

eWork in Germany – Contribution for Collaboration@Work 2005 Status Report

by Karsten Gareis and Werner B. Korte, empirica GmbH, Bonn

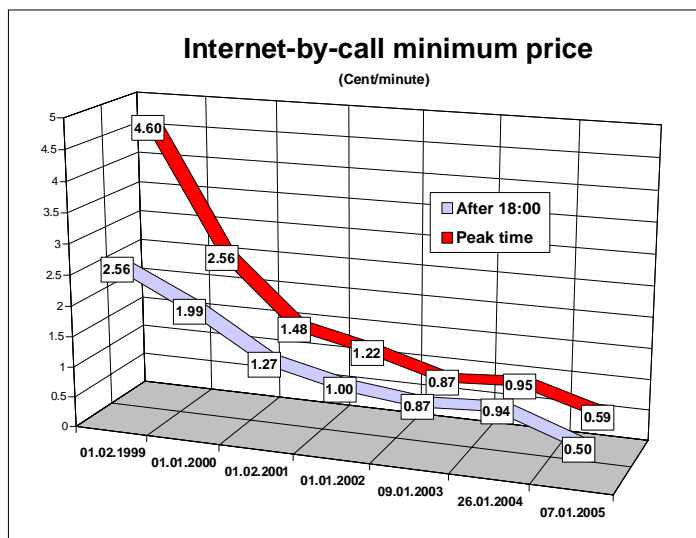
Internet usage and infrastructure roll-out: Slower uptake but more broadband

In 2004, about 35 million German citizens were estimated to regularly use the Internet, according to Germany's Regulatory Authority for Telecommunications and Posts (RegTP). This is equivalent to 54 percent of the total population aged 15 or older, or 5 percent more than a year before – which implies that take-up both in absolute and relative terms is slowing down: growth rates were 17 percent in 2002/2003 and 13 percent in 2001/2002.

The number of households with broadband Internet access has grown considerably in 2004. At the end of 2004, 6.7 million households had broadband access via DSL technology, i.e. about 17 percent of all German households. In comparison to the EU average, Germany performs about average with regard to broadband penetration in total, but is leading in access through DSL. Accelerated migration of users from narrowband to high-speed access resulted in the transmitted data volume jumping upwards, from 25 GByte in 2001 and 403 GByte in 2003 to 536 GByte in 2004. These numbers include both the traffic volumes of the alternative network operators simultaneously offering Internet access services as ISPs and the broadband volumes generated by the customers of ISPs without their own network.

A striking feature of the last year has been a significant drop in Internet connection prices (see chart). Prices for Internet-by call connections

(which do not require any longer-term contract between user and Internet provider) have fallen by 87 percent between 1999 and 2004. The downward trend in prices in 2004 has been confirmed by the standard price index published by Germany's national statistical institute.



Telework in German organisations

The last years have seen a change in attitude towards new ways of working and their role in the modernisation of organisations. Until a few years ago, balancing employees' interests with those of business has often been the spur for introducing eWork in German companies. The opportunity to practise home-based eWork was offered either to appear as a more attractive employer on the labour market or to retain employees. While it was expected from management that costs for investments in telework equipment and maintenance would at least be covered by savings, calculations were often done in form of rough guesses only. Apart from these primarily socio-politically motivated telework projects, there have always been those which have been implemented as a result of particular circumstances. There are examples here of expanding businesses which react to an existing shortage of space by introducing multi-locational eWork combined with desk sharing. Others were able to continue employing as teleworkers those workers unwilling to move in case of business relocations.

Mainly caused by the lack of confidence in the German economy – a situation which has continued throughout 2004 and the first half of 2005 – HR strategies of German businesses today focus very much on cost effectiveness. For example, business locations have been

given up in order to reduce costs and, within the framework of these reorganisations, home offices have been set up or mobile eWork introduced. The success of eWork projects is measured by whether they reclaim costs in the short rather than the medium term. Here they compete with a variety of other organisational investment projects.

Some leading companies have already achieved such a large diffusion rate that now internal expansion of eWork is stagnating. Others have only recognised the advantages of eWork relatively late and today are expanding rather rapidly. Yet others feel that their basic need for flexible work organisation forms has been satisfied by pilot projects, and shy away from extension. Reasons given are a number of other reorganisation measures which are considered more urgent, often having to do with acquisition and merger activities.

