work leads to gender inequality.²⁷ Women take on more caregiving responsibilities, which limits their availability for full-time jobs. In contrast, men typically have more time for full-time work. By reducing the standard workweek, both men and women can share caregiving duties more

²² CNV, '30-urige werkweek' (CNV, 2019) < <https://www.cnv.nl/nieuws/30-urige-werkweek/> > [accessed: 18 April 2024].

²³ Ibid

²⁴ Ibid

²⁵ Interview 2 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024)

²⁶ Interview 2 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024)

²⁷ Minister Van Gennip, 'Kamerbrief over gendergelijkheid op de arbeidsmarkt' Ministerie van Sociale Zaken en Werkgelegenheid <[https://open.overheid.nl/documenten/ronl81faf0b369ece49dae1a6b122175f9996a3465fe/ pdf](https://open.overheid.nl/documenten/ronl81faf0b369ece49dae1a6b122175f9996a3465fe/pdf)> accessed 5 June 2024

equitably, promoting a more balanced division of labour.²⁸ Additionally, the Netherlands faces an urgent societal issue with labour market shortages, partly due to the high prevalence of part-time work. The government has initiated the "Meer Uren Werkt" (More Hours Work) project, allocating 30 million euros definitively and 45 million euros conditionally to remove barriers to working more hours in social environments, organizations, and among part-timers.²⁹ Nonetheless, CNV views this as insufficient and therefore advocates for a fundamental shift in the perception and structure of working time in the Netherlands.

Another driver of CNV's proposal is the concern for the health and safety of employees. The structural adjustment of the measure is designed to tackle several core issues. By allowing employees to work fewer hours without a reduction in pay, the proposal aims to improve overall work-life balance, reducing stress and burnout. The proposal is expected to make jobs more attractive, potentially increasing workforce participation rates, especially among those currently unable to commit to full-time hours due to caregiving or other responsibilities. The underlying assumption is that a well-rested and satisfied workforce will be more productive during their working hours, offsetting the reduction in hours worked. There are several examples of scientific proof that maintain an improvement in health after a reduction in working hours. For example, (Tamakoshi, 2014) indicates the adverse effects of long hours on cardiovascular diseases, psychological issues, and reduced sleep quality.³⁰ Furthermore, (Lorentzon, 2017) where

²⁸ Interview 2 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024)

²⁹ Interview 2 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024)

³⁰ Bannai, A., and Tamakoshi, A. 'The association between long working hours and health: a systematic review of epidemiological evidence' [2013] *Scandinavian Journal of work, environment and health* 2014;40(1):5-18.

nurses worked for six instead of eight hours a day, showed that sleep quality significantly improved due to the reduction in working hours.³¹

Barriers to implementation of CNV's 30-hour workweek proposal

The difficulty of rehiring or reallocating labour among employees is one of the obstacles to putting the 30-hour workweek measure into practice. Although everyone will work fewer hours, this proposal cannot be realistically implemented because there are many more young people than senior people, according to current demographic trends.³² This raises the possibility of a labour shortage, which could make it more difficult to execute the shortened workweek, particularly in sectors of the economy where there is currently a labour deficit.³³

Flexibility is essential across all sectors to address the unique challenges they face. For instance, sectors that rely heavily on continuous operations, such as healthcare and manufacturing, would need to develop specific strategies to maintain productivity while allowing for reduced working hours. Additionally, another significant barrier is the stance of the government. The Dutch political climate, which is unpredictable, adds complexity to achieving the proposed changes, as government support and legislative adjustments are crucial for the successful implementation of the 30-hour workweek.³⁴

Each sector addresses staffing issues by changing working or business hours in its way. For example, by hiring new staff, recruiting temporary

³¹ O. Pintelon, 'De echte analyse van het Zweedse experiment' [2017] *Samenleving en Politiek* 2017(2): 65-70.

³² Kremer, J., 'De oplossing voor langdurige krapte is minder arbeidsvraag' [2023] *ESB*, 108(4826).

³³ Interview 2 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024).

³⁴ Interview 4 Coordinating Policy Officer for Government Inspections at the Ministry of the Interior and Kingdom Relations and Member of the Works Council of FNV (The Hague, 7 June, 2024).

workers, reducing hourly staffing levels, and eliminating understaffing.³⁵ Each sector also addresses overtime compensation in its way. Overtime pay rates are under discussion, as are the hours that count as overtime. In some sectors, the employer's right to impose working hours is bought out with a high premium. In other sectors, the premium is lower, and employees have more say over their working hours.³⁶ In libraries, for instance, business hours were often being made more flexible, with some libraries starting to open on Sundays. The motivation behind this move was primarily to improve service, and it has received support from both employees and works for councils. Studies indicate that staffing needs are almost always met by the existing workforce.³⁷ Regular part-timers, for example, may temporarily increase their working hours, or additional temporary staff could be hired.³⁸

Barrier one to implementation of the proposal is the way current 80/90/100 arrangements are structured, such as the Collective Labor Agreement Hospitals 2023-2025 of the Dutch Association of Hospitals, which allows employees to work 80% of their hours while receiving 90% of their pay and maintain 100% of their pension contributions.³⁹ Lower-paid employees are experiencing difficulty with these agreements since they are only convenient to those who can afford salary reductions. This emphasises the necessity of more inclusive contracts with the government to guarantee that all industries have customised, adaptable work schedules that are affordable for every worker, irrespective of salary bracket.⁴⁰

³⁵ Tijdens, K. 'De 36-urige werkweek' [1996] Tijdschrift voor Arbeidsvraagstukken 1996-12 nr. 3.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Collectieve Arbeidsovereenkomst Ziekenhuizen 2023-2025.

⁴⁰ Interview 2 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024).

Barrier two is the possibility of an increase in work pressure due to increasing the unpredictability and flexibility of working hours. When employees are faced with fewer working hours, there can be pressure to complete the same amount of work in less time, which is the current situation for employees of the government that make use of the *Regeling Partiële Arbeidsparticipatie Senioren*⁴¹ (translated: Partial Work Participation Scheme for Seniors).⁴² When using the PAS arrangement, employees reduce the average weekly working hours by 15.8%, without affecting their working hours. Salary, like the working hours, reduces by 15.8%. For the portion that employees working hours are reduced, they are on 'PAS' leave and receive a PAS supplement. The PAS supplement is part of the monthly income.⁴³

This shift can result in a more intense work schedule, with a larger focus on productivity and efficiency. Employers could require employees to adjust their hours to accommodate peak periods or unexpected workloads, reducing the predictability of work schedules. This unpredictability can be particularly challenging for employees who rely on a stable and consistent schedule to manage their personal and family responsibilities.⁴⁴

The increased work pressure and unpredictability can also have adverse effects on employees' health and well-being. While a shorter workweek is theoretically designed to enhance work-life balance, the reality might be different if the work becomes more intense. Higher stress levels and irregular hours can lead to burnout, mental health issues, and physical

⁴¹ Interview 4 Coordinating Policy Officer for Government Inspections at the Ministry of the Interior and Kingdom Relations and Member of the Works Council of FNV (The Hague, 7 June, 2024).

⁴² Collectieve Arbeidsovereenkomst Rijk 2022-2024 Bijlage 20: Regeling Partiële Arbeidsparticipatie Senioren (PAS).

⁴³ Ibid.

⁴⁴ Interview 3 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024).

health problems, counteracting the intended benefits of reduced working hours.⁴⁵

It will take sector-specific solutions to make the 30-hour workweek a reality. For instance, in seasonal work, when employment is contingent upon the season, different approaches must be taken to account for the varying labour demand.⁴⁶ There's sometimes disagreement over how overtime would operate in a 30-hour workweek. It may be difficult to manage workloads and pay staff appropriately as a result of this uncertainty. One flexible option for shift work could be paid breaks; for example, working seven hours instead of nine, consisting of eight hours of labour and one hour of unpaid rest. Careful planning and negotiation would be necessary to make sure that this modification satisfies the demands of businesses and employees.⁴⁷

In summary, while the 30-hour workweek proposal by CNV presents a promising solution to various labour market challenges, several barriers must be addressed to ensure its success. These include the need for rehiring and redistributing work, making flexible and inclusive arrangements across different sectors, and securing government support. By addressing these barriers, the proposal could lead to a more balanced, productive, and satisfied workforce in the Netherlands.

⁴⁵ Piasna, A. 'Scheduled to work hard: The relationship between non-standard working hours and work intensity among European workers (2005-2015)' [2018] Human Resource Management Journal 28(1):167-181.

⁴⁶ Ibid.

⁴⁷ Ibid.

3 IMPACT OF THE MEASURES

3.1 Impact of FNV's measure

FNV is quite satisfied with the inclusion of this provision in the collective agreement (CAO) for this sector, particularly because it pertains to what is known as the 80/90/100 regulation.⁴⁸ This regulation allows employees in the construction sector to work at 80% capacity while receiving 90% of their salary and still accumulating 100% of their pension. This arrangement enables individuals to gradually reduce their workload in the years leading up to retirement without sacrificing their pension benefits. It's important to note that the specific percentages may vary depending on the specific sector, as seen in the Metal and Technology Collective Labour Agreement, which features a 60-80-100 provision.⁴⁹

One of the primary reasons for the success of this measure is the positive impact it has on the work-life balance of older employees. As workers age, the physical demands of construction work can become increasingly challenging. The four-day workweek provides them with a much-needed longer rest period, reducing physical strain and allowing more time for recovery. This arrangement not only enhances their overall well-being but also helps maintain productivity and there is a significant reduction in absence due to health issues in the sector.⁵⁰

The financial structure of the 80/90/100 regulation ensures that employees do not face a significant reduction in income or pension benefits, which might otherwise deter them from opting for reduced work

⁴⁸ Interview 1 trade union FNV, Director of the Construction Sector. (Utrecht, The Netherlands, 25 April, 2024).

⁴⁹ Collectieve Arbeidsovereenkomst Metaalbewerkingbedrijf Artikel 74 a. Generatiepact.

⁵⁰ Interview 1 trade union FNV, Director of the Construction Sector. (Utrecht, The Netherlands, 25 April, 2024).

hours. By securing 90% of their salary and full pension contributions, employees can enjoy more leisure time without financial worry, making this measure more attractive.

In addition to the immediate benefits for employees, the measure also reflects positively on employers and the industry as a whole. By supporting the health and satisfaction of their senior workforce, employers benefit from retaining experienced workers who might otherwise consider early retirement. This retention helps in maintaining a skilled labor force, which is important during a period when the workforce is ageing.

Furthermore, Employers mention the success is since there is a reduction in working days and not working hours per day. Reducing the hours of work per day results in difficulty in planning in terms of transportation and machine leasing. Furthermore, construction workers usually plan a job for a certain amount of days, weeks, or months, introducing a limit on working hours per day would put a significant burden on the sector in terms of scheduling.⁵¹

3.2 Impact of CNV's proposal

The positive consequences of implementing the 30-hour workweek proposal, according to CNV, are multifaceted and far-reaching. Previous research by CNV has shown that the 30-hour workweek enjoys significant support among the Dutch workforce. Nearly two out of three respondents believe that such a shorter workweek would enable them to reach retirement age in good health and reduce the incidence of burnout.⁵² This potential reduction in burnout is particularly critical given the recent doubling of people on the verge of burnout due to the COVID-19 crisis,

⁵¹ Interview 1 trade union FNV, Director of the Construction Sector. (Utrecht, The Netherlands, 25 April, 2024).

⁵² CNV, '30-urige werkweek' (CNV, 2019) < <https://www.cnv.nl/nieuws/30-urige-werkweek/> [accessed: 18 April 2024].

increasing from 11% to 21%. With hundreds of thousands of people struggling, a new balance in work-life dynamics would relieve a lot of the pressure on employees.

If the 30-hour workweek is implemented, it is expected to lead to a decrease in burnout rates, lower absenteeism, and an improved work-life balance. Nearly half of the respondents in CNV's study anticipate that they would be more productive and efficient with a shorter workweek. This is because a better work-life balance allows employees to recharge, resulting in greater focus and productivity during working hours. The reduction in stress and fatigue, coupled with more time for personal life, contributes to overall well-being, which in turn enhances job performance.

The current economic upswing post-COVID-19 makes it a logical moment to transition to a 30-hour workweek. CNV argues that this is the perfect opportunity to implement such changes during collective labor agreement negotiations in various sectors. CNV Chairman Piet Fortuin emphasizes that the government should lead by example by reducing the standard workweek. Such a move would not only set a precedent but also encourage private companies to follow suit.⁵³

Furthermore, a shorter workweek could help address gender imbalances in the workforce. By standardizing a 30-hour workweek, the proposal aims to provide a more equitable work structure, especially for those currently in part-time positions.⁵⁴ This change could facilitate a better balance between men and women in terms of caregiving responsibilities and professional engagement. Practical trials in companies have already shown positive outcomes, with employees reporting increased happiness, efficiency, and productivity. Iceland serves as a

⁵³ CNV, '30-urige werkweek' (CNV, 2019) < <https://www.cnv.nl/nieuws/30-urige-werkweek/> > [accessed: 18 April 2024].

⁵⁴ Interview 2 trade union FNV Policy Advisor Construction sector (online, 29 May, 2024).

leading example of the benefits of a shorter workweek, and CNV hopes that Dutch companies and the government will adopt similar practices.⁵⁵

While the 30-hour workweek proposal by CNV has numerous potential benefits, some negative consequences need to be considered. One major concern is the potential impact on the economy due to labor shortages. With employees working fewer hours, businesses might struggle to maintain productivity levels, especially in sectors already experiencing a shortage of skilled workers. This could lead to increased operational challenges and potentially slow economic growth. Additionally, while the proposal to cut back to 30 hours suggests that reduced burnout and absence would lower costs for society, these benefits might take a long time to materialize. In the short term, employers may face higher costs due to the need to hire additional staff or pay overtime to cover the reduced hours, which could drive them to increase prices for goods and services. This compensation effect might not be immediate, potentially leading to economic strain and higher living costs, which could offset some of the intended benefits of the reduced workweek.

4 GENERAL EVALUATION AND CONCLUSIONS

In conclusion, the two working time measures examined in this study highlight the need for innovative approaches to adapt to evolving labor market conditions in the Netherlands. The success of FNV's four-day workweek demonstrates the benefits of tailored solutions that address specific sectoral challenges, while CNV's ambitious proposal underscores the potential for systemic change to enhance overall workforce well-being. For these measures to be effective, ongoing collaboration among

⁵⁵ CNV, '30-urige werkweek' (CNV, 2019) < <https://www.cnv.nl/nieuws/30-urige-werkweek/> > [accessed: 18 April 2024].

stakeholders, flexible implementation strategies, and supportive policies are essential. By addressing the drivers and overcoming the barriers identified in this study, these initiatives can significantly contribute to creating sustainable and attractive work environments in the Netherlands, ultimately benefiting both employees and employers.

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CASE STUDY. FINLAND

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1 INTRODUCTION

Flexible working time arrangements are typically associated with higher-educated, professional and expert work, where employers accommodate their employees' wishes for autonomy concerning their work practices (Weideman and Hofmeyr, 2020; Davidescu et al., 2020). Employers also necessitate flexibility in the expert and manager work, for instance, working overtime in project work. Flexibility and flexible working arrangements, however, extend over the whole labour market (Brega, Besamusca and Yerkes, 2023). The Finnish case study focuses on "the other side" of the spectrum; examining how flexible working arrangements are designed and implemented in sectors, where employees traditionally have limited autonomy over their work practices, concerning both working time and place. Specifically, the Finnish case study focuses on two cases on two sectors, 1) retail/service/commerce and restaurant sector and 2) the public social and health care sector. In these sectors, the combination of flexible working arrangements and other working conditions may present different challenges and opportunities than in the high(er)-wage sectors where flexible working time is generally advert to. The perceptions around flexible working arrangements are also likely to differ as whether looking from employees or employers' perspective (Zucconi et al., 2024; RWA, 2024; OECD, 2017).

