



# TELEWORK

*WORKING WHERE ONE WOULD LIKE  
LIVE?*

## Foreword

Work at home is not a new subject for the trade union movement. There have been problems involved with home work. Often, employers have tried to flee from their responsibilities by defining the home worker as an independent subcontractor.

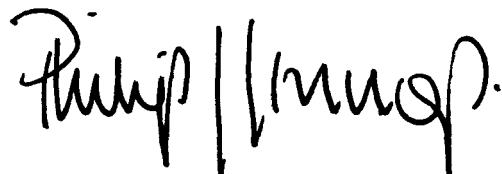
Today, new technologies have made it possible for an ever growing number of employees to do their work outside their offices or enterprises.

This discussion paper on telework reflects an developments in a highly industrialised European country, the Federal Republic of Germany. It was drafted by Dr. Johann Welsch from the DGB and the FIET Technology Working Group suggested it should be circulated as a discussion paper. The importance of the paper is that it provides us with a starting point in formulating a trade union response to a work situation which concerns a growing group of our members.

From a trade union point of view, it is important that the rights of a 'teleworker' are clearly defined in legislation and collective bargaining. Telework must not be allowed to let employers flee from their legal responsibilities.

There are also important international implications connected with the spread of telework. Already now one can see attempts by multinational companies in highly industrialised countries to have certain work done more cheaply in developing countries. The development of computer and communications technologies make this a real alternative for companies in main FIET sectors, such as banking, insurance, commerce and the information technology industry.

In addition to national legislation and collective agreements, international instruments have to be created to deal with new forms of work such as telework and off-shore work. These are not covered in a satisfactory way by the existing international labour norms. It is therefore essential that they be given sufficient priority when the International Labour Organisation continues to develop the protection of workers' rights world-wide through new Conventions and Recommendations.



Philip J. Jennings  
General Secretary

*In today's industrial society, the way individuals live their lives, and the social relations they develop, are influenced to a very large extent by the place where they find employment. For the majority of people who have to work for a living, the place where they work becomes the centre of their lives, although, given the choice, many would prefer to decide first where they want to live and then hope to find work there as well. Telework could provide a possible way round this dilemma.*

The concept of telework has been around for more than a decade and although it has not really found its way into practice, it is currently the subject of heated public debate. The issue of telework has been given new prominence as a result of a recent company agreement with the computer giant IBM covering workplaces outside the main premises. Longer-term trends, such as the growing danger of traffic grinding to a halt in urban areas, and the increasing environmental damage caused by road traffic, are likely to increase the attractiveness of this form of work organisation, as indeed is the pressure from workers themselves who want more flexibility in the way they organise their lives, and that includes their work. What are the issues at stake? What forms of telework exist? How can telework be made socially acceptable?

### **Forms of telework and their spread**

Every time the subject of telework has come up over the last ten years, discussions have focused exclusively on just one variant, i.e. telehomework. As its name implies, this involves people working from home on computers that may be linked on-line or off-line to their employer's or customer's office, but other ways of delivering the finished work could also involve sending a diskette for example.

If someone were to ask how widespread this form of work actually was, they would probably be in for a surprise: in spite of the passionate feelings the subject gives rise to, it is not practised very much. It is estimated that the number of telehomework jobs in Germany has never exceeded 1000, although this may be no more than a guess since some of the telehomework jobs escape detection.

In the first comprehensive empirical study on telework carried out in the Federal Republic of Germany, Kreibich and co-workers reported that 8.6% of the companies that responded said that they were involved with telework, and that one in eleven companies planned to introduce telework in the near future. The authors of the study also pointed out, quite rightly, that many companies

1 cf. Kreibich, R: The future of telework - empirical study of the decentralisation and flexibilisation of white collar jobs based on the new information and communication technologies. In RKW Essays on Man and Technology, Eschbom 1990.

are beginning to decentralise their operations as the new information and telecommunication technologies become more widely available. To some extent, it may be said that the empirical importance of such changes extends beyond the controversial question of telework.