In fact, the situation today appears to be more dynamic in the public sector. In a fashion which arguably is typical of Germany's public sector, public administration and other public bodies have embraced telework somewhat belatedly, but seem now to be firmly committed to exploiting the potential of new ways of working for modernising their organisations. Recent examples of public sector organisations that have extended or heavily promoted their teleworking schemes include the state authorities of Lower Saxony¹, the public health insurance fund AOK Baden-Württemberg, the Ministry for Science and Research of the Land Nordrhein-Westfalen and the social security administration (Landesversicherungsanstalt) of Westfalen. The latter two have been awarded with the certificate of the Work & Family Audit (see below) which is indicative of the main intention they had when implementing telework.

New evidence from scientific research

A study² on "mental stress in flexible jobs" carried out by the Federal Institute for Occupational Safety and Health (BAUA) found that low-qualified workers in temporary work arrangements are likely to experience considerable work-related mental stress (perceived as well as observed by a third person). The authors give the following explanations: "The work location normally remains the same for the duration of operation in a client company. Temporary agency workers experience clear limitations in their scope for decision-making, i.e. no influence on work content or methods, volume of work, autonomy, quality of the work cooperation, or breaks. They have limited opportunities for planning, experience little predictability, and face time pressures, long journey times, information deficits, and frequent task changes. The temporary agency workers in the sample show a poor job-skills match in terms of using their qualifications. Risks and consequences of mistakes are regarded as serious, and difficult social relations may arise regarding fair performance evaluation and recognition, with supervisors appearing to be unsupportive." The findings support the view that flexibility in work arrangements alone is not a guarantee for beneficial outcomes. Rather, flexible work arrangements have to be embedded in an organisational setting which puts emphasis on development of human resources and on win-win relationships between employers and workers.

Another new study³ offers insights into the role played by trust in teleworking relationships. A research project into German 'working time on trust' arrangements, funded by the Hans-Böckler Foundation, examined experiences of these voluntary schemes at company level. The project sought for evidence about the degree to which, and the conditions under which, personal time scheduling systems contribute positively to quality of work and worker autonomy. As is typical for teleworking, 'working time on trust' arrangements mean that employees can determine their own daily starting and ending times by agreement with

¹ www.izn.niedersachsen.de/master/C7137666_N6674431_L20_D0_I3654280.html

² baua.de/fors/fb04/fb1026.pdf

³ Seifert, Hartmut (ed), Flexible Zeiten in der Arbeitswelt, Campus: Frankfurt, New York (2005).

colleagues and supervisors, which implies that the company refrains from controlling the employee's working times. The study was based on eight company case studies and an 87-employee sample. The authors conclude from their research that greater individual working time autonomy is in general viewed positively by employees and can lead to increased motivation, improved work procedures (more self-fulfilment through greater autonomy) and enhanced communication. However, the extent of time autonomy in practice depends very much on the particular context within the company and within the employee's private life also. They conclude that the model of working time on trust needs to be supported by a culture of open communication and on modern work organisation in order to be viewed positively in terms of improving working conditions.

The political environment for eWork in Germany 2004/2005

In 2004, Germany witnessed a heated debate on the demographic challenge of an ageing society and, in relation herewith, the need to make the country a more attractive place to have children. Against this background, the German government has continued her attempts to increase the compatibility of work and family life. Most labour market experts believe that the difficulty to combine both is not only restraining fertility, but that it is also a major reason for female employment rates in Germany remaining much below the figures in forerunner countries such as the U.K., the Netherlands and the Nordic Member States.

A study⁴ carried out by Prognos AG and published by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (bmfsfj) in September 2003 came to the conclusion that company measures that effectively increase family-friendliness of work arrangements (including home-based telework) do in fact have a positive effect on business performance. This effect is mainly due to a reduction of recruitment costs for hiring and training replacement workers, which becomes necessary in the case of employees who take a longer period off for raising their children. The share of young, employed mothers taking a period of parental leave over a longer time – usually up to three years which is what young parents are entitled to by German labour law) – is much bigger in Germany than in other countries. This is considered as being in contradiction to the political target of raising employment rates for women, and is also seen as a waste of human resources – a recent survey⁵ found that the average duration of parental leave is 27 months in West Germany, and 19 months in the parts of Germany which formerly belonged to the GDR. Part-time work, flexitime and telework arrangements were also found to have a positive impact on motivation and absence rates.