In Finland, the Act on Working Time (872/2019) regulates the maximum limits of working time and the minimum limits of rest periods. The clauses of the Working Time Act allow some degree of deviation from the regular working hours by Collective Agreements (CA) made by the employer or the national level employer organisation and the national level employee organisation. Working hours are a typical subject of CAs, and CAs also

include provisions on the possibility of local agreements specifically regarding working hours.

In addition to promoting flexibility in work arrangements, Finland has made efforts in creating pathways for reducing working time through legislative and policy frameworks. The Working Time Act (872/2019) allows for arrangements like annual working time systems, which average work hours over longer periods, enabling shorter workweeks or extended rest periods while maintaining overall productivity. Collective agreements often complement these provisions by permitting localized adjustments to working hours, particularly in response to employee needs such as caregiving or health considerations. Moreover, Finland has implemented policies like the 2022 Family Leave reform, which facilitates equitable sharing of parental leave, indirectly reducing working hours for caregivers during critical life stages. There is also a growing interest in exploring shorter workweeks to improve well-being (Kelly, 2020). However, interviews conducted for this study highlight that such reductions are often deemed infeasible in sectors like health and social care, low-wage service industries, and the restaurant and service sector. The nature of these industries, which rely heavily on hands-on, customer-facing roles and consistent service delivery, makes shorter working hours challenging to implement without jeopardizing operational efficiency or service quality (Ilsøe and Larsen, 2021). For example, in the restaurant sector, fluctuating customer demand necessitates adaptable staffing models that are incompatible with substantial reductions in working time. Similarly, in health care, staffing shortages further complicate the feasibility of reducing hours. Productivity concerns also play a significant role, as these sectors operate under tight margins and high demand.

The statutory maximum working hours in Finland are 8 hours daily and 40 hours weekly. Weekly working hours can also be organised to equalize to an average of 40 hours in a maximum of 52-week period without

exceeding the daily maximum of 8 working hours. In addition, in certain occupations, working hours can be averaged to a maximum of 120 hours over a period of three weeks or to a maximum of 80 hours over period of two weeks. (Working Time Act 872/2019 5 §). The average collectively agreed normal weekly working hours for full-time employees in Finland is 37,5 hours, which falls below the EU average of 38,1 hours (Eurofound 2023). In addition, when considering the average number of usual weekly working hours in main job for full-time employees, Finland has the shortest working hours in the EU with 37,9 hours, while the EU average is 39,8 hours. (Eurofound 2023).

In Finland, the weekly working hours are thus relatively moderate and typically determined through concerted negotiations. Issues concerning working life, including working time and place practices, are established in the two partite agreements between employer and employee organisations. These agreements are considered as a Nordic tradition or “innovation” (as referred to by two representatives of an employer organisation in the interviews for the Finnish case study), in addition to adhering to a long tradition of tripartite collaboration between the state and the social partners (employers and employees’ organisation) (Jonker-Hoffren 2019).

The ‘Nordic model’ of industrial relations in Finland is determined by the high level of organization of both employers and employees and their established role in the decision-making of labour markets (Kärriylä 2024). In recent years Finland has moved from national level agreements to sectoral and local level agreements in collective bargaining (Sippola & Bergholm 2023; Liukkunen 2024) and for now most of the agreements are made on the sectoral level between employer and employee organisations (Ahtainen 2024). On the local level, agreements are made between individual organised companies and trade unions (Ahtainen 2024). These agreements are vital for example in agreeing on telework

practices as the regulatory basis for working time offers only the basis for implementing flexible working place practices (cf. The Working Time Act, 13 §).

The coverage of collective agreements in Finland has remained high and in 2021, 88,8 per cent of all employees were covered by collective agreements (CAs). In the public sector, including the social and health care sector, CAs cover all employees. In the private sector 83,9 per cent of all employees were covered by CAs in 2021. In the trade sector 71,7 per cent of employees were covered by CAs and in the hotel and restaurant sector 83 per cent were covered by CAs in 2021. (Ahtiainen 2024) Trade union membership levels have been declining in Finland in recent years: in 2021, unionisation degree was 54,7 per cent compared to the 60,2 per cent in 2017. In contrast to the overall decline of union memberships, in public services the level has risen 3,9 percentage points from 72,8 to 76,7 per cent in 2021. The private service sector on the other hand has the lowest rate of union organised members, 41,6 per cent. (Ahtiainen 2023)

In this case study, we define flexibility in two ways: employer-driven and employee-driven flexibility. The latter refers to the employee's ability to schedule and allocate work autonomously, while the former refers to the employer's ability to utilize the workforce according to demand. The two sectors we are examining are characteristically "high" on employer flexibility but "low" on employee flexibility industries. Against this background, this case study explores the complexities of both reducing and extending working time and innovating with flexible working arrangements within these sectors.

2 HOW THE CASE STUDY EMERGED

Work-time flexibility has emerged as a defining feature of Finland's labour market over the past decade, becoming a crucial element of

employment policy (Böckerman et al., 2017). This shift has allowed many employees to better manage their work-life balance as flexible working arrangements have expanded across various sectors. The amendments to Finland's Working Hours Act in 2019, which further expanded options for flexible schedules and remote work, underscore this shift (Hanni, 2019). By enabling employees to adjust their working hours or locations, the legislation has empowered the Finnish workforce to tailor their schedules to align with both personal and professional needs. This focus on flexibility mirrors global trends toward more adaptable work practices, particularly as many countries, including Finland, move away from rigid, traditional models of work (Böckerman et al., 2017).

The COVID-19 pandemic further highlighted the critical role of flexible working arrangements. As global labour markets faced unprecedented disruptions, many sectors struggled to adapt to the new realities brought on by the crisis (ILO, 2022). In Finland too, the pandemic caused significant disruptions to the economy, causing businesses to adapt rapidly to health and safety concerns (Zucconi et al., 2024). While certain industries, such as retail, experienced an unprecedented surge in consumer demand, others, especially in the public and healthcare sectors, were burdened with increasing workloads and labour shortages. This led to a push for greater need of flexibility in managing work schedules. In response, Finland's social partners, including employers and trade unions, put forward proposals aimed at easing labour market constraints and supporting both employers and employees during the crisis (Akava, 2020; Strigen et al., 2023).

However, the design and impact of flexible working arrangements varies significantly across different sectors, particularly between low-wage and public service sectors (Nordic Council of Ministers, 2019). For example, in low-wage sectors, flexibility often reflects the need to adapt to fluctuating consumer demand, with practices such as on-demand scheduling

optimizing operational efficiency. On the other hand, in public service sectors, flexibility is often shaped by the need for workforce stability with the continuous provision of services. Further, these sectors also face distinct constraints, such as limited budgets and workforce shortages, which influence the extent and form of flexibility implemented reflecting the unique economic and institutional contexts of each sector. This case study emerged from the need to investigate these contrasting dynamics, examining how flexible working arrangements are designed and implemented in sectors where employees have limited control over their work practices. By focusing on the low-wage retail, service, and restaurant sectors alongside the public, social and healthcare sector, the study sheds light on the different challenges, opportunities, and tensions that arise. It explores how flexibility, though widely promoted, takes on different meanings depending on sector and whether it is driven by employer needs or employee preferences.

The service/retail/commerce and restaurant sector(s) are typically considered low-wage service sector work (Ilsøe 2016). In these sectors, flexible working time practices contrast sharply with traditional models of non-flexible working time structures, where Monday to Friday, 9 to 17 working times are adhered to. In these sectors, part-time work and unusual hours are common and are frequently combined with low wages (Ilsøe 2016). In Finland, wages are based on collectively agreed wages, instead of statutory minimum wages. The combination of low weekly working hours and the timing of the working hours, give a rise to theoretical basis for examining “the living hours” instead of “living wage” (Ilsøe 2016). Additionally, work in these sectors is closely tied to employer-set physical workplace, opening hours, and service weeks (evenings, weekends, public holidays). This makes the sectors particularly relevant for analysing employer-driven flexibility, regarding determining the conditions and forms of flexibility.

In contrast, the public social and health care sector in Finland differs from the service, retail, service and restaurant sector, by obtaining full-time employment as the standard form of work (Finnish Government, 2023). With Finland's statutory rights for public services and ageing population, the need for care workforce is high (Yle, 2021), and this, combined with serious labour shortages, restricts reducing working hours or employee-driven flexibility. As observed in the interviews for the Finnish case study, instead, there are increasing pressures to extend the working time. Furthermore, relatively low wages of the nursing staff and the employees in the social care in the social and health care sector may push employees to work more hours to raise their income, particularly if they reside in the southern Finnish cities where costs of living are higher than rest of the country. Maintaining wellbeing and work-life balance is central for the fair labour market and decent job quality in this sector, regarding the work pressure and the need to work overtime, shifts, nights, and weekends.

To explore the challenges, we first conducted an online survey with 18 employers' and employees' organisations and then carried out six semi-structured in-depth interviews with the representatives of these two sectors in (May-June) 2024. The Survey was sent to all potential employer and employee organisations. 18 organisations responded (See Appendix for details). The interviews were conducted online (via Teams) and at least two interviewees were always present per interview. The duration of the interviews was generally between 1-1,5 hours and the respondents signed the letters of informed consent prior to the interview, following the project agreements. The sample covered both public and private sector employment, characterized by limited autonomy in work practices.

The results provided new insights into the opportunities, challenges, and frictions within these sectors, often considered as low-waged labour market segments. The two case studies were designed to highlight how flexibility varies across sectors and how it may have different connotations

depending on whether the flexibility is either *employer-* or *employee-* driven, or combination of this. The findings synthesised in this reported shed light on the impact of flexibility on overall social sustainability and on flexible work at the sectors with potentially less flexibility on working time and place.

3 MEASURES ADOPTED IN MATTER OF WORKING TIME

3.1 Measure 1: RETAIL, SERVICE, AND RESTAURANT SECTOR

Although previous research and our findings from the interviews indicate that the retail, service, and restaurant sectors often involve less employee-driven flexibility, our case study sheds additional light on the evolving dynamics. This sector recognizes the importance of addressing employee needs and has sought solutions to increase employee-driven flexibility. Flexible working arrangements in this context have demonstrated both financial and non-financial benefits, which can strengthen employee autonomy, improve well-being, and enhance workload management. For instance, the introduction of flexible full-time job models has offered part-time workers opportunities to achieve financial stability by increasing their hours during peak periods. This aligns with employee preferences for higher earnings and provides operational benefits to employers in meeting fluctuating customer demand. Furthermore, working time equalization systems enable employees to balance peak and low-demand periods effectively, ensuring predictability and reducing stress.

Below we discuss flexible working models adopted in the sector, including flexible full-time job arrangements, working time equalization systems, and part-time work, all highlighting their role in adapting to fluctuating labour demands and improving work-life balance for employees. These systems, while beneficial, are often shaped by collective agreements and labour

market structures, which determine the extent of flexibility available to workers.

- **Flexible Full-Time Job Model**

In the retail sector, the traditional employment model has evolved significantly due to fluctuating customer demand and labour requirements. This dynamic environment has prompted the adoption of a Flexible Full-Time Job Model, which is increasingly viewed by employers and employees as a strategic solution to both unpredictable labour demand, but also to respond to the employees' financial needs.

Under this model, part-time employees can receive a salary comparable to that of full-time workers by agreeing to a flexible arrangement through mutual consent (Eurofound, 2020). Typically, employees are required to be available for additional 'flexi hours' beyond their scheduled shifts, ensuring that they work the equivalent of full-time hours while accommodating demand. In other words, as part of the retail sector's collective agreement, flexible full-time work allows employees working less than 37.5 hours to still earn full-time wages, provided they take on additional shifts to meet the required hours (Das, 2023). In some cases, shifts can be announced with a minimum of 24 hours' notice, offering both employers and employees greater flexibility. This approach responds to the growing demand for greater autonomy over working hours among employees, a trend that has gained momentum as workers seek a better work-life balance (Lehtinen, 2021) and economic stability. However, despite the advantages, the model has yet to be universally implemented across the sector.

Nevertheless, the flexibility granted to employees in terms of their working hours is often limited by the labour market structures. According to the neoclassical model of labour supply, workers should be able to freely choose the hours they work at the equilibrium wage (Rätzel, 2009).

However, in practice, workers are constrained to choose between predefined "bundles" of hours and wages (Pekkarinen and Tuomala, 2020). Therefore, while flexible models aim to empower workers, labour market conditions may delimit the extent to which this flexibility can truly be realized. Moreover, for this to be effective, agreements between employees and employers must clearly outline the conditions under which flexibility is granted. The Working Time Act, for instance, allows for up to four hours of flexible time daily, but deviations from this can be made through collective agreements (Työsuojelu.fi, 2021). To avoid misunderstandings, social partners also suggest that it is advisable for such arrangements to be documented either as separate agreements or as clauses within employment contracts (Ammattiliitto Pro, n.d.). Interviews for the Finnish case study suggest that employers in these sectors are increasingly viewing this model as a viable solution that reconciles their fluctuating operational requirements with the need to provide employees a consistent income stream.

- **Working Time Equalization Systems**

Working time equalization systems have become central to the flexibility strategies, employed in these sectors, where fluctuating demands require adaptable labour practices. These systems allow for the redistribution of working hours over predefined periods, ensuring that employees can work longer shifts during peak periods and receive compensatory time off when demand decreases. This flexibility not only caters to the operational needs of employers, but also aligns with the growing emphasis on work-life balance for employees (Isohanni & Karhonen, 2015).

According to Finnish labour regulations, the Working Time Act sets the maximum permissible regular working hours at 8 hours per day or 40 hours per week, with overtime defined as work exceeding these thresholds. However, the legislation permits the use of working time equalization systems, wherein work hours are averaged over an agreed period. For

example, if an equalization period spans three weeks, overtime would be calculated based on work exceeding 120 hours over that timeframe (PAM, 2023). As one respondent explained this more precisely:

“Using the working time equalization system, a single work shift can be a maximum of nine (locally agreed upon 10) hours and a weekly working time of a maximum of 48 hours; in addition, six working days can be ordered per week. The condition is that the working time equalizes to the agreed average working time within a maximum equalization period of 26 weeks and that the working week is an average of five days during the same period. Extending the equalization period to a maximum of 52 weeks can be agreed locally.”

This allows businesses to adapt working schedules to operational demands, while maintaining compliance with legal limits on working time.

The appeal of this system extends beyond operational efficiency. Interviews suggest that younger workers, in particular, value the predictability that working time equalization provides, as it allows them to *better anticipate their work schedules and plan personal activities* (corresponding to Ilsøe's “living hours”). The ability to take time off during quieter periods contributes to improved work-life balance and reduced stress, fostering a healthier working environment (Isohanni & Karhonen, 2015; also PAM, 2023). This decentralized approach to labour agreements reinforces the principle of flexicurity (European Commission, 2007), where flexibility in working arrangements ensures that both businesses and workers benefit from tailored work schedules without sacrificing stability. Local agreements further enhance the flexibility offered by equalization systems, enabling both parties to align working patterns with business needs and employee preferences.

In essence, working time equalization offer a structured, yet flexible approach to managing labour demands of the sector. By allowing for the variation of work hours across specified periods, these systems support both employer operational needs and employee well-being, making them a crucial tool in modern workforce management.

- **Part-Time Work and Autonomy**

Part-time work is not only common, but also fundamental phenomenon to the labour market in the retail, commerce, and restaurant sectors. The ILO Part-Time Work Convention, 1994 (No. 175) defines part-time employees as those whose regular hours are fewer than full-time workers. However, statistical definitions often set thresholds of fewer than 35 or 30 hours per week, depending on regional or sector-specific criteria. In Finland, full-time contracts in the retail sector typically involve 37.5 hours per week, with part-time work arrangements falling below this, often determined by individual agreements (Ropponen et al., 2022). The need for flexible work schedules is amplified by the fluctuating nature of customer flows, leading to approximately 45 percent of employees in these sectors working part-time, a trend mirrored across Europe, where part-time and temporary roles have become key drivers of workforce flexibility (European Commission, 2009).