Clerical activities, in particular, such as data processing and input, text entry and word processing, are in the throes of re-organisation, and that applies to the ways those activities are performed in-house. More than two thirds of the companies have already begun to take measures in this area. Almost one company in two has spun off certain responsibilities to its subsidiaries and branches, and more than 38% are using the new technologies in order to contract out some of the work they used to do themselves. Other forms of decentralisation, such as increasing the number of sales representatives (only 23%), or getting the customers to carry out certain activities themselves via a customer-operated electronic self-service facility (8%), are clearly much less popular.

Customer interest in the new information and communication technologies is not limited to achieving productivity gains and cost reductions; the banking and insurance sectors, not to mention the local health insurance funds, are primarily attracted by the potential for increased flexibility. Industry, too, is beginning to realise the importance of being able to adjust to changes in market conditions and to react quickly to new customer requirements. And the new technologies can help them to do just that.

### **The future of telework**

Just because there does not seem to be much call for telework at the moment, does that mean we can afford to ignore the entire discussion? Is it possible that a problem, which had the trade unions up in arms, especially during the Eighties, is about to disappear of its own accord? In my view, the answer to both questions is - no. There are a number of reasons why this form of work organisation is likely to find greater acceptance in the future, whether this involves redesigning homework or creating work centres close to where people actually live. There is no doubt that workers are increasingly interested in having more flexibility and independence in their jobs, and in this context, flexibility also means making things happen locally.

## **The environment**

Provided that certain conditions are met, telework could be one answer to the problem of how to achieve a better balance between work, family responsibilities and leisure activities. In the large conurbations, the need to reduce the amount of time people waste commuting to work is becoming increasingly accepted. If we agree that adding yet more roads and concreting over those areas that are as yet untouched is not the answer, and if we do not want our existing roads to be entirely clogged up, then we shall have to devise new ways of enabling people to work and live in the same place. That was probably the main reason why the Dutch Ministry of Transport decided to launch two pilot telecommuting projects aimed at giving its 16,000 employees the opportunity of working a maximum of these days a week from home<sup>2</sup>.

The high levels of pollution and the squandering of energy resources connected with 2) the use of private vehicles are further reasons why new forms of work organisation need to be considered. In the United States, for instance, calculations for the Los Angeles region have shown that if one commuter in twenty were to work from home for just one day a week, that would be enough to reduce car exhaust emissions by 47 tonnes<sup>3</sup>.

## **Labour market and regional policy aspects**

Last, but not least, I should like to speak about the labour market and regional policy aspects of telework. Disabled persons would certainly find it easier to get a paid job, since the difficulties of getting to work would be attenuated, if not eliminated. But the development of telework could also be used as an instrument of regional policy. Sweden and Norway have both experimented with "telehouses" or "satellite offices" as a way of providing those who live in the remoter parts of the country with additional work opportunities and helping to develop these regions. Switzerland, too, is slowly moving in this direction in order to respond to labour shortages in the urban centres.

The state government of Rhineland Palatinate has recently launched a "telework model project" in the district of Daun which it hopes will meet both these goals. The idea is to create telework jobs in the rural areas and to use the experiment to analyse the legal, social and business implications, as well as the technical possibilities they offer.

<sup>2</sup> Süddeutsche Zeitung (Munich-based daily newspaper) dated 12 September 1991.

<sup>3</sup> according to the economic journal Wirtschaftswoche dated 3 May 1991.

## **Technological developments**

Although more and more people are interested in seeing telework spread, and although it is in line with many political objectives, there are two major conditions which will have to be met before it becomes a practical possibility: the technological feasibility and the demands of the social partners who have a specially important role to play in this context.

Technological developments will ensure that this form of work organisation will become increasingly easy to implement. With ISDN (integrated services data network), a powerful and cost-effective infrastructure should be in place by the beginning of the next century which will integrate voice and data networks. As a result, a whole range of new telecommunication services will become available. The parallel use of these and other services carried over glass-fibre networks will change the face of communications and allow new forms of work organisation to emerge. Efforts in the standardisation field will progressively eliminate the hardware compatibility problems of the past. The attractiveness of telework will also be given an additional boost due to the fact that the price of the electronic equipment will continue to fall as compared with other cost elements, e.g. the cost of office space and energy costs. At the same time, the performance, speed and reliability of information technology systems will continue to improve.

