



TWING PROJECT

Estonia

Case studies report

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AUTHORS: KIRSTI MELESK, MIRIAM LEHARI, KATRE PALL, MIKAEL RAIHHELGAUZ



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1. ICT Consultancy

1.1 Contextual and company information

Telia is a large telecommunications company, and as of February 2024, they have 1,500 employees in Estonia. The company is a part of a multinational group Telia Company Group, which is one of Europe’s largest telecommunications companies. All employees must have high school qualifications, so the youngest employees are around 18-20 years old. 51% of employees are women and 49% are men, and the average age of the employee is 40 years. Average time of working in the company is 11 years. The company is divided into 8 entities of different sizes. The largest entities, with around 300 employees each, are Call Centre and Sales and Customer service. Larger entities have a 4-tier management structure.

There are about 180 team leads and the number of women in management positions is proportional to the number of female employees. Their aim is to have no more than 10 employees per team lead in order to promote a close connection with the team lead. The 1,500 employees are in different towns all over Estonia: Tallinn, Tartu, Rakvere, Pärnu. The organisation works on a matrix structure, meaning that some employees in Estonia work for the Estonian enterprise, and some work for the international group (Telia Group). This means that some teams are international and most work happens remotely by default, as employees are working from different other countries: Finland, Sweden, Lithuania, Denmark or Norway. There have been no significant changes in employment trends in the last 4 years, except for an increase in seniority and age. Employee turnover is approximately 8.3 per month, which falls below the sector average. The longest seniority within the company is 56 years.

In general, each employee works alone (for example the call centre worker answers calls by themselves, the technician works alone when setting up the technology for clients, developers write code individually etc), however the precondition is team work and all teams have regular team meetings with discussion of how to work on different tasks and analysis of results.

The extent to which employees have flexibility and autonomy in choosing their own work organisation depend on the specific field or occupation. For example, employees in customer service work on shifts and do not have autonomy over working location, while call centre workers can work from home. In general, shift workers have less autonomy over working time and place than employees in office-based positions. However, in terms of workload, all employees both those on shift and in office have flexibility and can work part-time or full-time. In general, the employer emphasises that they try to have as much flexibility as possible for all job positions.

„It is possible to allow flexibility in every single job position, however flexibility can mean different things.” - Employer representative

Performance management is one of the main processes in the company. Performance goals may be set by a team collectively, or individually – if there are people of the same job positions in the team, the goal may be collective (for example, for a Sales team, the goal may be the number of new customers signed), but if employees are more specialised, they may set individual goals. Performance goals are recorded in the HR system. Part of work organisation is individual meetings between employee and team lead to follow the progress towards goals. The aim of the individual meetings is to ensure the employee's performance and determine any support needed in case goals are not met. They also conduct annual performance summaries and annual one-to-one meetings, where employees ask feedback from colleagues/clients.

Telia had a teleworking already before the COVID-19 pandemic and concluded a teleworking agreement 1 year before the pandemic. Telework is regulated by a work organisation document (a remote work agreement) that each employee has to sign upon signing their employment contract. For employees who wish to work remotely (this is virtually all employees), it is mandatory to complete online training courses, that cover remote work basics, like regulations and health and safety, provided by the employer. The training courses remain available to the employee after completion and they can always refer to the training course material for information. In addition to the training courses, in their internal website

they have addition materials, including a written definition of “flexible work”, Frequently Asked Questions about remote work, Guidelines for team leads on remote working. There is also a Remote work checklist (what to keep in mind when remote working: cybersecurity, health and safety (such as workplace ergonomics, eye health) having a daily plan and regular routine, emergency situations. The checklist includes guidelines as well as “I” statements and tick boxes the employee can check.

There are also some voluntary opportunities for improving occupational health and safety, eg discount codes for buying office supplies and an option to join a private health insurance plan. In case of remote working abroad, the employee has to fill out an application with details on the remote workplace and duration, and attach a copy of travel insurance. The application must be approved by the team lead, then by the HR manager and finally by the security team.

In general, Telia has what they call an “office first” and hybrid approach and discourages working exclusively remotely. The employer’s representatives expressed that their attitude has been to create the best conditions for working in the office, but not to force anyone to work in person. The company-wide remote work agreement includes a clause that each team must agree on regular (at least monthly) office days, where the whole team works together face-to-face. As mentioned before, teleworking is only possible for certain occupations, for example a sales assistant at the shop would not be able to work remotely. Once per 12 months, employees can work from another EU country for up to 30 days upon agreement with their team lead. There are conditions that must be fulfilled, including that the employee’s performance must be up to standards. Remote work is not possible during periods when the employee may need more support or mentoring, for example when they need more mentoring due to low performance or during probationary period, it is likely that remote work is not allowed.

In addition, it is mandatory to complete online training courses on remote working. The company’s internal website includes information and recommendations for remote working, for example that each team should agree on 2-3 days a week where they all work together at the office. This includes suggestions for which tasks are suitable for remote work and which are better to do in person. A translation of the table is below.

Working in-person at the office is better for...	Remote working is better for...
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having a safe work environment created by the employer which adheres to occupational health and safety requirements	flexibility in organizing your work, balancing work and personal life
activities involving interpersonal communication, coaching, sharing experiences, and creative (co)thinking	conducting individual, standardized tasks, and tasks requiring deep focus, for example, independent learning, reading, report writing, analysis, etc.
conducting meetings with people outside the organization	sustainability, such as reducing car travel
integrating into the organization as a new colleague and provide supportive and friendly onboarding experiences for other new colleagues.	

The extent to which working in the office is encouraged differs across team leads. The team lead we interviewed explained that in her experience putting regulations and requirements for working in the office does not work very well. Instead, in her communication with her team she emphasises that working in the office is everyone’s personal choice, but that they are part of a team, which requires effort, collaboration and being physically present. The interviewee also emphasised the importance of team leads responsibility and modelling behaviour – when the team lead works from the office, it is more likely that team members follow.