In the Finnish retail and restaurant sectors, the unpredictability of customer demand necessitates a highly flexible workforce. Evening shifts, for example, make up a significant proportion of work schedules in these industries, especially restaurant sector, accounting for as much as 40–50% of all annual work shifts (Garde et al., 2019). This high demand for non-standard working hours underscores the essential role of part-time workers, whose availability during peak periods is critical to maintaining business operations. However, as Lindholm (2025) found in her study of restaurant employees, the reciprocal nature of flexibility is often crucial to worker satisfaction. Employees are more likely to remain committed when they

perceive that their employers are accommodating their scheduling needs. Flexibility, in this sense, becomes a two-way street, benefitting both the employer and employee.

This rise in part-time work as a commonly occurring feature has emerged alongside broader changes in labour markets, where full-time, open-ended contracts are gradually giving way to more flexible and atypical forms of employment (Schoukens and Barrio, 2017). This shift allows firms to adapt more swiftly to volatile market conditions and changing consumer demands, particularly in retail and restaurants sectors, where staffing needs can vary significantly across the day and week (Jany-Catrice & Lehndorff, 2005). Interviews for the Finnish case study also suggest that many bigger firms, in particular, have adopted lean labour scheduling strategies, where the number of staff scheduled is closely aligned with fluctuating sales and customer volumes. In this context, part-time work has become central to managing labour costs, as businesses can adjust their staffing levels with greater precision (Price, 2004).

Beyond the operational benefits for employers, an important element of part-time work in these sectors is working time autonomy practices i.e., the ability of employees to exert control over their work schedules (Beckmann, 2016). The idea of autonomy is not merely a matter of scheduling convenience; it touches on deeper concepts of job quality, well-being, and employee agency. Studies (Zychová, et. Al, 2023; Reinardy, 2014) suggest that the quality of work is fundamentally linked to the autonomy, workers have, in shaping their work schedules while also fostering well-being, trust and motivation among the workforce (Appelbaum, 2000; Gallie, 2008; Bauer, 2004). Such arrangements can further help mitigate the pressures arising from competing demands at work and home (Chung, 2022; 2011). This is especially true for those who voluntarily choose part-time work for personal reasons, such as childcare or health concerns, for

whom job quality often matches that of full-time employees (Lönroos, 2016).

From a regulatory perspective, Finland's Employment Contracts Act mandates that part-time employees be given priority for additional work when a full-time position or extra hours become available (PAM, 2024). Employers are required to offer these opportunities equitably, ensuring that part-time workers have access to the same employment prospects as their full-time colleagues. This provision not only supports income stability for part-time employees, but also mitigates some of the negative aspects of part-time work, such as job insecurity and limited career progression. The law also provides recourse for employees who are denied these opportunities, allowing them to seek compensation for lost earnings, if their rights are infringed (*ibid.*).

Despite the operational advantages that part-time work offers employers, the expansion of part-time roles in some countries raises questions about the long-term sustainability of labour market flexibility. Firms that rely heavily on part-time workers to manage labour costs may inadvertently contribute to a workforce that is less secure and less invested in long-term career development (Hamermesh, 2021). Additionally, the prevalence of involuntary part-time work can go against the sustainability of such arrangements. Approximately 20% of Finland's workforce is engaged in part-time roles involuntarily (Eurostat, 2024 (EU - Labour Force Survey microdata 1983-2022); CEDEFOP, 2024), with the highest proportions among lower-paid occupations such as elementary workers, including cleaners and helpers (Eurostat, 2024). This pattern presents a duality in labour market flexibility: while optimizing labour costs, the reliance on part-time roles in especially sectors with a comparative lower pay might concurrently reinforce precarious employment conditions, presenting potential trade-offs (i.e., fair access to stable, well-compensated work)

that are likely to shape employment equity and skill investment within these sectors (Hudson and Kelleberg, 2019; Caldbick et al., 2013).

Further, it must be noted that in the trade sector, an average minimum working time must be agreed with a part-time employee. While variable working time contracts, including zero-hours contracts, are not commonly utilized due to collective agreement provisions, they are not outright prohibited. The regulation of variable working hours in Finland mandates that such arrangements must meet specific criteria to protect employees (Ministry of Economic Affairs and Employment, 2018; Tyosuojelu.fi, 2022). Employers are required to agree on minimum working hours with the employee, and any deviation must be justified by the genuine needs of the business (Employment Contracts Act 55/2001). There is also provision regarding days off, as a respondent shares:

“The employee's ability to cope and opportunities to combine work and other life are made easier by provisions regarding days off. First, there should be an average of 2 days off in the working week. Some of the days off must be given consecutively, and some of them should be placed on the weekend. The employee has the right to a certain minimum number of Sundays off, in addition, the employee has the right to have Sunday off for family reasons. Based on the hours worked, the employee earns a maximum of 9 extra days off. The maximum number of work shifts between days off is limited to a maximum of 8 (locally agreed 10, one-off agreed 11).”

Lastly, Trials of work community-oriented shift planning are underway in companies in the trade sector. Especially in trade logistics, it has been possible to arrange regular working hours so that the working week mainly consists of three 12-hour days.

Let it be added that the Finnish working hours legislation still assumes that an employee has only one employment relationship. However, especially

in the context of low-paid jobs, a person may have several, for example, zero-hour contracts. The employer's control does not extend to these working hours in any way. In a trade union representative's interview, it was considered problematic that employees might increase their earnings by working for multiple employers. In this case, one job does not provide 'living hours', but several are needed - the situation reminds us that low-wage work does not provide sustainable working conditions - even in a Nordic country - since the pressure for changes in working hours is more likely upwards than downwards.

3.2 Measure 2 PUBLIC, SOCIAL AND HEALTH SECTOR

Collective agreements in Finland's public social and health care sector enable a variety of ways of arranging and agreeing upon working hours. Based on the interviews for the Finnish case study 2, in this sector, at least two key factors influence the implementation of flexible working time practice. First, the demand for labour is high, since the services, in many cases, operates round the clock and cover the essential services of the society, such as the rescue services. Second, the social and health care sector is experiencing significant labour shortages. These shortages emphasize the importance of employer-driven flexibility in work schedules, as it allows organizations to adapt quickly to staffing needs, while potentially also supporting employee well-being. The measures adopted to promote work time flexibility in response to these challenges include:

- **Annual Working Time Arrangements and Work Time Banks**

In contrast to the retail and service sectors, the public social and health care sector in Finland operates under considerable pressures due to the constant, high demand for essential services (Turunen, 2024). To address these demands, flexible working time arrangements have been implemented, with Annual Working Time Arrangements and Working Time Banks being among the most prominent measures. These systems enable

employees to accumulate work hours over extended periods, offering them the flexibility to adjust their schedules based on personal needs and organizational demands.

Annual working time systems have proven particularly effective in managing the unpredictability of service demand (Antilla, 2005). They allow employees to take time off when needed without compromising financial security. This flexibility also supports the well-being of the workforce, for instance by preventing burnout and enhancing work-life balance, crucial in a sector that frequently faces labour shortages and high workloads (Finnish Institute of Occupational Health, 2020).

Furthermore, the concept of work time banks, provide employees with the opportunity to save and combine extra hours, earned leaves, or monetary benefits converted into time off. They are governed by both statutory provisions and collective agreements, giving employees the flexibility to manage work-life balance while addressing the sector's unpredictable demands. Here too, written agreements provide details on the aspects such eligibility, limits on saving as well as termination of such flexibility (YTK, 2023).

However, when not managed properly, workers risk accumulating excess time credits, leading to burnout, absenteeism, and diminished motivation (ILO, 2004). This risk makes it critical for such systems to be carefully regulated to avoid the negative outcomes of overwork while maintaining the necessary flexibility to ensure continuous service delivery.

- **(Ergonomic) Shift Planning**

According to the Interviews, in the public, social and health sector, shift planning has been introduced to enhance employee control over their work schedules. This system enables workers, particularly those in high-demand roles, to manage their personal and professional commitments

more effectively. This approach focuses on improving work schedules to enhance both employee well-being and organizational efficiency, particularly in sectors that operate 24/7, such as hospitals, emergency services, and social care facilities. Research conducted by the Finnish Institute of Occupational Health (2020) underscores the impact of ergonomic shift planning on reducing work-related health risks. For instance, cities that invested more in inspecting shift ergonomics saw a nearly 20% reduction in occupational accidents compared to hospital districts where less time was devoted to such practices (Finnish Institute of Occupational Health, 2020a).

Further, despite inconsistent implementation, one notably effective element of this framework introduced to address these challenges is the “*Working Time Traffic Light Model*”. This model was brought up by a respondent as a good example of a built-in tool for shift planning that pays attention to the health of the employees. The model categorizes shift patterns into three colours, namely, green, yellow, and red, based on their impact on employee health and safety. Green represents optimal shift patterns with sufficient recovery time, while red indicates schedules that pose significant risks, such as excessive night shifts or short recovery periods. This model aims to optimize shift schedules, balancing work demands with the need for rest and recovery, thus reducing the likelihood of stress, fatigue, and occupational accidents (Finnish Institute of Occupational Health, 2022).

In terms of practical implementation, shift planning involves tools such as participative shift scheduling, where employees have a say in their work schedules. Further, Local agreements also play an integral role in managing working time in this sector. These agreements facilitate customized shift arrangements tailored to the specific needs of various roles. For instance, workers in demanding positions may agree to extended shifts, such as 12 or even 15 hours, followed by longer rest

periods. Such arrangements help establishments and employees manage their workload while ensuring that service levels remain consistent. Interviews suggest that the use of self-rostering has been particularly effective in meeting work life balance among employees by allowing them to choose shifts that best fit their personal needs, thus improving their work-life balance and reducing absenteeism.

4 IMPACT OF THE MEASURES

The introduction of flexible working time measures has shaped the landscape of labour agreements across both the sectors, bringing impact that resonate deeply with both employees and employers. These policies, designed to reconcile the dual pressures of fluctuating labour demand and the need for employee stability and predictability, have fundamentally shifted how work is organized and how work-life balance is managed in these sectors.

Who Drives Flexibility?

In the retail, service and restaurant sectors, flexibility has been pivotal in addressing the unpredictability of customer-demand. Here, flexibility measures are largely employer-driven, responding to the highly fluctuating nature of customer demand. Employers in these sectors are motivated by the need to optimize staffing levels to match the peaks and lows of business activity. Many interviewees from this sector highlighted that while flexible working arrangements, such as the flexible full-time job model or working time equalization systems, were introduced to meet operational requirements, however, their design and implementation often reflected a top-down approach. As one respondent notes:

“Employee-oriented flexibilities are more typical in white-collar positions than in blue-collar positions. For example, remote work is

basically not possible at all in most executive-level positions. Employer-oriented flexibilities in the trade sector mainly mean part-time work and temporary work. For example, in retail, 45% of employment is part-time, and in many grocery stores, up to 80% of the staff work part-time."

This means that the design and implementation of these systems are often driven by the organization's needs, focusing on operational requirements rather than considering the needs or preferences of the employees. As a result, the workers may feel the systems may not fully address their concerns or improve their work-life balance effectively.

The flexible full-time job model, which allows part-time employees to receive full-time salaries in exchange for variable shifts, has provided a structured yet adaptable framework. This model meets the operational need for rapid labour adjustment while offering workers financial consistency. Yet, this same flexibility can present a double-edged sword. While employees gain control over their schedules, the reality of fluctuating shifts, sometimes announced with minimal notice, can add a layer of unpredictability to their lives. Despite this, the autonomy inherent in these models has been a step forward in offering employees, especially part-timers, the agency to negotiate better work-life integration, even if the benefits still lean slightly in favour of employer needs.

In the public, social and health care sectors, the stakes tend to be particularly high at the moment of writing this report. In this sector, the demand for labour is constant and often strained by chronic staff shortages. The dynamics around flexibility measures seem to be somewhat more balanced i.e., they are both employer and employee-driven, with a noticeable focus (due to demanding profession) on worker's well-being and work-life balance. Unlike the private sector, where flexibility is tied closely to business needs, flexibility in the public and health care sector is

worded by the respondents in this study, to stem from the need to manage the high and constant demand for services while ensuring that employees do not experience burnout. As a respondent shared:

“For providing services, i.e. primarily for the employer's needs. Hired labour is used e.g. in cleaning, food, office and technology services, care and social work and therapy services. Employee-oriented flexibilities include long work shifts, where nursing staff in particular want to reduce the time they are tied to work. In principle, the employee can also benefit from working time banks if they could get time off at their desired time, but mostly it is about the savings needed by the employer (in case of bank leave or working time allowances given during period work act as overtime buffer specific to the working time period, in general working time only as a weekly overtime buffer, i.e. they are returned to be given later if the actual working hours are more than planned).”

Here, flexible working time measures like annual working time banks and shift planning have emerged as critical tools in ensuring that services are maintained effectively without stressing the workforce too much. Employees, particularly in high-stress roles such as health care, report significant improvements in job satisfaction when they are given control over their schedules. The sector exhibits a more balanced and rounded approach in its work, notably, *“even in shift or period work, you can somehow influence the timing with your own preferences,”* which provides employees with a degree of autonomy in their schedules.

However, the employer's tendency to optimize and minimize staffing leads to tight staffing levels and to the use of *“on-call arrangements”* with regularly employed staff, particularly where demand peaks for example in the mornings and afternoons. This approach where *“being on call is cheaper for the employer”* than to plan shifts with sufficient staffing leads

to practices of regular staff working overtime on call arrangements. On the other hand, measures providing the employees the ability to manage longer shifts in exchange for extended rest periods has reduced some of the physical and emotional burdens of the job, providing a necessary buffer against burnout. However, there is a delicate balance to maintain. If poorly managed, flexibility can transform into an implicit expectation for employees to constantly adjust to shortfalls in staffing, stretching them too thin in critical periods.

At the organizational level, local agreements have been instrumental in driving and tailoring flexibility to specific needs in both sectors. For example, the Nighttime work arrangements which gave the opportunity to locally agree on the limits of daily working hours. These agreements, negotiated directly between employers and employees or their representatives, based on the local provisions of the sector-level CAs, allow for a customized approach to work time management, which has proven especially effective in sectors where uniformity in shift patterns is neither practical nor desirable. For employers, this results in a more dynamic and responsive workforce, capable of scaling labour efforts in line with fluctuating service demands without incurring the financial and operational burden of constant overtime. For employees, the ability to influence the timing and structure of their work fosters a sense of autonomy/agency, helping them to manage personal obligations while maintaining their professional roles.

Reflection of the findings in relation to Sustainable Working Time Flexibility

In the post-pandemic landscape, *the restaurant sector, retail and service sectors* have been confronted by unparalleled challenges. These sectors, already characterized by intense competition, were forced to adopt abrupt operational changes, creating an environment where managerial ability and innovation became priority. Since the sectors are dependent

upon instant client satisfaction, the pressure regarding service delivery and sustainable business may create tension between economic viability and social responsibility. In this sector, the way work time flexibility is currently controlled by employers may confront the ideals of social sustainability. Relying heavily on part-time, temporary, and unstable jobs has driven polarisation at the labour market. Part-time workers, in particular, are often given shifts during evenings, nights, and weekends, which adds to the divide. Workers may want to have more hours, but lack of available hours given by the employers' lean business model, may keep them stuck in an unpredictable job situation. Such unpredictability restrains their "living wages" (Ilsøe 2016) and can hamper their capacity to manage and plan both work and personal life or budgets effectively, negatively impacting their agency in balancing life demands.