## **The employers' position**

The fact that the technological infrastructure is being upgraded does not mean that there is a desire to take advantage of all the possible benefits the system can deliver. Management seems to have a very ambivalent attitude towards telework. Obviously, it makes sound business sense to the extent that the company is better able to react to changes in the marketplace and can save an expensive city office space into the bargain. Telework also holds out the promise of increased productivity as there will be fewer work interruptions, a higher level of concentration and motivation, and employees will derive more job satisfaction.

The US company New York Telephone reported that the productivity of each individual manager who was involved with telework rose by 40%. English surveys have shown that the productivity of teleworkers is 30% higher than that of employees who work on the company premises, while ICL (International Computer Ltd.) has discovered that work that usually takes 40 hours when carried out on the premises can be done in as little as 25 hours by teleworkers<sup>4</sup>.

<sup>4</sup> cf. Di Martino, V., Wirth, L., Telework: A new way of working and living, in: International Labour Review 5 /1990, p. 531 f.

In spite of these advantages, companies are not doing much to actively promote telework. This is due primarily to the resistance of managers. If employees are competent and independent enough to get on with the job on their own, what point is there in retaining certain management functions, to say nothing about the survival of existing hierarchical structures? At the same time, management's role is becoming more complex and requires the adoption of new methods and styles of leadership. Probably the main reason why there is such reticence is that telework reduces management's ability to control and supervise employees.

### **Trade union criticism**

Trade unions have so far been quite critical about telework<sup>5</sup>. This clearly has much to do with the negative experiences they have had with employers' rationalisation strategies in general, and with traditional forms of homework in particular. Information technology has progressively permeated all areas of companies' activities without, as a rule, putting an end to the fragmentation of tasks, without creating meaningful and varied jobs, and without really doing much to increase the overall level of qualifications and communication.

For the time being, telework is done almost exclusively by women working on a part-time basis. As Kreibich confirmed in his report mentioned earlier, telework tends to be done within the framework of plant agreements, which means that teleworkers are de facto dependent on their employers, and yet from a legal point of view they are considered self-employed; as a result, they do not fall under the protection of social legislation. Teleworkers are, he argues, quasi-employees who are badly paid, enjoy no social benefits, are not covered by the provisions of collective agreements and can be fired at will.

Their situation is exacerbated by the fact that there is no staff representation to defend their interests. "The activities performed (by teleworkers) are clearly ones that demand less qualifications such as text entry, typesetting or proof reading. These kinds of jobs, which can just as easily be done off-line, tend to be contracted out for cost reasons to "self-employed persons" by companies facing strong competition and who therefore have to keep their margins as small as possible. In the process, they are not averse to avoiding their obligations under existing labour laws. Payment is calculated entirely on the basis of the work performed<sup>6</sup>".

5 cf. for example Bahl-Benker, A., Electronic homework - the "brave new job world"? in: Die Mitbestimmung [Co-determination] 12/1983; DGB Baden-Württemberg, Telehomework, electronic homework - danger or opportunity? (by M. Dobberthien), Stuttgart 1985 ; see also Motion.

6 Kreibich, inter alia, p. 37 of work mentioned above.

## **Women teleworkers**

As a general rule, it tends to be women who accept telework. They do so because there is not enough money in the household kitty, because there aren't any "proper" jobs anyway, and because the problem of where to put the children when there are no creches or child-minding facilities available is insoluble. In such circumstances, telework seems to be the perfect solution since it allows them to do paid work and look after their children. Experience has shown, however, that the hopes of most women are not fulfilled in this manner<sup>7</sup>. Trying to be a housewife, a worker and a mother at the same time, each having to respond to a different set of demands, and the lack of sufficient space, leads to stress and frustration.

Women also soon find out that not only does this form of work not bring about that hoped-for reduction in their twofold burden, it also has negative consequences on their social lives because there is less contact with friends and colleagues. Working on VDUs at home is also often a source of health problems, because nobody bothers to pay any attention to the ergonomic aspects. When remuneration is performance-related, it becomes quite difficult in certain cases to avoid situations where people push themselves too hard. As a result, the children suffer because their mother is constantly under pressure to finish the work, and she will tend to be harsher with and annoyed by them.

If we consider, furthermore, the other social drawbacks, such as social isolation, the lack of any opportunity to attend vocational further training courses, and the attendant risk of de-qualification, it is not surprising that the trade unions have been so reluctant to allow this form of work organisation to catch on.