The employees who work in international teams, whose colleagues are in other countries and who don’t have team members in Estonia, prefer working remotely, and come to the office about once a month. Some teams prefer working in the office together, others prefer working remotely. On average, people are in the office for 3-4 days of the week. On Mondays and Fridays there are less people in the office, while Tuesday to Thursday about 60-70% of employees are in the office. A seasonal trend can be observed in remote working: in the summer there are less employees in the office than in other seasons. November to January is a busy time for the company, where more meetings are required, and more people work in person. There are no notable trends regarding the gender, age or other characteristics for remote workers.

The employers emphasised an individual approach to agreement and risk management regarding remote working. The individual meeting between the team lead and employee are also important ways to manage the risks of remote work. They emphasise the importance of the manager being in close contact with the employee, personal relationship, for the manager to know and understand the individual employee's needs.

1.2 Drivers and motivations for the adoption of telework and its regulation through social dialogue

According to the employer's representative, their primary motivation to implement telework is to enhance their appeal as an employer. Within the ICT sector, there's a growing expectation for flexibility, autonomy, and remote work opportunities. They do not actively promote or discourage remote work. There are no other motivations. There is no economic motivation as they have not reduced office space, heating, equipment etc. For the employer, the management of remote work actually creates additional work and requires more resources, eg organising workflow, educating the employees in occupational safety. Employers have to put effort into determining and writing up the rules and conditions, devise courses, and finally bring them to the employees. So, for the employer, implementing telework creates additional work and effort.

1.3 Social dialogue and telework

The workers do have a collective agreement, but it does not regulate telework. The trade union membership of employees is low. Telework is regulated by a work organisation document (a remote work agreement) that is signed upon signing the employment contract.

1.4 The process of negotiation

In Telia, the trade union membership of employees is low and trade union representative is rather passive, so there was no companywide negotiation between company representative and trade union representative. Instead, the negotiations on the terms of the agreement took place within teams, between team lead and the employees. The team leads represented their teams in negotiations with the management when drafting the agreement. There is no

company-wide proposals or approaches to mention. The team lead we interviewed described the main contested areas to be the requirement to go to the physical office occasionally. Main arguments by employees were that commuting requires more resources like time and money. There were also disagreements relating to working time, namely what time the working day should start. Eventually they made compromises and made a few exceptions for some individuals, for example that those who live further away from the offices do not have to go to the office as often.

In addition to negotiations in teams, the agreement was drafted in collaboration with the working environment representative. A working environment representative is a representative elected by employees in occupational health and safety issues per law. Companies must elect a working environment representative and the representative has to dedicate at least 2 hours per week on matters related to occupational health and safety. In Telia, the work environment and well-being manager (representing the employers side) meets with the working environment representative regularly, once a month.

According to the employer's representatives we interviewed, the remote working agreement is not very restrictive (as it grew out of existing practices) and there has been no critical feedback for the agreement.

The team lead we interviewed outlined a few lessons from negotiations with employees. Firstly, it is important to have an in-person meeting to negotiate, because this ensures that everyone is present and focused on the topic and reduces the risk that someone's opinions are not considered. Secondly, it is important that each employee must express their views. Team lead should ask each employee to express themselves individually to avoid the situation where only the more active employees speak. Another technique is to use voting to reach compromise. Also, it is important to write down all the individual or team agreements (that are in addition to the company-wide agreement) and to regularly revisit and remind the team about the agreement. Another tip is to use tools to provide anonymous feedback to the agreement terms, for example Menti virtual feedback tool.

1.5 The process of implementation

Telia has had remote work already before the pandemic in 2019. One year before the pandemic they introduced rules and regulations regarding telework in the form of a remote work agreement that each employee has to sign upon signing their employment contract. According to the employer, the rules grew out organically from existing regulations and practices. The need to regulate remote work outside Estonia began during the COVID-19 pandemic, when people started working from outside Estonia. Telia is a provider of critical infrastructure service and thus have strict requirements for cybersecurity, including that the location of working should be safe in terms of international security. Therefore, the increase of remote working from outside Estonia necessitated regulations and agreements that would allow control and ensuring of security. Working abroad is only allowed in European and Schengen countries and for a limited time of 30 days per 12 months.

The main role and responsibility in implementing the remote working agreement is on the team lead, with whom the employee must agree on the conditions of remote working. The employer's representative emphasised they believe they hire employees who are responsible and self-leading, and there is no need for strict control or enforcing of the conditions.

The employer has requested that the cyber security team perform random inspections on the locations from which logins to the work computer originate. This is to ensure compliance with the requirement that employees work exclusively from within Europe and the Schengen area.

There have been no major challenges in the implementation process. In the beginning of implementing the agreement, there were a few situations, where an employee had moved or stayed for a long time in another country without letting the team lead know and thus had failed to adhere to the conditions. According to the employer representatives, these were not intentional but occurred because the agreement was new, potentially leading to oversight regarding certain conditions.

When an employee wishes to start remote work, they must have completed the necessary training courses (mentioned above) and signed the remote work agreement. They must also

agree on the remote working terms with their team lead. This does not have to be done daily, but rather a general pattern, eg if they wish to work mostly remotely for 3-4 months. The team lead and employee then discuss what the tasks are for the period, whether it is necessary and how often they should come to the office. In case of working abroad, they must also agree on preferred channels of communication and times of working in case there is a time difference.

One challenge in implementation has been communication regarding working time. They are flexible regarding working time, but according to the team lead we interviewed, there have been issues that employees are unavailable for calls and messages during what should be working hours, without letting their team lead know. According to her this is a matter of enforcing consistent communication so that there would be awareness on who is working when and to ensure employees are available.

1.6 Impact of the measure on decent working conditions

According to the employer and employee representatives, the agreement has had no impact on performance management and monitoring. For the past 15 years, Telia has used a similar performance management approach that focuses on results, there has never been a focus on presence or counting the hours.