Shifting towards more employee-centered flexibility, where work arrangements prioritize stability, predictability, and well-being, could improve worker retention and enhance the sector's reputation as a socially responsible industry. Offering decent wages with more regular shift patterns and flexibility that aligns with workers' personal needs is likely to build a stronger, more motivated workforce, benefiting both employers and employees. Ultimately, the current approach to work time flexibility highlights a potential conflict between short-term economic goals and the need for long-term social sustainability for the employees. The struggle between irregular hours, low pay, and the desire for work-life balance suggest a need to redesign flexible work arrangements with social sustainability at the forefront. This shift could strengthen these industries to gain economic success and social responsibility aligned.

In the health and social care sector, social sustainability is embedded in the structural, legal, and workforce dynamics that shape the industry. It goes beyond merely protecting workers' rights: in the context of chronic staff shortages, it aims to enhance the long-term well-being of staff and

ensure sustainable working conditions. Given the indispensable role of human presence in this field, achieving a delicate balance between employee welfare, service delivery, and institutional requirements becomes crucial to maintaining both the workforce and the safeguarding the quality of care.

As highlighted by a respondent, *“personal and family needs, and work needs often become so significant that other issues fade into the background.”*

Flexibility, in this context, goes beyond conventional models and requires a better understanding of time management, job design, along with availability of support structures to address the demands of the workforce. In this context, social sustainability translates into creating conditions where workers can thrive without sacrificing their personal lives, a task made more complex by the inherent demands of the sector.

However, unlike many other industries where remote work offers a range of flexibility in achieving work life balance, the health and social care sectors face challenges due to the hands-on and critical nature of the job. Remote work, in that sense, is largely impractical for most of the frontline staff, but may apply to specific administrative tasks or medical consultations conducted by doctors and nurses. For example, interviews highlight that digitalization and post-COVID-19 societal shifts have led to solutions such as remote consultation in elderly care. Therefore, remote work in this sector, predominantly address operational efficiencies. The real test of social sustainability of such approaches lies, may be, in scaling and integrating them into broader health care strategies while recognizing that they serve supplementary roles rather than replacing direct, on-site care delivery.

5 GENERAL EVALUATION AND CONCLUSIONS

The implementation of flexible working arrangements in Finland, particularly within sectors like retail, service, and the public social and healthcare sectors, demonstrates varying levels of practices. The central focus of the study highlights the differences between sectors where employees have differing degrees of autonomy over their work practices.

In the retail and service sectors, flexibility tends to be more employer-driven, a necessity to meet fluctuating consumer demand. This system, while offering employees the potential for financial stability through e.g. flexible full-time job models, also introduces unpredictability, which disproportionately affects part-time workers who may face unsustainable working conditions, with unpredictability of short notice shifts negatively affecting job insecurity.

On the other hand, in the public healthcare and social sectors, flexibility tends to be more complex and on a surface level tries to balance employer and employee needs in labour intense environment. Systems such as working time equalization and ergonomic shift planning have been instrumental in safeguarding employee well-being in high-stress environments. However, the ever-increasing demands for care work, affected by Finland's aging population, pose a risk of employees, particularly given the chronic staff shortages in these sectors. Despite these pressures, the introduction of annual working time arrangements and the ability to influence work schedules have contributed significantly to employee satisfaction, suggesting that flexibility, when implemented with sufficient safeguards, can mitigate work-related burnout and enhance work-life balance.

The findings of this case study suggest that flexible working arrangements in Finland are an evolution to meet modern labour market demands.

However, the success of these arrangements is contingent upon the ability to balance the needs of employers and employees. In the private sector, particularly in restaurant and service environments, the interviews suggest that there is a need for oversight, for example, for unchecked overtime or labour on demand. The public healthcare and social sectors face challenges due to chronic staff shortages. The interviews, however, suggest that structured flexibility, supported by collective agreements, can yield positive outcomes both in terms of operational efficiency and employee satisfaction. The broader challenge, moving forward, lies in adapting flexible work models to maintain social sustainability, increased autonomy of work, and practices that reduce any occupational health risks such as ergonomic shift planning.

Both sectors underscore the importance of collective agreements in ensuring that flexibility does not become a substitute for worker exploitation. As flexibility becomes more embedded in Finnish work culture, attention must be paid to how it is implemented and monitored to ensure it serves both the operational needs of businesses and the personal well-being of employees. The future of work, especially with technological advancements and changing work landscape, will require continued dialogue between employers, unions, and policymakers to develop systems that are adaptive, fair, and sustainable for all stakeholders involved.

From a purely sustainability perspective, work time flexibility, in both sectors, react distinctly to the arrangements based on operational imperatives, employee agency and broader long-term vision. In low wage sectors, the systems - while being operationally effective – may constrain worker's agency and undermine tensions between income stability and job security. This may leave sectors juggling within fluctuating schedules, which challenges traditional work-life boundaries but also may raise questions about long term financial goals and income sustainability.

Similarly, increasing flexibility through digitalisation (in the future), may not always address the core issues of job stability and workload management. Frontline workers continue to face demanding schedules that can lead to burnout, especially when flexibility does not translate into adequate support or if flexibility is translated into keeping wages inadequate for basic subsistence. Social sustainability, in this sense, for both sectors, is not just about reducing or increasing hours to advance flexibility, but about creating stability at workplace with an environment where diverse needs can be met without undermining working capacities. Flexibility must not only address the immediate logistical challenges of scheduling but also incorporate broader considerations of job and life quality, including also mental health and work-life integration. Shifting family structures, marked by dual-income households, single parents, and multigenerational caregiving responsibilities, demand that work-time flexibility be robust enough to address these evolving realities while balancing operational efficiency. The true sustainability of flexibility lies in the ability to anticipate, respond to, and evolve with these complex trends, embedding adaptability into the very fabric of management practices.

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APPENDIX: ANONYMIZED SURVEY AND INTERVIEW PARTICIPANTS

Survey

Responses

A total of 18 organizations responded to the survey, representing both employer and employee organizations across relevant sectors. From those:

- 11 represent employees (either confederations (2) or trade unions (9))
- 7 represent employers (confederations (3) or employers' organizations (4))

Interview Participants

Six organizations also participated in interviews. These include a mix of employer and employee organizations from key sectors, which contributed additional insights into the challenges and opportunities of flexible working arrangements.

- Employer Organization and Sector: 3 responses from Restaurant, retail and hospitality sectors
- Employee Organization and Sector: 3 responses from Health and social sector

Notes on Anonymization

To maintain confidentiality, all identifying information has been removed. Responses and insights are attributed only to general organization types (e.g., employer or employee organization) and sector types.

Interview Questions

Background question: In research concerning working time, the different dimensions of working time are typically named as duration, timing, flexibility and the employee's working time autonomy: How are these questions guided & evaluated in the field(s) you represent, starting with duration?

1. AGREEING ON FLEXIBLE WORK PRACTICES

- a. By which group or party (employer, employees or someone else) has the effort to increase working time flexibility come about?
- b. In what ways do employees have the opportunity to participate in negotiations regarding flexible working hours or planning practices and agreeing on them? Do you see these practices as sufficient?
- c. In what ways is the functionality of flexible working time practices evaluated and by whom?

2. FLEXIBILITY AND WELL-BEING:

2.1. In your opinion, how are employer-oriented flexibilities and well-being related to each other? How would you define employer-oriented flexibilities?

2.1.1 In your opinion, how could employer-oriented flexible working time practices promote individual well-being?

2.2. In your opinion, how are employee-oriented flexibilities and well-being related to each other? How would you define employee-oriented flexibilities?

2.2.1. In your opinion, how could employee-oriented practices of flexible working time practices promote individual well-being?

3. FLEXIBLE WORKING PRACTICES: ADVANTAGES, DISADVANTAGES, SOCIAL SUSTAINABILITY

3.1. Work flexibility and benefits: What kind of experiences of financial and non-financial benefits do you have of flexible work practices? Can you give concrete examples of the benefits and possibilities of flexibilities in your field from the employers' point of view and from the employee's point of view (such as strengthening the autonomy of employees, well-being at work, managing workload)?

3.2. Work flexibility and disadvantages: What kind of experiences of economic and non-economic disadvantages do you have of flexible work practices? Can you give concrete examples of the disadvantages or risks of flexibilities in your field from your perspective?

3.3. Work flexibility and fairness: Does the possibility of working time flexibility apply to employee groups equally? Can you give examples of this in practice?

3.4. Work flexibility and social sustainability: for one, flexibility can mean exhaustion, reluctant flexibility, for another, combining work and family and leisure time: how would you evaluate the social sustainability of flexibility from these perspectives? Can you give practical examples?

3.5. How could the industry agreements and the regulatory environment be developed to achieve more socially sustainable working hours?

4. FLEXIBLE WORK PRACTICES AND ECOLOGICAL SUSTAINABILITY

4.1. What does sustainability transition mean from the point of view of your industry?

4.2. What is it understood to mean in relation to job flexibilities? How do you think working time and sustainability and well-being are connected?

4.2.1 To what extent in your industry is under-consumption discussed (e.g. sufficient working hours for low-wage earners so that the work guarantees enough earnings to secure a decent life) in relation to, on the other hand, the problem of overspending (e.g. with high incomes - should we consider rewarding with free time or with other intangible benefits that promote a sustainable society, not just monetary benefits)?

4.3. What kind of working time-related activities are/could be done in your industry to promote the sustainable well-being of the individual and the environment? How could the industry agreements and the regulatory environment be developed to achieve more ecologically sustainable working hours?

4.4. How could sustainable/flexible working time practices increase your industry's flexibility and ability to adapt to the sustainability crisis now and in the future?



CASE STUDY. IRELAND

Dagmar Schiek

Mary Naughton

1 Introduction

Employers across Ireland are implementing flexible working arrangements, as well as more generous family or work-life balance friendly leave policies with a particular focus on remote working, influenced by the Covid-19 pandemic. This case study examines measures from workplaces in the higher education and banking sector which were developed in consultation and negotiation with trade unions, as well as the circumstances surrounding their adoption, and their consequences for workers and employees.

In higher education, the measures examined are the blended working pilots shaped by the Services, Industrial, Professional and Technical Union (SIPTU) and the Irish Federation of University Teachers (IFUT) in two public universities.¹ Two instruments are analysed in order to provide a spectrum of the level of entitlement within the university sector in general; one of the measures represents the most flexible blended working pilots, while the other began as the most prescriptive but has been renegotiated to improve workers' entitlements. In banking, the study focuses on the parent's leave agreement negotiated by the Financial Services Union (FSU) with Bank A and the paid carers' leave allowance negotiated with Bank B. Both banks operate nationwide.

¹ In the Irish public sector, government and employers use the term 'blended working' to refer to hybrid work, and these terms are used interchangeably throughout this case study.

2 HOW THE CASE STUDY EMERGED

2.1 Measures in the higher education sector

In the higher education sector, academic staff have long enjoyed access to hybrid working arrangements. While required to be on-site for teaching and other in-person engagements, these workers are free to perform their other duties in the location of their choice. However, prior to the Covid-19 pandemic, this flexibility did not extend to professional and administrative staff. Although it was technically possible for many of these employees to perform some of their tasks remotely due to digitalisation, access to remote work was rare in higher education and the wider public sector. Management could unilaterally provide such opportunities, without having to engage with employee representatives, given that Irish workplaces do not have works councils and trade unions tend to focus on other issues in negotiations.²

Government also signalled its commitment to promoting remote work, for example through publication of the report *Remote Working in Ireland*, in late 2019.³ But its implementation in the public sector was still on an exceptional basis until the outbreak of the pandemic, when the government required employees, whose work did not involve the provision of essential services to remain at home and, if possible, to work remotely.⁴ This development demonstrated to professional and administrative staff,

² For more information about the Irish industrial relations system with structural bias against established representation structures see Paul Mair, Mary Naughton, Dagmar Schiek, Country Fiche Ireland, INNOVAWORKING 2024 (available from <https://www.elforodelabos.es/wp-content/uploads/2024/11/Innovaworking-Country-Fiche-Ireland.pdf>)

³ Geary, J., and Belizón, M., (2022). Working at home and employee well-being during the Covid-19 pandemic

⁴ *ibid*

who had previously been required to attend on site Monday to Friday, that a considerable proportion, if not all, of their role could be performed remotely. Further, during this unexpected introduction to remote work, staff experienced a range of benefits. Without a daily commute, employees saved time and money. Working from home was also more compatible with family commitments, such as bringing children to school or childcare facilities (once these had reopened), and other care responsibilities.

Members discussed these positive aspects of remote work with their trade unions, and many expressed their preference for remote working to remain available after the pandemic. At the same time, there were workers who had experienced difficulties while working from home, as alluded to above, due to issues such as isolation, difficulty concentrating in the home environment, or not having a suitable workspace. As such, some workers expressed a preference for working on-site full-time. In 2021, the government also published *Making Remote Work: National Remote Work Strategy* in which it highlights the public sector's potential to lead by example and pledges that public sector employers will move to 20% remote work in 2021. Thus informed, in early 2021 trade unions began to mobilise to maintain access to remote work, and to entrench this as a right, whilst ensuring it did not become a requirement. Workers that did not wish to work remotely or did not have the facilities to do so should be able to continue attending on site every day and should not experience any penalty for doing so. By mid-2021, universities had begun to design pilot policies for remote working which would apply for a year, and either be revised or extended.⁵ While universities recognise trade unions at the

⁵ These policies tend to apply only to professional, administrative, technical and support staff as academic staff already enjoy considerable autonomy in the organisation of their working time, since, as noted above, academic staff had in general enjoyed access to remote working prior to the Covid-19 pandemic and would continue to do so.

workplace level only for the purposes of consultation on these issues as opposed to negotiation. As such, unions have a right to be shown new policies that have potential impacts for their members and to propose changes.

2.2 Measures in the retail banking sector

Directive 2019/1158 on work-life balance for parents and carers significantly influenced the emergence of paid parent's leave and fully paid carers' leave in Bank A and Bank B respectively. This directive created new entitlements for workers to five days of carers' leave annually, and to four months of parental leave for each child, during two months of which, in the case of each child, they should also receive an adequate payment. As the Directive 2019/1158 was being implemented, the FSU began to discuss how they could use the basic entitlements this instrument created as the basis for negotiating more generous parent's leave and carers' leave policies with employers. The content of this agenda was also shaped by the results of polling from members and by the Covid-19 pandemic. The majority of staff in both Bank A and Bank B were subject to the requirement to work from home and experienced benefits similar to those emphasised by workers in the higher education sector. Being at home increased employees' awareness of the amount of time they spent on care responsibilities, increasing demand for policies which take these responsibilities into account. In addition, around 10% of staff in the sector- those who work as tellers in bank branches, are unable to carry out any of their role remotely and to experience the benefits referred to above, meaning the FSU was mindful of negotiating policies that would bring improvements to employees' work-life balance and would apply equally to all. Further, around 70% of FSU members are women and the FSU's polling found that these types of policies were a priority for female employees. With all these factors in mind, the FSU sought

to negotiate a suite of policies, which centred on the idea of wellbeing, and which all categories of staff could avail of.

3 MEASURES ADOPTED IN MATTER OF WORKING TIME

3.1 Introduction

In higher education, the measures examined are the blended working pilots shaped by the trade union SIPTU in two universities. Measure 1, the blended working pilot in University A specifies university wide allowances for remote working. The baseline quantum is one day a week, plus an extra day per week for 21 weeks of the year. However, as will be discussed below, the university has agreed to grant two days a week for those that wish to avail of it. Measure 2, the blended working pilot for University B, does not prescribe the maximum or minimum time to be worked remotely, this is to be decided at the department level, to allow for local flexibility and to accommodate University needs. Where an employee requests blended working and their request is rejected, there is a grievance procedure, in which the employee in question can be represented by their union.