The attitude of sceptics has also been confirmed by certain pilot projects, for example in the state of Baden-Württemberg where between 1984 and 1986 women were asked to do secretarial work at home. The negative experiences of all concerned led to these new telework jobs being eliminated<sup>8</sup>.

## **Telework - a social policy challenge**

In spite of these negative experiences, trade unions would be ill-advised to refuse all discussion about how telework might be brought into line with a socially acceptable job design and technology policy. A policy that consists of

<sup>7</sup> cf. for example Erler, G., inter alia, Computer homework - the reality is often not the same as its reputation, DJI research report, Munich, May 1987.

<sup>8</sup> cf. the report of Bullinger, H.J., Telework: The creation of decentralised jobs thanks to the use of teletext, Halbergmoos: AIT, 1987.



denying the existence of these trends, or tries to prevent them from taking root, will become irrelevant with time. Under the current political circumstances, there is no likelihood that this form of work organisation will be banned; indeed, a general ban would be incompatible with the prevailing economic order.

Moreover, we must not forget that workers are showing some interest in telework. It is not just parents who feel that telework would make it easier for them to reconcile their professional and family responsibilities; even highly qualified employees are attracted to the idea because of the possibility it offers them in terms of independence and locational flexibility.

### **Making the system socially acceptable**

If the trade unions do not wish to ignore such wishes - and to do so means running the risk of not being able to organise this category of workers in the future - then they will have to take the bull by the horns and see how telework could be shaped in a socially acceptable manner, i.e. how it can be turned to the advantage of employees.

The chances of being able to influence the future shape of telework are good since it is unlikely to spread as fast as it was predicted to do at the end of the Seventies and the beginning of the Eighties. For this to succeed, the trade unions will need to concentrate on two aspects: the first concerns the organisational form of telework which needs to satisfy the wishes and needs of employees as far as possible whilst avoiding the social disadvantages; the second is that a statutory framework for telework needs to be devised which can guarantee the highest practical level of social protection.

### **Organisational requirements**

From an **organisational** point of view, telework does not have to mean a lifetime of work spent within the four walls of one's home. There are alternatives, and we shall now look at just the most important of these. One possibility would be to limit telework to a particular part of the week, and the employee would then go into the office for the rest of his/her working time. This type of combined formula presents a number of advantages, particularly if workers are free to choose when they do which bit where. All the disadvantages of permanent telework, such as social isolation, stress and a loss of motivation, the feeling of being cut-off from all the goings-on in the office, would be removed at a stroke.

Telework does not have to be done in the employees own home either; there is no reason why an office cannot be rented close to where the employees live. In such cases, we talk of "satellite offices", that is to say decentralised offices which, although they are not located in the main building, are part of the corporate structure and are connected to headquarters via telecommunication links. Another solution might consist in having offices equipped with the necessary infrastructure in terms of information and communication technology and locating them in the area where a group of employees live. The difference between this model and the earlier one is that in this case people would be working for different companies under the Same roof (this is often referred to as a "neighbourhood centre").

Even cultural facilities (such as libraries, sports and leisure centres) and eating places could be set up in such buildings. Certainly a crèche would be a must, as this is the only way of helping to lighten the double burden working women have to carry and of counteracting the much decried mixing of social roles in the case of telehomework.

The only way to find out how the different systems work out in practice is to introduce them on an **experimental** basis. Such experiments could be conducted within the framework of the Federal Research Programme "Work and Technology". The state governments and municipal authorities, too, could take up similar initiatives. The only caveat here is that care would have to be taken not to repeat the same mistakes that were made in the pilot project carried out in the state of Baden-Württemberg between 1984 and 1986.

## **Legal framework**

The legal structure that is given to telework will determine to a large extent whether this form of work organisation brings benefits or disadvantages for the employees concerned. There are a great many aspects that have to be taken into consideration before a socially acceptable solution can be found. These include: the legal status of employees, the place where the telework is to be performed, the same treatment for teleworkers as enjoyed by the employees who work in the main office, the question of who pays for the rent, the infrastructure, the maintenance and the operating costs, working hours, the risk of fluctuating workload, securing ergonomically and medically acceptable working conditions, the risk of downtimes in the system, the inclusion of teleworkers in the company's personnel management department, liability in the event of damage to the equipment, equipment losses and the like, combined forms of work organisation involving telework and work on the company premises, staff representation, etc.