One challenge in remote work has been mental/psychosocial health and how to support it, how to recognise the right moment when employees need help and support with their mental health issues. The employer recognises the risk of isolation and this is one of the reasons why the remote work agreement includes a clause that each team must agree on regular office days, where they work together in person. Employers also enforce the practice of team leads having one-on-one meetings with their employees at least once or twice a month, with an emphasis of mental load check-ins. It is important for the team lead to have a good relationship with the employee, because then the employee is more likely to share any issues they may have and can then be accurately supported. Telia also has measures in place for mental health, for example a virtual psychologist consultation via MinuDoc web platform and an opportunity to join a private health insurance plan, both of which have been increased with the increase of remote work. In addition to counseling opportunities, they have seminars, educational meetings, courses, and informational materials on mental health and well-being. One important part is educating employees on self-awareness and recognising their issues and another part is the psychological safety and trust between the employee and the team

lead. Regarding remote working, the employer keeps a strong focus on wellbeing and has initiatives to support physical activity.

Another challenge or risk that they have noticed is overworking, because during remote working the boundaries between work and private life become blurrier, employees have longer working days, and may have less physical activity. Regarding working time, in Telia they have a common understanding that there should not be any meetings before 9am or after 5pm. In the remote work checklist in their internal website, they have also included a suggestion that the day should be planned. Otherwise they support flexibility in working time and have no rules regarding the right to disconnect.

„During COVID-19 it was very difficult to manage that the employees wouldn't overwork. As a team lead I was happy – wow, we can work so much more effectively and finish tasks faster than planned! But then I realised – wait – what if there is another reason? And I realised that actually people didn't understand anymore the boundaries between work and private life. And then we had to make more concrete agreements in the team. That was a learning moment.”
– Employee and team lead

On the other hand, another issue for the team lead was that when remote working, flexibility in working time became difficult to manage. Employees started work on very different times so the team did not have a common starting or finishing point. The team lead introduced a new practice / agreement with the team that by 10 am each morning each employee must write into the group chat 1) what they did the day before and what their tasks for the day are and 2) what times they are not available during the day.

One issue with remote working the team lead had noticed was the lack of team spirit and increasing individualistic approach to work, a decrease in empathy towards coworkers, and an increase in conflicts. Following the team agreement and efforts in encouragement to work together face-to-face more often, this has improved. Also, the team lead emphasised that communication skills have become very important, because online the messages can be misinterpreted while face-to-face this happens less. Another issue is that employees have

become less likely to take initiative and have become more passive regarding work-related tasks or team events.

1.7 Conclusions

It is very important to define and communicate the rights and responsibilities regarding remote work agreements to the team leads, for example on what occasions they can deny the telework for the employees. This supports the team leads in making decisions and enforcing in-person working times. It is important to educate team leads on the principles of the condition of telework so there wouldn't be inequality and situations where person A has more flexibility and opportunities than person B. Team leads have to be aware that it is important that when there are exceptions to the rules, it is important to always explain to other team members why they have decided to make these exceptions. There must be a very clear communication messages on why exceptions are made.

In general, the increase in remote work and the implementation of remote working agreement, team leads now bear increased responsibility compared to the pre-pandemic era. They must devote additional effort to promoting employee well-being and fostering team cohesion. This involves conducting more frequent check-ins on individuals' welfare and fostering a collective team mindset. Therefore, one key lesson has been that it's crucial to provide support and guidance to team leads on recognizing and addressing employee well-being concerns, as well as understanding the boundaries of their responsibility and when issues should be escalated to other resources.

The employer representative emphasised that it is also important to define the meaning of 'flexibility', focus on how to ensure flexibility and importantly, to ensure there is flexibility on each job position, even when it may look different. This is important for equality. Having a remote working agreement, allows for less risk of preferential treatment or discrimination. Agreeing on rules, regulating telework and bringing this to employees is very important, because this allows for risk management, both for the employer as well as the employees. At the same time, autonomy and flexibility contribute to high employee satisfaction.

2. Financial sector

2.1 Contextual and company information

Luminor Bank is a financial institution that operates primarily in the Baltic states of Estonia, Latvia and Lithuania. As of February 2024, Luminor has 524 employees in Estonia. However, most employees in Estonia have responsibilities in all three Baltic countries, because they have a pan-Baltic, rather than country-based approach. The work organisation in general is pan-Baltic, meaning the same work organisation structures and rules apply in all countries, and the general approach does not differ in the national branch.

Across the three Baltic countries, the data from 2022 shows that the workforce is 30% men, 70% women. The majority of the workforce is between 35-39 years old, and the average age is 37. Average seniority in Luminor Bank is 6-7 years, but the trend is that most of the turnover is amongst employees who have worked less than a year, and there are many that have a longer than 6-7 years seniority. The requirement for bank employees is higher education, but there are a few exceptions to the rule in Luminor.

Luminor's performance management is based on Objectives and Key Results system. In the beginning of each year the management sets Key Performance Indicators, which are 'translated' into objectives and key results, worded as concrete actions, for employees. For each employee, they have quarterly and annual individual summaries, which is accompanied by feedback. In addition to that, regular one-to-one meetings between employees and their team leads have an important role in performance management.

The general approach to flexibility in Luminor Bank is that the location and time of working can be chosen by the employee, but they must be available for contact between 9 to 17.00 on working days. Remote work agreements are included in the work organisation rules document, which has to be signed together with the employment contract. In addition to that, remote conditions are outlined in employment contracts. They also have a goodwill memorandum with the company's trade union, which includes the same rules as work organisation rules. Luminor differentiates two categories of remote working – local remote

working and Work Abroad, for which conditions are outlined in work organisation rules. Working abroad requires a separate agreement and must be approved by the manager/team lead. The main condition for teleworking is agreement with the team lead. Therefore, team leads are the ones to implement and be responsible for teleworking agreements and practice. The employee we interviewed emphasised that teleworking conditions are mainly up to negotiations and agreement within teams or between individual employee and team lead.