Measure 3, the parent's leave policy negotiated as part of an annual round of collective bargaining at bank A, provides for employees to receive seven weeks of paid parent's leave. The measure aims to enable parents to spend more time with their children without experiencing a loss of earnings. In removing one of the disincentives for taking parent's leave the measure also aims to encourage greater gender equality in the workplace and at home. Note the term parent's leave is used as opposed to parental leave because the Irish government transposed the requirement under Directive 2019/1158 to provide two months' parental leave subject to payment by creating a new category of leave, known as 'parent's leave', which is separate to the entitlement to unpaid parental

leave. Parent's leave applies to parents of children under 2 years of age or, in the case of adoption, within 2 years of the placement of the child with the parent. Workers availing of parent's leave are entitled to 'parent's benefit', a weekly payment, to be paid by the Department of Social Services. These entitlements are set out in [the Parent's Leave and Benefit Act 2019](#). Parent's benefit is set at €289 per week as of 2025. Employers are under no obligation under EU law or the Parent's Leave and Benefit Act 2019 to pay employees availing of parent's leave, but the measure negotiated by FSU provides that the Bank A will top up the parent's benefit up to the extent that employees taking parent's leave receive full pay.

Measure 4, an annual company-level collective agreement negotiated between Bank B and the FSU grants workers up to ten days of paid carers' leave each year. The [Work-Life Balance and Miscellaneous Provisions Act 2023](#) provides employees with five days' medical care leave, in accordance with Directive 1158/2019. Under s6 of the legislation, employees may avail of the leave where they have a spouse, co-habiting partner, child, parent, grandparent sibling or a person residing in the same household in need of significant care for a serious medical reason. Bank 2 has gone significantly beyond the legislation by granting 10 days of fully paid medical care leave (referred to by both the employer and the FSU as 'carer's leave') annually. The policy is the most generous policy of its kind in Ireland as of November 2024. The measure is applicable to staff in a principal caring role for a dependent, with serious medical needs, who may be a child, parent, close friend or neighbour and as such covers a broader range of relationships than medical care leave. In addition, by covering neighbours and friends, the measure addresses some of the disadvantages experienced by people whose close and dependent relationships may be outside stereotypical family structures.

3.2 Measures in the higher education sector

In University A, SIPTU, which is the only union recognised by the university for consultation purposes, were presented with a blended working pilot document drafted by the HR department. As noted above, the pilot specified the allowance for remote working to apply across the university- one day per week. This fell far short of the mandate of a 50/50 split between on campus and remote working that SIPTU had received from their members through polling. Union representatives were also aware that University A's pilot was the most prescriptive offering in the sector. The union pursued the 50/50 mandate with the employer and University A offered to allow employees two days of remote working for 21 weeks of the year. Seeking to improve on this offering, SIPTU brought a case to the WRC. As a result of negotiations under the auspices of this body, University A agreed to grant two days per week remote work for those who want to avail of it, a compromise acceptable to both sides.

University B's HR department presented the unions organising in that workplace with a draft blended working pilot. Several months before, SIPTU had created a sub-group to discuss the issue which included trade union representatives and members that had accessed remote work prior to the pandemic. This group developed the union's position on blended working- that the pilot should be as flexible as possible, allowing for local arrangements that suited specific categories of worker. Once they had seen the pilot, the sub-group identified the changes they would like to see, including an appeal process, where a worker's request to work from home had been refused. Subsequently SIPTU suggested these changes in meetings with the other two unions recognised by University B for consultation purposes, IFUT and Unite, and all three unions agreed on the amendments that they would propose.

In the negotiations to improve University A's remote working allowance, union representatives could point to a number of benefits for the

employer. First, that a majority of workers want to be able to work from home and that granting some access, where practicable, demonstrates appreciation and respect of those preferences can positively impact recruitment and retention. Second, representatives relied on the fact that productivity improved during the period where workers were entirely remote, and that the number of employees relying on sick leave reduced significantly. Workers with minor injuries and illnesses who would not have been able to work if they were required to travel were able to continue working from home. A similar trend had been observed in University B. The union could also point to more flexible pilots which were working well in other institutions as models for University A in its negotiations with university management.

In University B, while representation is divided among multiple unions, these organisations meet regularly and enjoy positive, co-operative relationships. As such they tend to adopt common positions on issues to be discussed with management. In the case of blended working pilot, most of IFUT's membership, were not affected by the measure, since academic staff, as noted previously, already enjoy considerable freedom to work remotely. Nevertheless, IFUT added its weight to amendments proposed by the other unions.

SIPTU also referred to the role of government policies on blended work and climate action in negotiations. Whereas government had signalled support for remote work prior to the pandemic, implementation, as discussed above, had been marginal and was management-led. But as noted above, in the National Strategy on Remote Work, the government specifies that 20% of work in the public sector should be remote by end-2021. This gives unions such as SIPTU a basis for arguing that providing allowances above 20% for professional and administrative staff in the university sector, is necessary to compensate for those staff who cannot work remotely and ensure that the target is met.

Union representatives noted the potential contribution to environmental policy in their negotiations with both University A and B. The government's Public Sector Climate Action Mandate targets reductions in car parking spaces and emissions. The union could therefore utilize these targets as an incentive for the universities to concede to their demands. The extent to which this argument resonated varied across institutions, depending on their strategic priorities. In University A, management were not particularly receptive, and for their part justified a limited remote allowance with the need to maintain footfall. But in other institutions, management have been open to the idea that by maintaining access to blended work they can contribute to the achievement of broader organisational priorities.

Since the most acute period of the Covid-19 pandemic ended and workers in various sectors have resumed working on-site, there has been a push from employers to reduce access to remote work. This was also visible in the workplaces examined in the banking sector. In relation to the blended working pilots, this tendency was more pronounced in University A, where, at the level of the university, management sought to restrict remote working to one day a week, claiming that allowing professional and administrative staff a greater allowance would harm business on campus due to reduced footfall. However, SIPTU have provided evidence that the impact of allowing more flexible access to blended working on footfall would be very small in percentage terms. In University B, at the university level management was willing to implement a flexible pilot that allowed for local adaptation, as sought by the unions, but in individual departments managers have shown some reluctance to engage or have arbitrarily refused requests to work remotely on certain days. Union representatives attribute this to individual managers' discomfort with remote work.

3.3 Measures in the retail banking sector

Banks themselves have displayed a willingness to adopt more beneficial policies regarding working conditions. Employers are eager to demonstrate their progressive practices in areas such as work-life balance and mental health, as a means of promoting their public image. The content of discussions with trade unions representatives revealed that at the individual level, when engaging with the employer to seek accommodations for workers with particularly challenging care responsibilities, management tend to take a supportive approach and are willing to grant flexible working time arrangements such as compressed hours. This approach in relation to individual cases, as well as employers' willingness to agree to work-life balance friendly leaves may be based, not only on organisational values but also the fact that banks have a viable flexibility reserve that allows for increased absences.

While directive 2019/1158 did not place any obligation on employers to provide fully paid leave (or in the case of carer's leave to double the yearly allowance), the law and its transposing legislation set a floor from which to negotiate. Further, the introduction of parent's benefit under this directive signals an emerging norm that leave taken for care responsibilities must be compensated.

Though the unions did not encounter reluctance on the part of the employer to adopt or implement the paid parent's leave and carers' leave policies, there are certain practical impediments which delay the rollout of such measures. Implementing these kinds of changes in a large organisation can be slow due to the layers of adjustment required. For example, necessary changes to payroll and salary systems can take several months. In addition, such policies require the approval of the bank's governing body which only meets according to a fixed schedule.

4 IMPACT OF THE MEASURES

4.1 Measures in the higher education sector

Those interviewed in the higher education sector highlighted the benefits that remote working has brought, referred to above, including reduced travel time and increased compatibility with family arrangements. Interviewees referred to employees' reluctance to lose access to remote work after the pandemic because they had reshaped their lives around it. Remote working has allowed some employees to move further away from their workplace, to where accommodation is more affordable, due to no longer needing to commute. Both male and female workers have indicated to the unions their preference for remote because it suits their family arrangements. Parents have split the days that they are working remotely so they can share responsibility for transporting children to and from school. Although remote work does not facilitate childcare-employees are working from home and cannot supervise their children, having a presence at home can mean workers no longer need to take a day off when their children are off school, either during holidays or due to minor illness. Beyond logistics, the additional time that parents are spending with children can have a positive impact on interfamilial relationships.

To some extent, the move to remote work has ameliorated issues which SIPTU had previously sought to address through campaigning for a 4-day week. While a 4-day week remains a goal of the union and the wider labour movement, particularly for those who cannot work remotely, for those that can access it, remote work provides some of the work-life balance benefits sought associated with reduced working hours. Blended working has also benefitted workers with disabilities and chronic illnesses. For workers with disabilities, remote work alleviates the stress and discomfort often involved in the commute. For those with chronic conditions, their illness may have only allowed them to work reduced hours where they were required to attend on site, but with a remote work

allowance some of these workers have been able to increase their working time and their income.

An interesting consequence of blended working highlighted by one of the interviewees was that while employees work remotely “office politics” is gone. They added that for many individuals the workplace is a hostile environment and being able to work off site reduces their exposure to these dynamics. This observation refers to the strain employees experience due to interpersonal conflicts at work, potentially up to and including bullying. While remote working may not entirely eliminate these issues, employees who experience hostility, exclusion or other difficult interactions with colleagues may feel more content and secure in the workplace, with potential positive impacts not only for these individuals' mental health but also for the employer in terms of retention and reductions in absenteeism.

In University B, the employer hopes that the blended working pilot will help to address capacity issues as it advises employees who avail of it that they may have to give up their dedicated workspace. The degree of implementation varies across departments. Interviewees have criticised the idea of scaling back workspaces as there are cases where entire teams are required to attend on site once a week and cannot do so if there are insufficient workspaces for the team's use. In addition, the reluctance on behalf of management, at the university level in University A and in some departments in University B to grant more than a minimal quantum of remote days, may indicate that blended working requires a cultural change on the part of managers. Workers have shown that they can adapt to this model rapidly. Indeed, evidence indicates that it has allowed them to be more productive. But managers used to a command-and-control model appear to be having difficulty in adapting to managing a remote workforce.

Some of the answers provided by workplace representative suggested that blended working has produced a degree of work intensification. In a workplace, employees generally have to walk further from their desk to

use a restroom or make a cup of tea or coffee, meaning the natural moments of rest built into the day are longer. As noted above, productivity increased during the period of enforced remote working and survey evidence from Geary and Belizón attribute this to workers having fewer interruptions when working remotely. In addition, workers were less likely to take sick leave when working from home.⁶ In addition, workers were less likely to take sick leave when working from home.

4.2 Measures in the retail banking sector

The interviewees did not have data on whether paid parent's leave at Bank B has led to an increase in staff availing of such leave, but they indicated that this was likely given that employees were aware of it. In addition, they indicated that the impact of such a policy on the workplace is more manageable in a large organisation such as Bank A, where an employee's absence on leave is more easily absorbed than in a small or medium enterprise where there may not be sufficient staff to provide cover.

It is difficult to assess the impact of the carer's leave and Significant Life Event leave agreed at Bank B as these only recently been adopted. But the fact that Bank B has set such a high standard in this area seems likely to improve conditions beyond the company, as the FSU will now be seeking a similar carer's leave policy in Bank A. One interesting impact relates to a broader issue identified in interviews affecting a growing proportion of the workforce who come from a migrant background. With the introduction of remote working, employees who have older dependent family members living elsewhere in the country could more easily care for them while working remotely, without the need to take any

⁶ See for example HUMPHREYS, P., FLEMING, S., O'DONNELL, O. Flexible and innovative working arrangements in the Irish public service, 1999; MCGINNITY, F., RUSSELL, H. Work Rich, Time Poor? Time-Use of Women and Men in Ireland. Economic & Social Review Vol 38 No. 3, 2007.

leave. But workers who have elderly relatives living abroad cannot take advantage of remote work in this way as Bank B is not tax resident in those jurisdictions. However, the introduction of ten days of carer's leave has allowed some workers to go abroad to look after parents and other family members experiencing illness. Further, union representatives emphasised how the inclusivity of the carer's leave policy, in applying to relationships beyond the family, and the fact that it can be applied to once off obligations, allows workers to provide care in situations where the normal caregiver is indisposed. Being aware of the policy and having access to the care policy has meant that employees are able to meet their caring responsibilities and to apply more of their annual leave towards rest and leisure activities.

5 GENERAL EVALUATION AND CONCLUSIONS

The discussions with trade union representatives reinforced the assumption that Covid-19 has played a transformative role in the organisation of working time and place. Digitalisation provided the means for remote and hybrid work, and the Irish government had made repeated commitments to promote these arrangements, but public sector employers were slow to roll out access. On an institutional level, the pandemic drove the mainstreaming of remote and hybrid working in both the public and private sectors. But the experience of working in this way, having more time at home and in many cases, more responsibility for the care of dependents, appears to have changed employees' attitudes regarding their work-life balance in a way which shaped the demands of unions in both sectors under study. In higher education, SIPTU mobilised to ensure that members were able to retain access to remote work, on a hybrid basis, and to retain the associated benefits in terms of work-life balance. The union proceeded from the basis that access must be based on choice, and that those who had experienced ill effects during the period

of enforced remote working, or who did not have access to a suitable desk-space for this purpose, would be free to work on-site full time. In Bank A and Bank B, where hybrid working arrangements were maintained after the pandemic, the FSU sought to win workers new rights to paid parent's leave and carer's leave that would reduce the time squeeze they experienced balancing work with care responsibilities, whilst protecting them from financial hardship.

In the retail banking sector, both organisations under study have demonstrated a measure of genuine commitment to inclusive, work-life balance friendly policies and this was an area of negotiations in which unions encountered less resistance in comparison with pay increases. The measures examined from the retail banking sector form part of a broader suite of leaves and other accommodations available that management in Bank A and Bank B have either agreed to or unilaterally offered over the past number of years. This also raises the possibility that management in this sector are open to family friendly leave policies because they have a viable flexibility reserve and therefore conceding on these matters costs them little but allows them to extract union concessions in areas such as pay.

In the case of University A, blended working appears to clash with management's values and vision of the workplace. In practical terms, their objection was to how the drop in footfall would diminish the sense of the institution as an on-campus environment. But union representatives suggested this resistance was also shaped by unconscious fears around managing workers remotely. Due to the impasse between the employer and the union, SIPTU was forced to move beyond local negotiations and take the matter to the WRC and managed to get the employer to a compromise that was acceptable to both sides, bringing the measure closer to the middle of the spectrum among blended working pilots in higher education, in terms of the flexibility and quantum of days permitted to workers.

The dispute at University B also indicates the high priority that workers place on access to remote work. Although remote or hybrid work policies in Banks A and B were not among the measures examined in this case study, interviewees across all four workplaces highlighted the contribution of remote or hybrid work to employees' work-life balance. Being able to work remotely has been transformative for many workers within both sectors, allowing them to move to areas that were previously too distant from the workplace, but which are better suited to their needs in terms of amenities, accommodation costs or social structure. It has reduced much of the friction associated with work, including commuting, organising transport for multiple family members and interacting with colleagues who are difficult or even hostile.

Union representatives in both sectors highlighted the importance of securing access to remote work into the future. In Banks A and B, the current policies on remote work were introduced unilaterally rather than through negotiations with the FSU and employers can abandon these policies at will. A representative from FSU indicated that they would prefer to have access to remote work established as an entitlement through negotiation. Representatives from both SIPTU and the FSU also referred to a trend, visible internationally and across sectors, of employers attempting to limit or withdraw access to remote and hybrid work, and specific acts by their own employers. On the international scale, representatives highlighted workers being brought back on-site to justify the continued payments of commercial rents, and companies in the US which are seeking to reduce workers' wages as a condition of working remotely. In Bank B, certain departments have begun to require increased attendance on site, while the reluctance on the part of University A to meet workers' demands around blended work is discussed above. In light of these developments, some union representatives claimed that maintaining access to blended or remote work was likely to be the next big fight in their workplaces. But in a broader labour movement context,

a union representative from the higher education sector pointed out that much of the workforce cannot avail of remote and hybrid working, and that while the union is fighting to maintain access, they are cognisant of the need to push for more inclusive measures such as the four-day working week.