The German government has started a number of initiatives to convince employers of the advantages of offering modern ways of working which increase worker-centred flexibility. One such initiative is the Work & Family Audit of the Hertie Foundation which is a "management tool for business enterprises and organisations for the optimisation of a family-oriented employment policy". It aims at ensuring a strong balance between corporate interests and employees' concerns. In June 2004, the Federal Minister for Family, Seniors, Women and the Youth, Renate Schmidt, and the Minister for Economic Affairs Wolfgang Clement presented the results of this year's contest and awarded prizes to a number of best-practice examples.

Other ongoing activities in this area include the "Allianz für Familie" (Alliance for Family), which celebrated its first birthday in summer 2004 and in which the Federal Government has been cooperating with the trade unions and industry federations in order to increase the availability of flexible working hours, to support business infrastructure such as child care facilities, to boost family-friendly human resources development and to make it easier to start

⁴ www.bmfsfj.de/Kategorien/Publikationen/Publikationen,did=11386.html

⁵ www.u-asta.uni-freiburg.de/engagement/referate/soziales/kind/vaeter-und-erziehungsurlaub.pdf

at work after parental leave. Under the umbrella of the Alliance, a number of activities are targeting practitioners in large companies as well as SMEs, and also the social partners who are asked to develop the regulatory framework for fostering take-up of flexible ways of working.

Financial support for telework

In July 2004, the State government of the Hessen region (which includes the Frankfurt area and has 6 Mio. inhabitants) introduced a scheme for giving financial support for small and medium-sized enterprises that implement teleworking. The scheme runs until the end of 2006 and is limited to companies which are located in one of Hessen's objective 2 areas, as defined by the European Commission for managing her Structural Funds.

Financial support is offered to the amount of 50% of investment costs, and up to a sum of €2500 per workplace and additionally €2500 for consultancy and planning expenses. Investments eligible for subsidies must be telework-specific and can include technological infrastructure, furniture, training and others.

The scheme is an attempt to foster the diffusion of IT-enabled new ways of working in parts of Hessen which have structural weaknesses. It is based on the recognition that teleworking and tele-cooperation have not yet found their way into the majority of small and medium-sized companies in the region, in spite of the benefits which have been demonstrated in user organisations.

Other actors

Parts of the German unions continue to take a very active role in the promotion of new ways of working, with a natural emphasis being put on socially sustainable forms of flexibility. Forum Arbeit⁶ is an online forum set up by DGB, the Federation of German Trade Unions, and deals with the future of work. It acts as a platform for public debate around new ways of working such as telework, flexible work, call-center jobs as well as topics of more general interest such as changes in the regulation of the German labour market. The website also features an repository of advice targeted at online workers or "eLancers".

On the occasion of a major conference on mobile working and "eMobility", which was organised by the Ministry of Labour and the Economy in February 2005, the "Forum Soziale Technikgestaltung" (Social Shaping of Technology), part of the influential Baden-Württemberg branch of the DGB, issued a position paper⁷. The paper contains a number of forward-looking statements and recommendations on the issue of "electronic mobility". It presents a serious and well-founded attempt to guide developments in the area of technology-mediated ways of working in a direction which increases the chances for social progress, and acts against the risk of increasing digital divides.

Meanwhile, the public sector union VERDI has set up an office for cooperation "ver.di-innotec" as a platform for interconnecting the numerous union-related projects and activities in the area of technology and innovation policy. Similar to the "Forum Soziale Technikgestaltung", ver.di-innotec strives to protect worker interests while being open towards technology-enabled change.

Contact: karsten.gareis@empirica.com, werner.korte@empirica.com

⁶ www.forum-arbeit.de

⁷ www.mobile-arbeitswelten.de/vortraege/broschuere_schroeter.pdf