Local remote working is very common. They monitor office attendance and data shows that usually about 30-40% of people are at the office. They have encouraged team leads to have meetings in the office, but it is not a rule. For example, the employee we interviewed mentioned that their team has agreed one day a week where the entire team is in the office. However, this is not strictly regulated, but everyone does their best to be present. Both interviewees admitted that collaboration is better than in the office so they see value in regular meeting and employers actively invite employees to work from the office.

There are no notable trends for who prefers remote work. About 5% of job positions do not have the ability to work remotely, these include customer service and certain transaction-related positions. According to the employer's representative, the ability to work remotely is most valued by family people, and this has been cited as the reason individuals have returned to Luminor or decided to stay in Luminor.

Juridically, it is ensured that team leads always can demand employees to be in the office. The team lead has the right to refuse opportunity for remote work, in case remote work seems to cause low performance.

Employees must submit an application to the employer if they wish to work abroad. Application includes conditions of working abroad which are regulated due to banking having strict regulations for data protection and safety. This includes the time period and location of working abroad. The employee must tell where they are remote working from, with an area or town accuracy. The time may be up to 90 days during 12 months in any European and Schengen country. The conditions for working remotely are that the employee must ensure internet connectivity and be available from 10 to 16.00. Usually, the periods for working

abroad are not very long, and fall somewhere around a few weeks' timeframe. This is also quite common and very valued amongst employees.

2.2 Drivers and motivations for the adoption of telework and its regulation through social dialogue

According to the representative of the employer, the main motivation to implement telework is to offer employees opportunities and autonomy. In general, because the bank works on a pan-Baltic principle, remote working is a central feature of their work organisation, rather than a new way of working or additional perk. The bank had established a remote work practice prior to the pandemic, starting with the inception of Luminor in 2018.

2.3 Social dialogue and telework

There is a company level trade union in Luminor. Employer and Trade Union have concluded a goodwill agreement that includes the remote working agreement. The content of the goodwill agreement is the same as in the work organisation rules document that is signed together with the employment contract. The remote work regulations were negotiated with the representative of employees.

2.4 The process of negotiation

There is a company level trade union in Luminor. The remote work regulations were negotiated with the representative of employees. They also negotiated with the leads of the entities where people work on shifts, so that the rules would be inclusive to their specificities. However, there were no disagreements, because in general, the regulations grew out from existing practices and agreements that worked well.

„There were no arguments, because in essence, the rules were existing practices that already had proven to work.” - Employer's representative

According to the employer's representative, there have only been some reactions to when some team leads have proposed regular in-person office days for the team to work together regularly.

The employee we interviewed did not recall any negotiations or discussions on the topic, and instead emphasised that conditions are up to discussion and agreement within teams and with team leads.

2.5 The process of implementation

Although the company had previous telework agreements in place, they were formally solidified into a legal agreement and implemented in 2022. Initially, only a few employees worked remotely, with telework conditions negotiated individually between employer and employee. However, following the pandemic, a significant number of employees opted to continue remote work, prompting the establishment of formal regulations.

The remote work agreement consists of two main conditions: health and occupational safety and confidentiality. The employee is responsible for ensuring healthy working conditions and adhere to data protection, for example they must use earphones and their screen shouldn't be visible.

For health and safety and data protection they have also organised educational training and information materials. In addition to that there are also guidelines for better virtual collaboration.

To start working remotely, the employee must agree with the team lead and let them know where and how long they work. However, employees do not have to let their managers know on a daily basis.

The responsibility of ensuring the conditions are met is mainly on the team leads. Also, they have a work environment council and working environment board, which consist of representatives of different entities who collect information on working environment and conditions from employees. According to national legislation, employees are responsible for creating safe working conditions in remote work location.

There have been a few rare instances, where employees had to be reminded of the conditions, for example that they have to be available from 9-17.00 and attend meetings virtually.

„There have been a few rare cases where they have notices there are issues with someone's performance, and looking into it they have realised that the employee hasn't understood the concept of flexibility. That flexibility means that you still must be available when your team lead wants to talk with you, you must attend meetings etc. These are rare cases where we have had

to make agreements with the employees that „Because of a drop in your performance, you should come work from the office” But these are rare cases where we’ve had to make exceptions.” - employer’s representative

The employee was not aware of any measures or ways how the regulations are implemented or overseen nor have they heard of any issues with the existing regulations. They emphasised that adhering to health and safety requirements in the home office, for example not overworking, is the responsibility of each individual employee themselves. They emphasised that most people working in the bank are responsible and conscientious individuals and are mindful of their working conditions, rather than prioritizing or relying on rules and regulations by the employer.

2.6 Impact of the measure on decent working conditions

The company has had to reduce office space after the pandemic.

There has been no impact on performance management and monitoring and according to the interviewee there is no connection between the two. They had similar systems in place already prior to the widespread remote work. Impact on performance itself is very individual and depends on the employee.

Remote working has impacted other aspects of work organisation, for example they have started to put more emphasis on having and promoting regular meetings in order to allow for better contact between people.

„One thing that comes with remote working is emphasis on having regular meetings. While in the office you can simply have a discussion with colleagues over the desk, to ensure good collaboration it is important to create the environments online so that these discussions could happen. But again, on one hand this is due to remote working, but it is also the aspect of how our organisation is structured. Since we work pan-Baltic and our colleagues work in other countries, we have to have regular meetings.” - employer’s representative

According to the employer's representative and the employee we interviewed, the agreement itself did not have an impact on remote working organisation or practices, neither on working time, work-life balance, OSH and wellbeing.

They have conducted a risk evaluation of the psychosocial and health risks of flexible working. This was conducted by an outside partner who conducted a document analysis of the rules and interviewed employees. The results were that the risks and overall impact of remote working on health is low.