As noted above, the parent's leave and carer's leave measures negotiated at Banks A and B address the financial dimensions of work-life balance. Even with the statutory entitlement to parent's benefit, for most workers, availing of parent's leave entails a significant loss of earnings, while the right to medical leave does not include any form of pay. The agreements for fully paid parent's and carer's leave make these rights more accessible to workers. In Ireland as in many other countries, male workers have been less likely to take parental leave due to loss of income. Fully paid parent's leave aims to change this norm, as the FSU have stated, the measure was adopted to increase gender equality within the workplace and beyond. Paid carer's leave acknowledges the disadvantages often experienced by carers, who may find themselves taking annual leave or having to reduce their hours (and pay) to accommodate their responsibilities. While ten days per year may not be a sufficient allowance to allow them to avoid either of these eventualities, it may extend the time they can remain in full time work and will lower the quantum of annual or unpaid leave they need to rely on. It can also reduce the stress experienced by workers when a close relative or friend becomes seriously ill.

Interviewees attributed their pursuit of these policies to legislative change, polling from members and (relatedly) the preponderance of women within the union's membership in these workplaces and the need to pursue an agenda that meets their needs. On the one hand this can be read as assuming that women will rely on these policies more. But in fact, the FSU state that their intention was to address gender inequality, by mobilising for parent's and carer's leave policies that are attractive

enough for all workers to avail of. Further, discussions with trade union representatives suggest that working from home has changed both male and female workers' attitudes to care and work-life balance. We may see a higher proportion of male workers pushing for these kinds of policies into the future, though this hypothesis would need to be tested through further research, potentially in a male-dominated sector.

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CASE STUDY. HUNGARY (1)

1 INTRODUCTION

Teleworking has seen a significant rise in recent years, with both freelancers and traditional employees increasingly expecting their employers to offer flexible working arrangements, including partial (hybrid) and full teleworking options (home office, digital nomadism). This shift is driven by a desire for greater work-life balance, as employees can now choose to work from virtually anywhere, whether it's a cozy home office or an inspiring location abroad (Czirók & Nyerges, 2018). This flexibility is particularly attractive to those seeking to experience life in different countries while maintaining their professional responsibilities.

In particular, the IT sector has been notably affected by this trend. As technology and digital platforms become more integral to daily business operations, the ability to work remotely has become a significant advantage for IT professionals, who often have the skills and infrastructure to work effectively from diverse locations. This sector has embraced teleworking not just as a temporary measure but as a strategic approach to enhance employee satisfaction and productivity.

In Hungary, however, the labour market faces persistent challenges, including a severe shortage of skilled workers. Companies across various industries are struggling to attract and retain top talent amidst increasing competition and evolving job expectations. The rise of digitalization and technological advancements further compounds this issue, as businesses require increasingly specialized skills and innovative solutions to stay competitive (Rab, 2022).

The Workation concept, which allows employees to work from a different location temporarily, presents a promising solution to these challenges. By offering employees the opportunity to work remotely from various destinations, Workation can serve as a unique benefit that enhances job

attractiveness and employee retention. This flexibility not only helps address the labour shortage by making positions more appealing but also aligns with the evolving expectations of the modern workforce. For companies in Hungary, adopting such innovative teleworking models could be a strategic move to improve their competitive edge, foster employee loyalty, and effectively manage the ongoing talent shortage.

2 HOW THE CASE STUDY EMERGED

For Hungarian IT professionals, the notion of teleworking abroad has evolved from a novel idea to an anticipated benefit, especially given the current critical level of labor shortage in Hungary. The pandemic has accelerated the acceptance of home offices, with many professionals enjoying the flexibility and improved work-life balance it offers. However, this increased flexibility also presents a challenge: with the growing prevalence of remote work opportunities internationally, Hungarian IT professionals are increasingly exploring job prospects beyond their borders. Factors such as competitive salaries, the risk of burnout, and the potential for career advancement in a new environment contribute to this trend. Younger workers, in particular, are drawn to opportunities that offer not just financial rewards but also personal and professional growth.

This trend underscores the urgency for Hungarian companies to develop effective strategies to retain their IT talent. The human factor—such as the sense of belonging and teamwork—may struggle to compete with the higher salaries and benefits available in Western Europe, where remote work is similarly widespread. The global nature of teleworking means that companies need to offer compelling reasons for employees to stay, beyond just financial incentives (Szabó, 2022).

The concept of "workation," a blend of work and vacation, presents a promising solution to this retention challenge. While the idea of working while on holiday might seem counterintuitive at first glance, allowing employees to work from desirable locations—such as picturesque mountains or serene beaches—can bring several benefits. Studies have shown that this approach can enhance motivation, boost job satisfaction, and improve overall productivity. For IT professionals and those in creative fields, the opportunity to work in inspiring environments can be particularly appealing and can foster both innovation and engagement.

As teleworking continues to be redefined by ongoing global trends and the pandemic's long-term impact, its integration into the workplace is becoming irreversible, even in Hungary, albeit at a more gradual pace. The shift from traditional office environments to flexible remote work arrangements is not merely a response to immediate challenges but a strategic adaptation to evolving workforce expectations. As employers and employees navigate this new landscape, innovative solutions like workation could play a crucial role in addressing the dual pressures of talent retention and competitive advantage, ultimately contributing to a more dynamic and resilient workforce.

Deutsche Telekom IT Solutions Hungary, a subsidiary of the Germany-based global telecommunications giant Deutsche Telekom (DTAG), has solidified its position as one of the leading IT employers in the country. With over 5,000 employees, the company plays a pivotal role in Hungary's IT and telecommunications sectors, providing crucial support services across a range of operations, including software development, IT infrastructure management, and system integration.

Since 2015, Deutsche Telekom IT Solutions Hungary has earned the prestigious "Best Employer" award multiple times, underlining its commitment to employee satisfaction and a positive working

environment. This recognition reflects not only their competitive compensation packages but also their continuous investment in employee well-being, career development, and work-life balance. Their HR initiatives are designed to cultivate a supportive company culture that resonates with the needs of modern employees, particularly in the fast-paced and demanding IT industry.

The company stands as a critical hub for technological innovation and digital transformation within Hungary and across the broader Deutsche Telekom group. It serves both domestic and international markets, offering specialized IT services that drive efficiency and streamline operations for a wide range of clients. This makes Deutsche Telekom IT Solutions Hungary an essential player in the digital economy and a strong advocate for technological advancement. Amid Hungary's ongoing labour shortages, particularly in the IT sector, Deutsche Telekom IT Solutions Hungary has implemented progressive recruitment and retention strategies

3 MEASURES ADOPTED IN MATTER OF WORKING TIME

3.1 Introduction (optional)

For the atypical rules on telework to apply, the parties must expressly agree in the employment contract that the employee will be employed on a telework basis. According to the general rules in Section 45(3) of the Labour Code, the parties must specify in the employment contract the place where the employee is to work: if the parties do not specify, the employee's place of work is deemed to be the place where he habitually carries out his work. This provision also applies to an employment contract concluded for the purpose of teleworking. The parties may also stipulate that the place of work is the employee's home or another place other than the employer's place of business, but if they do not stipulate this, the

place of work is the place where the employee habitually carries out his work.

The legal definition of telework is that an employee performs his work duties for part or all of his working time at a place other than the employer's place of business (Kozma, 2024). The parties are not obliged to agree in the employment contract, but it is in any case reasonable to agree that the employee is obliged to work all or part of his working time (specifying how much) at the employer's place of business or at another place of his choice. In the absence of such an agreement between the parties, Section 196(3)(c) provides that "the employee shall not work at the employer's place of business for more than one third of the working days in the year in question".

It is also not an obligatory element of the employment contract to regulate the conditions of contact and the method of accounting for expenses. However, the latter obviously does not mean that the parties may not agree on the payment of the expenses incurred by the employee, but it does not exclude that the employee may claim reimbursement of necessary and reasonable expenses incurred in the course of his employment, even in the absence of an express provision in the employment contract, by applying Section 51(2) of the Labour Code accordingly. As regards the method and conditions of contact, a technical description of the way in which the employee can be contacted by his superiors and colleagues during the period in which he is working at a place other than the employer's premises is essential.

It is possible to modify an employment contract for the purpose of teleworking, so it is not necessary for the parties to a typical employment contract to terminate the employment contract and then enter into a new employment contract for the purpose of teleworking. Similarly, it is possible for the parties to modify their existing employment relationship for

a fixed period of time for the purpose of teleworking, without affecting the duration of the employment relationship. In practice, there is also a solution where the parties modify the employment contract for a fixed period of time for the purpose of teleworking and agree a separate right of termination for this modification. In other words, either party can "revert" to the rules of a typical employment relationship by giving sufficient notice. In our view, this is acceptable.

Regarding the teleworker, the employer's right of direction and control may be limited due to the specific nature of the work. In general, the employer's right to give instructions is limited to the definition of the tasks to be performed. In practice, this means assigning the tasks to be performed by the employee, but the employer no longer has the right to give instructions on the manner, organisation, etc., in which the work is to be performed. The parties may agree otherwise, giving the employer full rights of instruction, direction and control.

In the context of the employment relationship, the employer is obliged to provide the means necessary for the performance of the work, in accordance with the provisions of Section 51 of the Labour Code. This provision also applies to telework. However, as in the typical employment relationship, the parties to the atypical employment relationship in question have the possibility to conclude a different agreement. There is therefore no obstacle to an agreement whereby the teleworker uses (and pays for) his own equipment for work or communication.

If the employer provides computer equipment for teleworking, the general rules of the Labour Code apply to the use of this equipment. According to Section 11/A, employees may use the computer equipment provided by the employer for work purposes only for the performance of their work duties, unless the parties agree otherwise. A teleworker may therefore not use the computer equipment provided to him for private

purposes, and the employer is entitled to control this. However, it is certainly realistic for the agreement between the employer and the teleworker to allow the employee to use the equipment provided for private purposes, but it is advisable to lay down detailed rules in such cases.

By law, a teleworker is generally allowed to manage their own working hours, considering the specific nature of their tasks. However, there is nothing preventing the employer and employee from agreeing otherwise. They can easily agree that the employee will follow a fixed schedule, aligning with the standard working hours of the employer or the hours of other employees in the same role.

Taking into account the specific characteristics of telework, the Act on Occupational Health and Safety¹, lays down special rules on occupational safety and health in Section 86/A, distinguishing between telework with or without the use of computer equipment. Generally, if teleworking is carried out with equipment provided by the employee, the employer must ensure the safe condition of the equipment when carrying out the risk assessment. The worker must ensure that the equipment is maintained in a safe condition. Where teleworking is carried out by means of a computer, the employer is not obliged to assess the suitability of the place chosen by the employee from the point of view of safety and health at work. However, the employer must provide the employee with written information on the rules for safe working conditions that do not endanger health and safety. On the basis of this information, the Act obliges the employee to choose or arrange his place of work on the basis of the conditions set out in this information. Unless otherwise agreed by the

¹ Act XCIII of 1993 on Occupational Health and Safety.

parties, the employer has the right to monitor compliance with health and safety at work rules remotely by means of a computer device.

3.2 WORKATION

The term “Workation” combines the words Work and Vacation. It refers to a teleworking scheme which allows employees to work from a different country temporarily. The application for the scheme is initiated by employees, and it enables them to spend more time in a selected destination country.

The initiative assumes that during workation, employees work for the same quality and duration as if they were teleworking at home or working in the office. However, after the end of working hours they have more opportunities to take advantage of the leisure activities offered by their destination, spend more time with relatives or simply relax and unwind in different circumstances. The total stay abroad is a maximum of 20 working days (= 28 calendar days) in a calendar year. In pilot year the company allows a maximum of four workation request per employee in a year. Regarding duties and work arrangements, working hours, benefits, number of holidays, responsibilities and expectations towards the employee are unchanged during workation.

Eligible are all internal employees regardless of nationality, including leased employee and third country nationals (however, in the case of the latter, they must have insurance, as European Health Insurance Card (EHIC) is not available in their case). Eligible employees must have an employment contract has been in force for at least six months at the start of the workation. Concerning employees with fixed-term contract, the return date is at least one month before the planned expiry of the current employment contract. Not eligible are external workers and trainees. For those who are currently having their probation period, inactive period (like

maternity leave), suspension for breaching their work-related duties or dismissal period the Workation application cannot be approved. Approval can be unilaterally withdrawn by the employer if the employee resigns before the start of the workation.

Concerning the expenses, all related costs and organisational tasks are borne by the employee. Employees are entitled to home office reimbursement if they have a telework contract. No additional travel, or health insurance is provided by the employer. It is mandatory to have EHIC and recommended to take out insurance by their own cost. Thus, this scheme is different from posting.

As for available destinations, Workation is possible only within EU, although the USA may be added later to the program. The reason for this restriction lies in taxation issues. Any location of the employee's choice where they can create a healthy working environment (e.g.: hotel, apartment) by providing the necessary tools. The applicable law is Hungarian concerning the rules on teleworking, health and safety and workplace accidents, but not new audit of the workstation is necessary.

Concerning the applicable procedural rules, after employees are informed about the terms and conditions of the Workation scheme, they can consult with their supervisors and get their approval. Employees can submit a request to the HR Services Team 30 calendar days prior to the planned Workation. It is followed an assessment by after which detailed feedback and the decision on approval or denial is delivered within 10 calendar days to the employee and manager. In the assessment phase, the HR checks the eligibility and conditions of the Workation, also, it request and individual assessment from the tax advisor partners on taxation and labour law regulations of the selected country. Given the request was approved, the HR and employees agree on and sign a temporary employment contract modification, and employees can start

organizing their Workation. Employees must provide the exact address to the HR Services team. Upon their return, employees, upon their return informs manager and HR Services team.

A submitted workation request can be shortened or cancelled anytime by the employee; and also it can be extended at the latest until the request has been processed. Once a workation has been started, it cannot be modified. In the event of any impediment, the immediate manager and HR officer must be informed immediately.

In case of illness, employees must report their case in the usual way to their line manager and your Hungarian family doctor (GP) to claim sick leave/sick pay. Concerning unforeseen obstacles, like broken devices, cancelled flight that makes it impossible to work, employees must return immediately to Hungary and continue working on their original schedule. If returning is not possible, employees inform their managers immediately and the remaining workation days will be registered as either leave without pay or holiday.

4 IMPACT OF THE MEASURES

DT IT-Solutions took a lead to bring teleworking into the normal workflow after COVID-19. Even before the pandemic, all employees are provided with laptops and the company has had significant experience in managing employees working remotely. Under general work arrangement rules, employees spend one day per week in the office only, which has been considered necessary to keep social relations live among workers. Workation was an initiative from DTAG. The Hungarian branch launched it first on a national level. Based on the highly positive feedback of the pilot, it went live in 2024. The most popular destinations have been Spain, Germany and France. After the six months long pilot project was

finished successfully, new destinations were made available in the EEA region (Iceland, Liechtenstein, Norway) and Switzerland.

Although the initiative was given by the Headquarter, it was the local HR Team's responsibility to make the project feasible in Hungary. *"One of the most difficult problems was to find out how the global initiative could be placed in the Hungarian legal environment. Taxation Issues also gave us a headache, and we also referred the issue to our tax consultants"* (1/7). Although all rules are in line with the Hungarian regulations, it required some creativity to make the project viable: *"There were issues where we have to stretch the rules a bit, most notably in the case of travelling. Even though Workation days are working days and employees Travelling to the location of the Workation does not count as commuting and social insurance rules are therefore not applicable"* (2/7).