## **Socially engineered telework jobs - what would they look like in practice?**

People should not be put to work in satellite offices or asked to work from home unless they specifically ask for it, and even then, they should not do so without first consulting the works' council or staff committee. Workers must retain their status as company employees. They should only be allowed to work from home if there is sufficient room for them to do so and if the place is suitable. If the solution involves satellite offices or neighbourhood centres, provision must be made for a works' council or staff committee to be Set up. Teleworkers must be treated exactly like employees working on the company's premises as far as pay, social benefits, etc., are concerned. Whenever possible, telework should always be combined with work on the company's premises. Employers must pay for the office space, infrastructure, and maintenance and operating expenses. Employees must not be required to be on call to perform work as and when it comes in. Employers must assume full responsibility for dealing with the troughs and peaks in workload.

The provisions contained in the working time regulations and in collective agreements must apply. It is particularly important that there be a ban on night work and that overtime be limited to an absolute minimum. Employees must continue to be paid normal work rates if the System goes down as a result, for example, of problems in the communication network, the failure of a mainframe or interruptions in the electricity supply.

Employers must bear the transport costs of getting from the telework centre to the company's premises. Teleworkers must have the Same rights as other employees to participate in company further training programmes, to improve their qualifications, to apply for job vacancies and to qualify for promotion. Employers must assume full liability for damage to, or the loss or theft of equipment, provided that the employees' are not guilty of gross negligence. Companies must be required to allow workers who wish to return to a full-time job at the company to do so.

Although the kind of conditions Set out above would make telework socially acceptable, there is no doubt that they still leave many questions unanswered that will have to be addressed at some time in the future. For example, how does one verify compliance with occupational safety and health requirements and working time legislation without infringing the principle of the inviolability of a teleworker's home which is established in article 13 of the Constitution? Shouldn't the co-determination rights of works' councils and staff committees be extended to ensure that the conditions offered to teleworkers are socially acceptable? To what extent can safety clauses regarding telework be included in collective agreements? In today's information society, should this sector not fall within the scope of a general legal framework?

## **Socially engineered telework jobs - what would they look like in practice?**

People should not be put to work in satellite offices or asked to work from home unless they specifically ask for it, and even then, they should not do so without first consulting the works' council or staff committee. Workers must retain their status as company employees. They should only be allowed to work from home if there is sufficient room for them to do so and if the place is suitable. If the solution involves satellite offices or neighbourhood centres, provision must be made for a works' council or staff committee to be Set up. Teleworkers must be treated exactly like employees working on the company's premises as far as pay, social benefits, etc., are concerned. Whenever possible, telework should always be combined with work on the company's premises. Employers must pay for the office space, infrastructure, and maintenance and operating expenses. Employees must not be required to be on call to perform work as and when it comes in. Employers must assume full responsibility for dealing with the troughs and peaks in workload.

The provisions contained in the working time regulations and in collective agreements must apply. It is particularly important that there be a ban on night work and that overtime be limited to an absolute minimum. Employees must continue to be paid normal work rates if the System goes down as a result, for example, of problems in the communication network, the failure of a mainframe or interruptions in the electricity supply.

Employers must bear the transport costs of getting from the telework centre to the company's premises. Teleworkers must have the Same rights as other employees to participate in company further training programmes, to improve their qualifications, to apply for job vacancies and to qualify for promotion. Employers must assume full liability for damage to, or the loss or theft of equipment, provided that the employees' are not guilty of gross negligence. Companies must be required to allow workers who wish to return to a full-time job at the company to do so.

Although the kind of conditions Set out above would make telework socially acceptable, there is no doubt that they still leave many questions unanswered that will have to be addressed at some time in the future. For example, how does one verify compliance with occupational safety and health requirements and working time legislation without infringing the principle of the inviolability of a teleworker's home which is established in article 13 of the Constitution? Shouldn't the co-determination rights of works' councils and staff committees be extended to ensure that the conditions offered to teleworkers are socially acceptable? To what extent can safety clauses regarding telework be included in collective agreements? In today's information society, should this sector not fall within the scope of a general legal framework?