2.7 Conclusions

One crucial lesson learned is that team leads must be more mindful that increased flexibility necessitates heightened focus on fostering team cohesion and collaboration. Teleworking means that colleagues rarely see each other face-to-face and may not really know each other. This means that team leads must organise more regular meetings and activities and be mindful of communication.

From the accounts of the employer's representative and the employee, it seems that this kind of flexible approach, where individual agreements with team leads are key to teleworking conditions, is suitable for employees who are self-leading and responsible, rendering strict regulations and monitoring is unnecessary.

3. Chemical sector

3.1 Contextual and company information

Viru Keemia Grupp (VKG) is a large-scale industrial enterprise focused on shale oil mining, refinement, heat and power production as well as production and marketing of fine chemical products. The conglomerate has around 1600 employees, 1000 of them involved in industrial work. The other 600 are conducting tasks related to engineering, product development, marketing, or management. Around 90% of the employees live in the region of Ida-Virumaa, an overwhelming majority belonging to the Russian-speaking community. VKG's workforce is heavily male dominated with 70% of the employees being men. The average age within the

company is around 45. According to the HR manager no significant changes in the characteristics of the workforce have taken place in the recent years.

Work is mostly conducted in teams – this holds for both the industrial and office subdivisions. Office employees must also take part in a variety of meetings. A general information meeting for all clerical workers is held once a month, department-wide meetings are conducted on a weekly basis. Additionally, many of the office staff are required to take part in larger project (i.e. projects that bring together employees from various VKG daughter enterprises) meetings taking place at least once a month. Several smaller team meetings can be held, when necessary, as well. In-person participation (i.e. not remote) is heavily encouraged for all meetings with exceptions being made only in case of special circumstances.

Within the company there exists a clearly determined structure of supervision. Thus, there is little flexibility with regards to the tasks that the employees must work on. Regarding time-management, industrial employees are understandably required to work in strictly set shifts, however, office workers enjoy a high degree of autonomy.

HR manager: *“Everyone has the freedom to set the priorities and the order [in which their tasks are fulfilled] within their workday or workweek or a month as long as the goals set by the project board or the project team are completed on time. Let’s say that there is no day-to-day supervision in that regard on any level.”*

Performance evaluation in VKG is conducted based on both collective and individual KPIs specified in employees’ performance profiles (tulemuskaart) and determines the bonuses paid to employees. While collective KPIs are primarily relevant to industrial subdivisions and measure the volume and quality of their output, individual performance profiles are employed for office workers as well.

Wide-scale telework was first applied in VKG at the start of the COVID-19 pandemic. All office employees whose tasks did not require physical presence (around 160 people) were instructed to work from home. After the pandemic-related restrictions were lifted, the number of employees for whom remote work remained an available option was narrowed down to 40. Currently, the primary reason for teleworking is an employee’s location. If the company is not able to hire a sufficiently qualified person in the region it operates from (i.e. Ida-Virumaa and Tallinn), the head-hunting process is extended to other locations and the prospective candidate may be offered the option to work from home. Thus, telework is a privilege primarily

enjoyed by employees in top management positions or other highly qualified specialists. In individual cases this option is also temporarily made available to employees from Tallinn and Ida-Virumaa due to family- or health-related special circumstances.

It should be noted that even in cases where teleworking is allowed, it does not usually extend to full worktime. Generally, the employees, including the top management, are expected to be present at the office for 2 – 3 days a week. The presence of special circumstances described above constitute a rare exception to this rule.

3.2 Drivers and motivations for the adoption of telework and its regulation through social dialogue

Wide-scale telework was introduced to VKG due to the rise of the COVID-19 pandemic. This state of emergency was also the sole driving factor for the development of the internal telework schedule in the company (there was no such document prior to the pandemic). However, as noted by the company's HR manager, the experience of the pandemic in general as well as the stability of employees' performance in particular convinced the management to recognise telework as an option to be applied on a small scale even after the end of the pandemic. Since the coronavirus-related restrictions were uplifted, the company has viewed remote work as a means to access human resources not available in its area of operation as well as way to retain valuable professionals already employed, should there be any serious challenges that prevent them from attending office.

While the collective agreement signed between the Chemists' Labour Union and VKG at the beginning of the COVID-19 pandemic contained a general provision on telework, its relevance in regulating the practicalities was rather miniscule. Instead, the technical conditions of remote work (e.g. health and safety measures) were established through the internal work schedule mentioned above. The latter document was developed through a top-down approach with no input from employees' representatives. However, it should be noted that the employees' representative we interviewed raised no points of criticism regarding the process of adoption nor the schedule itself.

In the absence of collective bargaining, the internal work schedule was primarily influenced by the general pandemic-time legislation. More specifically, VKG's HR manager cited

guidelines issued by Estonia's national Health Board as a main input for the telework regulations specified in the schedule.

3.3 Social dialogue and telework

As highlighted in the preceding section, there was a noticeable absence of social dialogue and collective bargaining to tackle the challenges associated with telework. The collective agreement brokered between the Chemists' Labour Union and VKG included merely a broad clause indicating that telework would be implemented in the context of the pandemic. Furthermore, the internal telework schedule, encompassing all pertinent regulations, was formulated by the company's leadership without consultation with employees' representatives.

3.4 The process of negotiation

As noted earlier, no negotiations took place regarding regulation of telework according to the interviews. The regulations in the collective agreement are relatively general and, hence, there were no long discussions held on the topic.

3.5 The process of implementation

In the advent of the COVID-19 pandemic the regulations specified in the internal telework schedule were introduced to all employees by their direct supervisors. Furthermore, several wide-scale trainings were conducted to acquaint the employees with the practicalities of remote work with a focus on new digital communication tools.

Since the end of the pandemic, the number of people working remotely has significantly shrunk meaning that the conditions of telework are negotiated and explained on an individual basis. Usually, this introductory work is done by the HR department already during the hiring process as most of the employees with the option to work remotely are those hired outside the area VKG operates from. In cases where an employee who normally works in the

company's office encounters special circumstances that require them to work from home, the minutiae of telework are usually agreed upon with the direct supervisor. Such agreements are most often verbal. The immediate superior introduces the employee to the company's internal telework schedule and informs the HR department of the decision. In the interview VKG's head of HR stated that in such cases it is also necessary to inform the company's safety specialist, however, she expressed doubts whether the rule is followed in practice.