Before the project was launched, the administrative workload of the HR Services Team increased significantly. Interviewees pointed to the growing volume of tasks associated with the approval process, particularly in verifying labour and tax laws for the selected destination countries. Additionally, some participants expressed dissatisfaction with the complexity of the application process. In response to this feedback, the HR Services Team proposed new ideas to streamline and improve the system: *"We proposed simplifying the procedure, for example, instead of three different decision-making levels, we can bring it down to a lower level"* (2/7).

This project reveals to the great need for flexibility at workplaces: *"Although remote work had been available to workers, Workation adds a special value, as it reflects to special real-life situations, it extends the time one can spend on a holiday with the family or can accommodate our employees' needs if their spouses are on a work-related leave or being posted"* (1/7). By the time of the interviews, 27 employees have requested

Workation, on an average of nine days. Also, based on the feedback of the participants, this tool adds significant value to the company's benefits and will increase its talent retention potential.

One of the interviewees highlighted a potential challenge related to work efficiency. Management had already expressed concerns about productivity before the Workation program was introduced, specifically questioning the effectiveness of employees spending only one day in the office. These concerns suggest that the reduced physical presence might impact collaboration, supervision, or overall output, raising doubts about how well the program could support the company's performance goals. Thus, the same problem may arise in connection with the Workation program. Moreover, management raised concerns about replacement: when someone is absent from work, such as due to illness, it is more difficult to replace that person with a colleague who is away on Workation.

Concerning workers' participation, the Workation initiative was originally developed by DTAG, which means that according to German labour law, the local works council approved the program. However, unlike in Germany, works councils in Hungary have significantly weaker rights, most importantly, they do not have co-decision making rights. Nevertheless, works council operates at the Hungarian branch and it was informed and consulted on the issue according to Hungarian laws.²

5 GENERAL EVALUATION AND CONCLUSIONS

Workation enables employees to enjoy the benefits of working remotely while being in a vacation-like environment, allowing them to relax, engage in leisure activities, and spend time with family, promoting overall

² Section 264(1) and (2) points f), j), and n) of the Labour Code.

well-being and mental health. The program allows employees to choose their preferred location within the EU, giving them flexibility to tailor their working environment to their personal preferences, which can boost motivation and satisfaction; therefore, it enhances autonomy and sense of ownership over projects. Offering Workation as a benefit can increase employee loyalty, retention, and morale, as it signals that the company values work-life balance and employee well-being. Moreover, employees have the opportunity to immerse themselves in different cultures and environments, enriching their personal lives and possibly increasing creativity and fresh perspectives when they return to the office.

Concerning eligibility and accessibility, the scheme is open to a wide range of employees, and accessible to majority of the workforce. Exceptions are made with good reasons, like only those are excluded from the program who are either having probation or notice period or subject to disciplinary measures

Regarding duration and available destinations, Workation is restricted to a maximum of 20 working days per year and is limited to the EU, restricting the number of potential participants and destination options. However, these limitations are reasonable concerning taxation issues and strive for a healthy balance between flexibility and productivity.

A potential pitfall is related to employee responsibility for costs: all travel, accommodation, and insurance expenses are borne by the employee, which may deter some employees, especially those on lower incomes or with less financial flexibility. Especially the company provides no additional travel or health insurance, leaving employees to bear the responsibility for ensuring proper coverage and potentially adding extra costs and risks during their workation. Once the Workation starts, modifications are not allowed, which could be restrictive in the event of unforeseen changes or circumstances, which may also increase the costs on the employees' side.

Additionally, any major disruptions require immediate return to Hungary, potentially cutting the workation shorter than expected.

Although the project entails administrative complexity, it mostly increases the tasks of the HR department and the application procedure on the employees' side is fairly streamlined. Moreover, the increased workload mostly occurs due to differences in tax laws and labour regulations between countries, which can create administrative and legal hurdles, particularly for third-country nationals or employees traveling to countries with more complex tax systems. Financial transparency and accountability require stringent assessment. Despite the above reasons, the approval process involves consultations, eligibility checks, and tax and labour law assessments, which can make the process time-consuming and complex for both the company and the employee.

In conclusion, while the Workation scheme provides significant benefits in terms of employee satisfaction, flexibility, and work-life balance, it comes with notable challenges, including financial burden on employees and administrative complexities. Overall, the program features reasonable risk-sharing between the parties, and gives great potential to enrich the talent retention portfolio of the employer.

The fact that the Hungarian works council was informed and consulted indicates that employees were involved in the decision-making process to some extent, aligning with the basic requirements of Hungarian labour law. This promotes transparency and communication within the company. However, unlike in Germany, where works councils have co-decision rights, Hungarian works councils have much weaker influence. This could limit the extent to which employees can actively shape the program in Hungary, potentially leading to dissatisfaction or a lack of employee buy-in. Moreover, the consultation of the Hungarian works council may not have the same impact as co-decision rights in Germany.

This difference might result in less employee-driven customization of the Workation program in Hungary, which could lead to challenges in addressing local employee needs or concerns.

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CASE STUDY. HUNGARY (2)

1 INTRODUCTION

The demand for flexible working arrangements has significantly increased in the wake of the pandemic. However, under Hungarian law, the options for offering greater flexibility—whether through remote work or reduced working hours—remain relatively constrained. This creates a challenge for both employers and employees as they navigate the evolving landscape of work-life balance and productivity. The following two case studies explore innovative remote work solutions that attempt to address this challenge by balancing the need for employee flexibility with employers' goals to maintain or even enhance productivity and efficiency. Following international examples, several Hungarian companies tried to introduce a four-day working week, which was seen as one of the most promising new breakthroughs in flexibility, but these attempts were unsuccessful and unsustainable. The two selected companies are trying to find alternative ways of combining employer-scheduled working hours and working from home in order to maintain a work-life balance. These examples highlight creative approaches that seek to bridge the gap between legal limitations and the modern workforce's expectations.

The four-day working week was introduced by Deutsche Telekom Hungary, the first of the multinational's Hungarian sites, on a pilot basis. The innovation was introduced because, in the years prior to the project, there had been a high turnover of customer service jobs, which could increase further in jobs requiring special skills, such as IT. These jobs can now be done from home almost anywhere, and an increasing number of Hungarian IT workers are taking jobs abroad, making it more difficult to retain these colleagues. The introduction of a four-day week would have been a big step in this direction.

The telecoms company tested the four-day week with 152 employees between July and October 2022, receiving positive feedback at first, and then rolled it out to 300 employees from February. However, long-term surveys showed that the model was not effective for everyone. The trial period ran from July to October 2022, during which time members of the selected groups were paid the same, had to work four days a week, eight hours a day, their working hours were officially reduced from 40 to 32 hours, and the extra day off was added to the weekend, either Monday or Friday, while for those working a continuous schedule, it was added to one of the weekly days off.

The pilot was followed by another experiment, this time with 300 employees, in which Telekom set a target of 100/90/100, i.e. to achieve 100 per cent of the original performance in four days, 90 per cent of the original working time, i.e. 36 hours, in the long term, with full pay. The four groups were deliberately chosen so that two were made up of people who worked regular hours (customer service and technical troubleshooting) and two were made up of people who worked more informal hours on a task basis (technology sales support and SAP support). This was done to ensure that the results were representative of the performance of people in both types of job. In February 2024, the company ended the four-day work week test programme with a short press release stating that "the four-day model is not uniformly applicable to all employees and most of them could not work effectively in this model due to the nature of their work or life situation".

2 HOW THE CASE STUDY EMERGED

The two cases studies emerged as good practices for remote work options as alternatives to rather unsustainable pilot projects launched by

Hungarian branches of large multinational companies in the service sector.

DHL

DHL was selected for this case study on hybrid work environments due to its distinguished record in employee engagement and organizational excellence. Recognized as a Top Employer Global for the tenth consecutive year, DHL has consistently demonstrated its ability to cultivate supportive and dynamic workplaces. DHL's global success in integrating flexible work arrangements while sustaining top-tier employee satisfaction and productivity makes it an ideal subject for studying the implementation of hybrid work models. As a leader in logistics, DHL navigates the complexities of managing a geographically dispersed workforce, setting a benchmark for companies transitioning to hybrid work environments.

Schneider Electric

Schneider Electric Zrt. is based in Hungary, with the head office in Budapest. It operates in the Architectural, Engineering, and Related Services industry. Schneider Electric Zrt. was incorporated on April 16, 1990. It currently has a total number of 1,283 (2024) employees. Schneider Electric's long-standing presence in Hungary since 1991 has made it a key player in both the local and international markets. The company has four factories in Zalaegerszeg, Gyöngyös, and Kunszentmiklós, as well as its regional logistics centre in Szigetszentmiklós, which serves over 20 countries in Central and Eastern Europe. In addition to its manufacturing and logistics operations, Schneider Electric also maintains a Business, Sales, and Customer Service Centre in Budapest, along with the European headquarters of its Energy and Sustainability Service Centre, and a global finance and procurement services centre. The company's strong financial performance underscores Schneider Electric's ability to innovate and

expand, making it a compelling example of how large-scale organizations can successfully implement hybrid work models while driving growth and maintaining operational efficiency across multiple sectors. Schneider Electric has been awarded for multiple times due to its worker-friendly and flexible environment.

3 MEASURES ADOPTED IN MATTER OF WORKING TIME

The case studies explore the challenges and legal considerations associated with implementing flexible working arrangements, particularly focusing on homeworking and a four-day workweek within Hungarian labour law. It highlights the conflict between existing regulations on working hours and rest periods, and recent EU rulings that emphasize the need to maintain both daily and weekly rest periods, regardless of work schedule adjustments.

3.1 Introduction (optional)

The primary challenge with home working is its current lack of regulation. The term "home office" was only introduced into Hungarian law in March 2020, prompted by the legal requirements of the COVID-19 emergency. Although the now-repealed Government Decree 47/2020¹ allowed employers to unilaterally order employees to work from home or telework, this move was significant as it acknowledged "home office" as a distinct legal concept, even in the absence of detailed legislation.

Despite this recognition, the Labour Code and other legislation do not explicitly outline the rules for home working. However, it's generally accepted that the general provisions of the Labour Code should apply.

¹ Government Decree 47/2020. (III. 18.).

Specifically, Section 51(1) mandates that employers must provide the necessary conditions for employment, while Section 51(2) requires employers to reimburse employees for reasonable expenses incurred while working. These rules raise important questions for home working. For example, who is responsible for the additional costs associated with working from home, such as increased electricity, water, and heating expenses? While these costs are clearly related to the work being done, and thus fall under the employer's obligations, the Labour Code does not explicitly address how these should be managed. Moreover, it would be challenging in practice to accurately calculate and prove the exact additional expenses incurred by employees due to home working. This lack of clarity highlights the need for more detailed regulations to address the evolving nature of work environments (Kozma, 2024).

Section 52(1) outlines the primary obligations of employees, including the requirement to be present at the designated workplace, ready and fit for work, and to be available to the employer during working hours. Employees must perform their duties personally, with the expected level of competence and care, adhere to all relevant rules, regulations, and instructions, and cooperate with colleagues. While these obligations might seem straightforward, they become nuanced in the context of home office. For instance, the requirement to be "present" at the workplace might seem irrelevant in a home office setup since the employee typically chooses the work location (Kárpáti, 2022). However, this does not negate the employee's responsibility to be available and in a fit state to work at the start of their scheduled working hours, just as they would be in a traditional office environment. Unless an alternative arrangement is made, the home office does not alter the standard work schedule, and the employee must be ready to work at the designated time.

Regarding the obligation to follow instructions, it's important to note that homeworking does not diminish the employer's authority to direct the

work. The employer still retains the right to decide what tasks are performed, how they are executed, and to what standard. This is a key distinction from telework, where the nature of the work might allow for greater autonomy. In the case of homeworking, while the employee may choose the location, all other aspects of the employment relationship—such as work hours and responsibilities—remain unchanged and governed by the employment contract. Thus, working from home should not be seen as fundamentally altering the employment relationship but rather as a shift in the location of work. All core obligations and expectations, both from the employer and employee, remain intact, ensuring that the structure and discipline of traditional employment are maintained even in a home office setup (Fodor & Tóth, 2021).

Section 96(1) of the Labour Code stipulates that the employer is responsible for determining the organization of working time, including the working time schedule. However, paragraph (2) allows the employer to delegate the right to organize working time to the employee in writing, particularly in cases where the nature of the work allows for independent organization (informal working time). This flexibility means that even if the employee can perform certain duties at specific times due to the nature of the work, it doesn't alter the informal nature of their working hours, because the context of a home office, the employer's right to set working hours remains unchanged. The parties may agree that the employee not only chooses where to work but also when to work. However, in the absence of such an agreement, the employee is still expected to adhere to a fixed schedule. This means that, as previously mentioned, working from home does not grant an employee with a standard working schedule the freedom to unilaterally decide to shift their work hours to different times of the day—such as handling personal errands during the day and working late at night. Unless otherwise agreed, the employee must be available and working during the designated hours (e.g., 8 AM to 4 PM).

This raises important questions about the consequences if an employee fails to comply with these obligations. For instance, could non-compliance lead to immediate termination of employment, or would a written warning or the revocation of homeworking privileges be a more appropriate response? These issues are still awaiting clarification in case law. However, given the increasing prevalence of homeworking, it is likely that such situations will become more common and will require careful consideration. In the light of the above stated, the way employees perceive home office could lead to various instances where the boundaries of these obligations are tested. Employers and employees alike will need to navigate these challenges carefully to maintain productivity and adherence to the agreed-upon terms of employment, even within the flexible framework that homeworking provides.

In recent times, many employers have adopted homeworking as a necessary measure, primarily to prevent the spread of viruses. Given this context, it's understandable that they may be reluctant to alter the existing work schedule during the home office period. Essentially, employers are looking to change the location of work while expecting employees to maintain their usual productivity and routines. However, this approach does not align with the traditional purpose of a home office. Historically, the concept of a home office is perceived as a special privilege by both employers and employees (Kárpáti, 2022). This perception stems from the fact that employees often associate homeworking with greater autonomy, believing that they can choose when during the day to complete their tasks, as long as the work is finished on time.

Beyond the choice of work location, one of the key challenges in implementing flexible working arrangements lies in the organization of working time. According to Article 6 of Directive 2003/88/EC, the maximum weekly working time, including overtime, should not exceed 48

hours over any seven-day period. The standard 40-hour workweek is thus in compliance with this directive, as it does not prescribe a fixed daily working time. Furthermore, Article 13 of the same directive encourages Member States and workers to maintain flexibility in determining work schedules. This flexibility is especially emphasized in Directive 2019/1152, which highlights the need to adapt working time patterns to meet economic demands. Article 13 of Directive 2003/88/EC states that employers must consider the general principle of adapting work to the worker when organizing work according to a particular pattern. This includes avoiding monotonous and rigid work schedules, taking into account the nature of the tasks, and ensuring that safety and health requirements are met, particularly with regard to breaks between work periods (Nemessányi, 2023).

These directives underline the importance of flexibility in both work location and scheduling. While many employers have adopted homeworking as a temporary or forced solution, the broader intention behind such arrangements is to create a work environment that is more adaptable to the needs of both the business and the employee. Balancing these needs requires careful consideration of how work is organized and ensuring that employees have the autonomy they associate with homeworking, without compromising on productivity or compliance with legal requirements.

However, the current provisions of the Labour Code present challenges to implementing a four-day workweek. According to Section 92(1) of the Labour Code, the standard full daily working time is set at eight hours per day. Under Section 92(4), shorter working hours are permitted only if specified by an employment regulation or agreed upon by the parties involved. Furthermore, collective agreements can only deviate from this standard in ways that are more favourable to the employee. This means

that adopting a four-day workweek would necessitate a formal adjustment to the established working time regulations (Csorba, 2021).

In addition to working time rules, rest period regulations also pose potential obstacles to redistributing workdays into a four-day workweek. Two specific types of rest periods are particularly relevant: the break during the workday and the rest period between two working days. Chronologically, the first issue to consider is the break during the workday, often referred to as the inter-work break. Article 4 of Directive 2003/88/EC mandates that if an employee's working time exceeds six hours, they must be given a break. This directive encourages the parties involved in collective agreements and social partners to determine the specifics, with national legislation serving as the ultimate regulatory framework (Rab, 2022).

Within the context of Hungarian labour law, the provision for breaks during a workday exceeding six hours is well established, typically covering a mandatory lunch period. However, in the case of a four-day workweek, where daily working hours might extend beyond the usual eight hours to accommodate the compressed schedule, the law requires two breaks. These breaks cumulatively extend the working time by forty-five minutes. The challenge lies in reconciling these mandatory rest periods with a compressed work schedule, as the need for longer breaks could potentially undermine the efficiency gains sought through a four-day workweek. Adjusting both working time and rest period regulations would therefore be crucial to successfully implementing a four-day workweek while ensuring compliance with existing labour laws and maintaining employee well-being.

The minimum duration of the daily rest period under Hungarian labour law is set at 11 consecutive hours per day, which aligns with Article 3 of Directive 2003/88/EC. This directive, incorporated into the Labour Code, mandates a minimum of 11 hours of uninterrupted rest within a 24-hour

period, ensuring that workers have adequate time to recover between workdays. This requirement applies equally to both standard eight-hour workdays and extended working hours, such as those that might occur in a compressed workweek scenario. However, a significant ruling from the Court of Justice of the European Union (CJEU) in the case involving MÁV-START², a Hungarian railway company, has brought additional clarity—and restrictions—to the application of these rest period rules. The CJEU's interpretation of Articles 3 and 5 of Directive 2003/88/EC, as read in conjunction with Article 31(2) of the Charter of Fundamental Rights of the European Union, reinforces the importance of separating daily and weekly rest periods. The CJEU ruled that:

- The daily rest period mandated by Article 3 of Directive 2003/88/EC is distinct and must be added to the weekly rest period provided under Article 5 of the same directive. This means that the daily rest period cannot be included as part of the weekly rest period, effectively extending the overall rest time required for workers.
- If national legislation grants a weekly rest period exceeding 35 consecutive hours, employees must still be provided with the daily rest period in addition to the weekly rest period. This interpretation emphasizes the need for both types of rest to be fully respected.
- When a worker is granted a weekly rest period, they are also entitled to a daily rest period immediately before the start of that weekly rest period.

These rulings have practical implications for the organization of flexible working arrangements. The CJEU's decision effectively restricts employers' ability to compress or manipulate rest periods in favour of more flexible schedules, reinforcing the need to adhere strictly to both daily and weekly

² Case C-477/21, *IH v MÁV-START Vasúti Személyszállító Zrt.*, EU:C:2023:140.

rest requirements. For employers looking to implement non-traditional work schedules, such as a four-day workweek, this case underscores the necessity of carefully structuring work and rest periods to ensure full compliance with EU labour directives. This judgment serves as a critical reminder that while flexibility in work arrangements is increasingly sought after, it must not come at the expense of workers' rights to adequate rest, as these are fundamental protections enshrined in both EU law and national labour regulations.

3.2 Remote Work Solutions at DHL Budapest Command Centre

DHL's Budapest Command Centre (BCC), responsible for a range of shared services like logistics, accounting, global trade compliance, and global business services, has positioned itself as a leader in Hungary by pioneering remote work initiatives tailored to modern employment needs. While such hybrid work models are more common across Europe, BCC stands out as one of the first in Hungary to implement flexible, scalable work arrangements for its entirely white-collar workforce.

The drive towards flexibility at BCC began during the COVID-19 pandemic when the company introduced a hybrid work structure that allowed employees to work remotely for three days a week, with two days reserved for office presence. What sets this model apart is its built-in flexibility: employees can choose one of their office days according to their preferences, with the other day set by the employer. This 80-20 remote-to-office split offers a refreshing balance between autonomy and structured collaboration, which is still considered novel in the Hungarian business landscape.

In addition to the hybrid model available to the wider workforce, BCC has introduced a more advanced flexible working arrangement for its management team. Managers are granted full autonomy over their

working hours, allowing them to tailor their schedules according to personal preferences or business needs.

Additionally, in a progressive move to support employee well-being, the company allows certain groups to apply for 100% remote work based on personal circumstances such as long commutes, childcare, or eldercare responsibilities. This policy ensures that employees facing significant personal burdens can remain engaged and productive without being tied to the office.

3.3 Flexible Working Time Arrangements at Schneider Electric Hungary

Schneider Electric embraced flexible working arrangements during the COVID-19 pandemic, like many global companies, and this marked a significant shift in their approach to remote work. Initially introduced as a response to the crisis, these flexible work options quickly gained widespread acceptance among both employees and management. Encouraged by the positive feedback and results, the company's global headquarters granted full autonomy to local branches, allowing them to tailor remote work solutions to their specific operational needs. As a result, remote work has now become a permanent feature of Schneider Electric's workplace culture in Hungary, seamlessly integrated into the company's post-pandemic operations.

Under the new flexible working policy, Schneider Electric employees typically spend two days working remotely from any location within Hungary, with the remaining three days spent in the office. This balance provides employees with a much-appreciated level of autonomy, allowing them to choose the location of their remote work within Hungary while still maintaining a strong connection to their office teams. The decision to limit remote work to within Hungary stems from important considerations regarding occupational health and safety, as well as

taxation laws, ensuring the company remains compliant with local regulations.

Employees also enjoy considerable flexibility in determining which office days suit them best. Schneider Electric's branch managers are responsible for coordinating office schedules to maximize team efficiency and ensure that collaboration is not hindered by staggered office attendance. To further enhance this arrangement, Fridays have become unofficially "meeting-free," allowing employees to structure their office presence and remote work hours more comfortably while maintaining high productivity levels.

Schneider Electric has also launched a new pilot program to further expand its flexible working options through the introduction of a sabbatical leave policy. Under this program, employees who have been with the company for at least three years can apply for a sabbatical ranging from three to six months. The program offers employees the chance to step away from their work duties, recharge, pursue personal projects, or focus on family matters.

One notable aspect of this program is the co-sponsorship model, where employees contribute to the financial feasibility of their sabbaticals. Half of the costs are covered by Schneider Electric, while employees save the other half in a "salary bank" over time. This savings model empowers employees to take longer breaks without severely impacting their financial stability, reinforcing the company's commitment to fostering work-life balance and personal growth.

Schneider Electric has long been recognized for its innovative internal bonus system known as "Step Up," a peer-to-peer recognition program that allows employees to reward one another for exceptional performance by assigning bonus points. These points can then be

redeemed for various work-related benefits, adding an element of empowerment and positive reinforcement to the company's internal culture. Recently, the "Step Up" program has been expanded to offer even greater flexibility and benefits for employees. One of the most popular additions is the option for employees to exchange their accumulated bonus points for extra paid vacation days. This new feature not only boosts morale but also gives employees more control over their time off, further enhancing their work-life balance.

4 IMPACT OF THE MEASURES

Concerning the home office project at DHL, the biggest challenge was to ensure a healthy and safe working environment. *"We started exploring the occupational health and safety measures during COVID-19, and the most ensuring is that we ask employees to take pictures of the workstations. However, it also means that remote work option is only available from the employees' homes."* (6/7). Despite this restriction, employee satisfaction surveys show that DHL staff is highly satisfied with the option, which provides significantly more flexibility for employees compared to other competitors in the logistics industry.

"Another restriction is that the home office is only available to white-collar workers, which is understandable, as warehouse workers cannot perform their duties from home." (6/7). This constraint may bring up some tension between blue- and white-collar workers, the former being represented by a trade union, however, white-collar workers are not unionised at BCC. *"We have a collective agreement at DHL, which provides for teleworking for certain positions, but at BCC we do not have any union members at our workforce, and we apply our own home office regulations to*

employees.³ *This home office measure works better for us, we trust our employees and so far, it has not brought up severe efficiency issues.*" (6/7). Apparently, a high level of employee commitment is key to efficient operations and helps overcome the initial uncertainties concerning flexible arrangements: *"We do not have a strict core and periphery time arrangement for office hours either, mutual trust is important and our flexible working time arrangement works well. Home office highly enhances employee commitment. Ever since the pandemic forced us to provide more adaptable individual working time arrangements, we keep working on even more flexible solutions."* (6/7). Concerning the 100% home office option, the interviews show that about 50% of the applicants are male: *"The need for more family-friendly arrangements have grown after the adoption of the Directive."*⁴ (6/7).

Regarding the case of Schneider electric, data show that the company was lagging behind in terms of employer branding: *"We were well known in our professional circles, but we wanted to improve our external visibility. We needed to recruit hundreds of new people, mainly engineers and economists. But the big thing is that, in addition to finding new employees, another important task of HR is to retain existing employees. We do this very well, with a high retention rate of people who have been with us for several years."* (7/7). Building on industry experiences, it was obvious that the company faces the hardship of labour shortage in recruitment and talent retention: *"I think it is very important to have a team, the opportunity*

³ According to Hungarian legislation, a collective agreement is universally applicable to all employees employed by the employer, regardless of their union membership. On the other hand, it is possible to apply different regulations to employees based on their jobs. DHL's collective agreement is confidential.

⁴ Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU. The Directive was transposed to Hungarian law with a significant delay, in December 2022.

to do meaningful, value-added work, and a flexible working environment. Our white-collar workers, including management, can work from virtually anywhere when they are not in the office, and they can allocate their tasks differently than they would on office days. This provides ample flexibility and supports a healthy work-life balance." (7/7).

Based on the interviews, it is quit obvious that remote working, although it is not primarily related to working time, gives autonomy to employees in task allocation, thus, serves as a flexibility measure too: *"What I find is that everyone has now developed a sense of the conditions in which they can work most effectively. For some it is the office, for others it is the home environment. For those who like the home office and want to organise their family life to minimise the commute between home and work, the increase in overheads will not lead to a return to daily commuting. If it does, we're delighted, because we've always been known for a good workplace community, which is best built on face-to-face interaction."* (7/7).

Although the idea of a four-day workweek gained popularity after the pandemic, it soon proved to fall short not only in meeting legal requirements but also in fulfilling employee expectations: *"We have not considered introducing a four-day work week. Telekom was very transparent about the pilot project, and we all learned a lot from their example. The biggest disadvantage of a four-day week is that, although Fridays are free, employees cannot squeeze all their business into that day. And if there are family events, school activities or birthdays on working days, they cannot attend them because they are still working on the same day. We believe in individual flexibility and that's what we're trying to achieve with our home office project."* (7/7).

5 GENERAL EVALUATION AND CONCLUSIONS

Both DHL and Schneider Electric have taken significant strides towards implementing flexible working arrangements that cater to the evolving demands of their workforce, particularly in the wake of the COVID-19 pandemic. These initiatives not only respond to employee expectations for greater flexibility but also aim to sustain productivity, foster employee engagement, and improve talent retention in a competitive labour market.

DHL's Budapest Command Centre (BCC) has effectively implemented a hybrid work model that demonstrates flexibility and adaptability, making it a strong case for successful post-pandemic work reforms. The arrangement of three home office days and two office days per week strikes a balance between remote work and the need for in-person collaboration, particularly in shared services like logistics and accounting. This hybrid model has given employees the autonomy to organize their workdays, allowing them to choose one of the office days while the company determines the other, ensuring a level of coordination.

DHL's flexibility extends to certain employee groups, where 100% home office arrangements can be granted based on personal circumstances such as commuting difficulties or family obligations. This approach reflects a high degree of sensitivity towards individual needs, which has been key to maintaining a satisfied and productive workforce. Furthermore, the flexibility in task allocation for white-collar workers and management has enhanced work-life balance, contributing to overall job satisfaction.

One area for potential improvement, however, lies in refining the management of remote work processes, ensuring that operational efficiency and team cohesion are maintained across the hybrid model. While flexibility is valued, careful coordination between in-office and

remote staff remains crucial to avoid any disruptions in workflow and communication.

In a country where remote work practices are still evolving, DHL's BCC has taken a bold step towards modernizing workplace flexibility and fostering a more adaptive and resilient work culture. These innovations reflect DHL's forward-looking approach to workplace dynamics, positioning it as a trendsetter in Hungary's ongoing digital and organizational transformation. For select groups of employees facing unique challenges—such as long commutes, childcare, or eldercare responsibilities—BCC offers the opportunity for 100% remote work. This is particularly progressive in the Hungarian context, where full-time teleworking is still relatively uncommon. Employees can apply for this scheme if they can demonstrate that being physically present in the office would impose a disproportionate burden on their personal lives.

Schneider Electric has embraced remote work options and flexible scheduling as an integral part of its post-pandemic operating model. The company's implementation of two home office days and three office days per week allows employees to choose their working environment while adhering to legal and safety requirements. Schneider Electric has also shown thoughtful flexibility in ensuring that Fridays are free from team meetings, giving employees more autonomy in planning their office days and minimizing disruptions to their personal lives.

In addition to flexible work schedules, Schneider Electric has introduced innovative measures such as the sabbatical program, a unique offering that enables employees to take a three to six-month break every three years. This program, co-sponsored by the employees through a "salary bank," demonstrates Schneider Electric's commitment to supporting employee well-being and addressing issues like burnout. It also highlights

the company's forward-thinking approach to long-term employee engagement and retention.

Another standout initiative is the "Step Up" program, which allows employees to convert peer-given bonus points into work-related benefits, including extra paid vacation days. This gamified system of rewarding performance fosters a positive work culture while offering tangible incentives for employees to excel in their roles.

However, one challenge Schneider Electric may face is ensuring that these flexible work arrangements and unique programs are accessible and beneficial to all employees across different levels and roles. Coordination between remote and in-office work still requires careful planning to ensure that organizational goals are met without compromising employee flexibility.

Both DHL and Schneider Electric have embraced the future of work by implementing flexible work arrangements that cater to the needs of their workforce while maintaining operational effectiveness. DHL's hybrid model has enabled a smooth transition into a new era of work, emphasizing autonomy, work-life balance, and inclusivity for those with specific personal needs. Schneider Electric, on the other hand, has taken flexibility a step further by introducing innovative sabbatical and reward programs that not only promote productivity but also enhance employee satisfaction and well-being. While both companies have made significant progress, continuous evaluation and fine-tuning will be necessary to optimize these programs, ensuring that they remain beneficial to both employees and the organization. Their commitment to flexibility, innovation, and employee engagement sets a strong example for other companies navigating the challenges of the modern workplace.

One notable aspect of the implementation of flexible work schemes at both DHL and Schneider Electric in Hungary is the limited involvement of trade unions and works councils. Unlike in other European countries where industrial relations are robust and trade unions have a strong presence in negotiating work arrangements, Hungary's industrial relations landscape is relatively weak. Hungarian trade unions have historically struggled with low membership, limited bargaining power, and minimal influence over decision-making processes at the corporate level. Consequently, the introduction of flexible work schemes at DHL and Schneider Electric was largely driven by corporate strategies rather than collective bargaining or worker representation.

At DHL, for instance, while the works council was informed about the hybrid work model, it did not play an active role in shaping the policies. Similarly, at Schneider Electric, the rollout of remote work options and innovative programs like the sabbatical and "Step Up" schemes occurred without significant input from worker representatives. The absence of co-decision-making rights, which are prevalent in countries like Germany, further weakened the influence of works councils in Hungary. This highlights a broader issue in Hungarian industrial relations, where employers often unilaterally implement policies related to working conditions, leaving trade unions and works councils in a consultative or advisory role at best.

This lack of involvement reflects the overall weakened state of industrial relations in Hungary, where the influence of labour organizations on corporate decisions is minimal. Despite this, both DHL and Schneider Electric have implemented flexible work arrangements that generally align with employee preferences, indicating that corporate-driven strategies can be effective in meeting workforce demands. However, the absence of strong worker representation also raises questions about long-

term sustainability and whether employee interests will continue to be adequately protected as these programs evolve.

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