While neither the head of HR nor the employees' representative highlighted any significant challenges with regards to the implementation of the conditions specified in the internal telework schedule, it should be noted that the company's ability to obtain knowledge of any such violations is limited. Although the employees working from home are thoroughly informed of the health and safety norms, there are no procedures to check the actual implementation of those norms. The absence of such control mechanisms was indicated among the reasons why the company does not employ telework on a larger scale.

3.6 Impact of the measure on decent working conditions

The principal benefits of remote work enjoyed by the employees turned out to be an increased work time flexibility and the ability to continue working in the presence of inhibiting factors, such as an illness or the need to provide care to a child. The latter was also viewed as a benefit from the employer's perspective allowing the company to preserve valued professionals who would otherwise be unable to work.

The head of the HR department and the employees' representative expressed somewhat contrasting views concerning the impact of telework on work-life balance. The head of HR believed that remote work facilitated a more equal distribution of domestic responsibilities between men and women throughout the COVID-19 pandemic. Conversely, the employees' representative felt that women working from home end up taking on more domestic responsibilities which in turn increases their workload and reduces the ability to focus on work.

An increase in anxiety among the employees and a worsened information flow were reported as the primary negative effects experienced during the pandemic. Additionally, the head of HR highlighted an increased feeling of unfairness among non-office employees whose work could not be done remotely.

The adoption of the internal telework schedule in VKG had no impact on how an employees' performance is evaluated. The existing KPIs stayed intact, and no revision was deemed necessary by the company leadership as the employees' performance did not show significant change during the period of wide-scale remote work. With regard to employees' well-being no significant complaints have been made. However, as no relevant monitoring procedures were established, the company also lost its ability to ensure that health and safety measures are followed when the employees are working from home.

3.7 Conclusions

Before the pandemic, VKG did not offer remote work options. As it is an industrial enterprise, only about 10% of the workforce (i.e. office workers) was able to shift to remote work during the pandemic. However, after the pandemic ended, the company chose to keep remote work available for several dozen employees. The experience during the coronavirus crisis demonstrated that remote work did not reduce employee efficiency. Today, the company's leadership views remote work as an opportunity to hire specialists from different regions. Additionally, remote work is made available under special circumstances, such as when an employee is unable to regularly come to the office due to health or family reasons.

The company adopted its internal telework schedule without prior negotiations between management and employee representatives. However, neither the HR department head nor the employee representative saw the lack of dialogue as an issue. Concerns were mainly connected to the company's inability to monitor adherence to remote work conditions, especially health and safety standards. This was mentioned as one of the reasons for rolling back on remote work options since the pandemic. Other minor concerns included increased anxiety levels, poorer communication, and feelings of inequality among employees whose roles did not allow for remote work.

4. Public Administration

4.1 Contextual and company information

Establishment

Environment Agency started operation in 2013 when two public agencies were combined into one. There are a total of about 200 employees. About 60% are mainly office jobs while the rest involve fieldwork (e.g. collecting samples in nature etc). The organisation is a state authority affiliated to the Ministry of Climate. As an organisation, it is managed separately from the ministry.

Employees are mainly highly educated – about 85% of employees have MA level of education. Only a few employees have vocational education. Skills necessary at the workplace are very specific which cannot be acquired within the education system. Hence, employee training is important for the operation of the agency. Employees are mostly with relatively long work experience within the company (an average of 11 years) while there are about equal share of men and women. The age of employees is on a broad scale meaning that the agency is age diverse and there are employees from different generations.

Employees mostly work in teams, including teams within the organisation as well as working with partners outside the organisation. This also means that work organisation needs to take into account the needs of the team as well as work organisation of the cooperation partners.

Interviews stress the importance of flexibility and mutual trust at the workplace. Flexibility enables different types of work organisation and adjustment to different work styles. Trust is considered a cornerstone to enable telework.

There are no common performance management principles applied across the organisation. Overall, the job is related to different deadlines and timely delivery of the results is considered as one potential indicator of work performance. The interviewed employee representatives also outline some team specific performance management indicators to reflect on the results of the work. It is outlined that one-on-one conversations have become regular and one tool to assess performance towards team specific goals (e.g. advancement of annual work plans etc). Also, regular contact within the team (regular meetings) are used as a tool for performance management. It was referred that some departments have set up regular reporting principles to provide a written overview of performance on chosen developments or work tasks. However, it was also referred that this is not related to telework, but is an overall

management principle implemented by some team leaders. Working time is not specifically monitored on a daily basis. According to the interviews, there is more focus on results of the work than working time, but this was the case already before the pandemic as well.

Main features of telework arrangement and its evolution

Telework is widely used in the company. Implementation of telework started already before the pandemic and so there was some experience with telework already before Covid-19, although in smaller magnitude. According to the estimates of a management representative, only about 20% of employees work in the office every day. All other employees use some sort of telework arrangement. Interviewees felt that the leap in telework implementation was not as large for their organisation compared to some other public sector organisations where there was less experience with telework.

Covid-19 did not bring large changes in composition of the workforce in the company. The largest change from the pandemic was related to work organisation. For instance, there are employees who have to analyse and monitor large amounts of data around the clock. Before the pandemic, these tasks were only filled in the office. In the pandemic, work organisation was adjusted so it was possible to fill these tasks from home offices as well with equal level of quality. Today, these tasks are still partly done in home offices and it is possible to do telework for these jobs as well. This shift in work organisation was considered the largest change in the pandemic. In the pandemic, it was discovered that almost all jobs in the company can be done in home offices.

The organization of remote work can vary between departments depending on the nature of the work. Each team independently agrees on which days to meet, how many physical meetings to have, etc. Remote work principles are also partially influenced by work partners, whose work organization principles must also be taken into account. An example from one of the interviews:

“Whoever organizes the meeting determines the conditions, whether the meeting is in person, online, or hybrid. We don't have set guidelines on how to conduct meetings, but at some point, one of the involved parties sets the rules. Some partners don't conduct online meetings at all and require physical presence.”

In addition to formal rules, unwritten rules have also emerged. For instance, remote work days are typically scheduled for Thursdays or Fridays. This is taken into account in work

arrangements, with physical meetings often not planned on these days. Hence, alongside agreed-upon rules, there are also "informal" rules or established practices of working.

Profile of a teleworker

There are two types of remote workers: those who work predominantly from home (more than 50% of their working hours) , and those who work irregularly both at home and in the office. For people working most of their time from home, the agreement is fixed in their employment contract and there are two locations specified in the contract (or the location of home office in case working 100% from home). These arrangements are made individually with their immediate supervisor. The majority of people in the organization prefer hybrid working arrangements (splitting work between home and the office).

People who primarily work on-site are those whose job duties require physical presence or those whose workhabits are related to working in the office. According to an interview, just a year ago preferring to work in the office was more associated with age and generational differences in work habits. Today there are also more young people who prefer working in the office. Therefore, this is more related to individual preferences and can also vary periodically (some tasks are more convenient to do in the office due to the availability of tools). Employee representatives also believe that personal characteristics heavily influence work choice patterns. Work imposes few restrictions; only certain positions require constant presence in the office. Primarily, the choice of remote work is based on personal or family reasons.

"Our principle is not to force anyone to work from home or the office but to be flexible so that if the nature of the work allows and there is a conducive environment at home, the outcome is more important than where you do the work."

4.2 Drivers and motivations for the adoption of telework and its regulation through social dialogue

One of the drivers of telework is the shortage of specialists. Potential candidates are motivated by jobs that are not accessible only from the capital city but also enable to live outside large cities. As the organisation does not have offices across the country, telework enables recruitment from a geographically wider population (not just people living close to the office).

Interviews showed that possibility to work remotely has become a criteria for job candidates as well. Remote work has become the norm, and its possibility is assumed. Job seekers have set the ability to work remotely as one of the criteria to apply for a job.

There are increasing signals that people are also motivated by working in the office and they expect the opportunity to go to the office as well. The option of choice is an important motivational factor, meaning individuals are given the choice to organize their work according to their needs. Feedback surveys have shown that such flexibility is valued by employees, it increases their satisfaction and dedication, which is important from the employer's perspective.

Equal treatment principle is also important for the employer. It was outlined that if remote work is already facilitated within the organization, then it should be available to all employees (not just specific positions).

Remote work has also created opportunities for budget savings. Although it hasn't been the reason for implementing remote work, it has allowed for savings on office space, which in the context of budget cuts in the public sector has enabled cost reduction from the office space compared to alternatives (budget cuts in other areas of operation). Reducing office space has resulted in significant budgetary gains. Additionally, reducing office space has been more easily accepted by employees because many of them utilize remote work and there's no need for daily office space. Working in the office has been redesigned, with mobile workstations created for people who come to the office occasionally. However, this hasn't created a situation where there's no space available for those who want to work in the office or limited opportunities to work in the office.

The organization of remote work is primarily driven by agreements within the team. Higher-level collective agreements and regulations provide a framework (mandatory conditions that must be met), but the actual practice is shaped by agreements and according to the needs of the parties involved.

4.3 Social dialogue and telework

The principles of organizing remote work are detailed in the work organization guidelines of the agency. Individuals have a considerable amount of autonomy in deciding with their manager how and where to do their work. If the nature of the work involves a lot of teamwork, the principle is to adhere to agreed-upon working hours. Although there are established rules, departmental agreements are essential, depending on how the department head negotiates agreements. Thus, social dialogue and collective agreements are limited in implementation of telework and individual agreements prevail.

To take up telework, a general requirement is for the employee to confirm that they have a suitable environment for working at home. It is believed that people have had the opportunity to try remote work and have gained a better understanding of who enjoys remote work and who can effectively work from home and who prefers not to work in a home environment.

If an employee wishes to work remotely, they discuss it with their immediate supervisor, reviewing together the principles outlined in the work organization guidelines (e.g., suitable environment for working from home, internet connection). A home office assessment document has been created, where the individual analyzes their home workspace and confirms what tools and resources are available for working from home. This allows for shared responsibility for the home workspace between the employee and the employer. If remote work constitutes a significant portion of the work (over 50% of working hours), the employee's contract will include the home office address as the second workplace. Remote work conditions are determined through individual agreements, not through social dialogue or collective agreements.

An important consideration in enabling remote work is occupational health and safety. When implementing remote work principles, there was lengthy discussion on how to document the conditions of the home office workspace. There was also debate on whether the home office should be photographed. Now, it is the direct supervisor's responsibility to approve the employee's home office. Team leaders make the agreements, not HR or other members of the management. Team leaders receive information on whether the conditions of the home office are sufficient for working from home (e.g., internet connection, workstation, etc.). Employees working from home can also use employer-provided equipment (mainly monitors, and in some cases, office chairs).

4.4 The process of negotiation

The principles of remote work were discussed years ago, before the interviewees joined the organization and before the pandemic. Over time, the principles of remote work have been updated. Since remote work principles have been in place for a long time, employees no longer remembered the discussions that took place when agreements were made.

Based on recollections, a working group was formed within the collective to make proposals for enhancing the principles of remote work. Generally, principles of remote work were developed, to which employee representatives (including trade union representatives,

representatives of the work environment) could submit proposals. Interviewees did not recall disputes over specific conditions.

Interviewees did not remember difficulties in reaching agreements on the principles of remote work. Rather, detailed agreements and principles of working remotely are based on individual agreements. The principles of remote work provide a framework for these agreements.

In interviews, it was found that no sharp questions had arisen that something needed to be changed in remote work. Minor agreements have sparked discussions, such as how quickly someone needs to be available. But these were more discussions; there has been no need to change the system. Agreements on remote work remain in effect, with no major changes.

4.5 The process of implementation

The principles of remote work are outlined in the work organization guidelines. Over time, these principles have been updated, with redundant ones removed. Employees have also provided feedback if certain initial points weren't effective. For instance, the number of hours worked remotely is no longer specified. Initially, individual written agreements were made for remote work, but now written agreements are only made when remote work exceeds 50% of working hours. Initially, more conditions were documented, but principles that aren't realistically enforced or followed have been removed from the arrangement of telework principles. Efforts have been made to simplify remote work arrangements and give more space for individual agreements.

"The possibility of remote work was so self-evident that it didn't even need to be insisted upon. We simply agreed on which days one could come to the office."

In the course of further developing remote work, discussions have been held on whether to compensate for working from home (e.g., compensation for buying better furniture for work). Given the current budget cuts in the public sector, it was considered that new benefits cannot be introduced. In the current situation, it is unlikely to implement them.

While negotiations with employee representatives were held when setting up remote work agreements, during implementation, proposals for adjusting work organization have come from employees. HR personnel have also observed which agreements are followed in practice, what is actually implemented, and what has proven to be redundant. Team leaders (department heads) play a crucial role in making remote work agreements within their teams and discussing remote work conditions and principles with their team members.

Employee interviews reflect that the implementation of remote work is flexible and based on agreements within the team. For example, times when one needs to be available are agreed upon orally and may vary between teams depending on their working methods and needs.

Over time, some principles of remote work have changed. For instance, at the beginning of implementing remote work, it was customary to enter into individual remote work agreements with all remote workers. Today, remote work has become commonplace, and therefore such separate agreements are no longer made; remote work is considered in everyone's work organization. The fact of remote work is only documented in the contract when remote work exceeds 50% of the time.

One of the employee representatives outlined that they believe that the organization is open to receiving suggestions; all leaders and members of the management are accessible if anyone wishes to make proposals. The quality of leadership is rated positively, and people have the opportunity to speak with their immediate supervisor, HR, or department heads if desired. It was believed that giving feedback wouldn't be hindered by lack of courage.

Challenges of implementing telework

From the employer's perspective, the biggest challenge in implementing remote work is ensuring the functionality of hybrid teams (teams with varying degrees of remote workers) and fostering synergy. It's important that team members don't feel isolated, but rather feel a sense of belonging to the organization and their team. Departments have found various solutions for this and have made different agreements according to what works best for each team. For example, specific meetings are agreed upon to be held only in person (e.g., once a month), monthly team birthdays are celebrated together, and various team-building events are organized throughout the organization, providing opportunities for colleagues to engage in activities together and motivating them to come together. The need for managing hybrid teams is also considered in training planning.

Employee interviews also reflect that, alongside the importance of remote work, there is also a desire to occasionally meet with colleagues and work in the office to support team cohesion. Employee representatives also highlight the risk of feeling alienated from the team and the lack of direct communication with colleagues.

Remote work options are also influenced by partners. Sometimes, it's evident that different partners prefer different work arrangements.

“There are times when I also need to travel to the city for face-to-face meetings because partners expect them.”

Managers have different leadership styles. It was outlined that sometimes it's necessary to remind managers that just because someone is working from home doesn't mean they are slacking off. Some managers understand the need for home offices but still have doubts (whether remote workers are dedicated, whether they are actually working, etc.). Interviews reflect that in such situations, the focus is more on managing practices and leadership style rather than changing remote work arrangements.

4.6 Impact of the measure on decent working conditions

The employer's representative highlights that the most significant change in performance management and monitoring has been shifting focus from time management to work results. This has led to a change in management practices, leading, for example, to one-on-one discussions, as it provides an opportunity for managers to assess results effectively and analyze progress towards objectives.

The employer's representative also emphasizes the impact of remote work on employee satisfaction and commitment. Flexibility is considered crucial – feedback surveys indicate that it's one of the most important motivational factors. Individuals can organize their work according to their needs.

According to employee representatives, remote work enables the balancing of work and family life. It's highlighted that individuals have the opportunity to choose their own working hours and methods. Remote work is seen as a significant opportunity for employees living in rural areas to work at a salary level comparable to that of the capital city while maintaining the option to primarily live in their local area.

There's also a recognition of the impact of remote work on working hours. It's noted that it's important to maintain a separation between work and personal time to prevent burnout. In the context of remote work, this responsibility falls on the employee to maintain self-discipline and control their work and leisure time.

Balancing work and family life may have been a challenge when working from home was mandatory during the pandemic. Now, working from home is a personal choice made by those who prefer and wish to do so. If desired, it's always possible to work in the office – there's

space available for everyone who wants it. Therefore, it's believed that remote work generally has a positive impact on balancing work and family life.

4.7 Conclusions

It was highlighted that the most significant lesson has been that all types of work can be done remotely.

It has been a major learning experience for managers that when people are away from the office, work still gets done. This has taught managers to focus more on results rather than time.

For employees, the opportunity to decide when and where to do their work is essential. Even if an employee doesn't utilize it, the availability of this option is crucial.

For remote work to succeed, a trusting work environment is essential. Managers need to be willing to trust their employees more and give them responsibility for managing their work. The role of managers is shifting more towards advisory role (supporting the process, providing guidance).

It's important to periodically gather the team together (for example, quarterly meetings) to discuss exciting and general topics. Building team cohesion is necessary. Smaller teams may do this on their own. People need the social aspect and team spirit, which online meetings do not provide.

In the public sector, many institutions could provide remote work opportunities for their employees, but in reality, the extent to which remote work is offered varies greatly among public sector institutions. One interviewee also mentioned experiencing situations in other institutions where attendance at meetings is expected in person, and online meeting participation is not offered.