

# CRITICAL ANALYSIS OF TELECOMMUTING IN POLAND

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**Abstract:** *In the context of knowledge-driven economy and due to increasing development of information technology, the labour market is opening for more flexible working arrangements. Geographic boundaries are fading and making room for development of telecommuting. The number of telecommuters has been increasing ever since the 70s due to globalisation and development of information technology. As revealed by Reuters poll, Europe has the smallest amount of telecommuters and is left far behind Asia-Pacific - 24%, Middle East and Africa - 27% and US - 26%. Poland with its 10% of telecommuters is even below European average of 14.5% and far away from leaders such as Denmark or Sweden. Although the idea of telecommuting has been known for over forty years, the area is still quite unexplored and there are very few researches conducted on this topic. The aim of this article is to perform critical analysis of telecommuting in Poland and outline obstacles for development of remote work. The paper consists of an analysis of Polish labour market in terms of employment in particular sectors, legislation and governmental support for such form of working arrangement. This analysis evaluates reasons for such an inconsiderable amount of telecommuters and proposes areas for improvement. The outcome of the research shows that Polish legislation is quite laconic with regards to telecommuting and therefore it is perceived as a risky solution both for employer and employee. Moreover, the awareness of benefits of such a form of arrangement is still very basic amongst the society and there is a lack of support from government to promote it. The article has been developed mostly on the literature review and on the basis of demographic and statistical data acquired from Eurofound and particular economic institutions.*

**Key words:** *telecommuting, knowledge workers, remote work, flexible work*

**JEL codes:** *J01, J80, J83, M14*

## 1. Introduction

A discussion on telecommuting cannot be opened without mentioning Peter Drucker and the term “knowledge worker”. In 1959 in the book “Land of Tomorrow” he described the increasing importance of knowledge and information and predicted their impact on the major changes in society and labour market. He wrote that “it is information that enables knowledge workers to do their job” and indicated that knowledge has become a key resource that knows no geography. Indeed, the new type of labour has emerged and current economy is referred to as “knowledge-driven”.

Following the idea of fading importance of geographic boundaries in terms of labour market, in the 70s Jack Nilles coined the term of telecommuting, which refers to technology assisted work performed outside of an office (Nilles et al., 2007). Evolution of the information technology and increase in use of IT devices such as home computers, laptops, mobile phones and all sorts of messaging softwares has enabled performing work from a remote location without the necessity to commute to the office. The number of companies investing in modern software and technological tools, in order to enable employees to work from home, is increasing year by year.

As the advantages of telecommuting are numerous, it is quite surprising that such working arrangement is still quite unpopular in Europe. In 2012 Ipsos/Reuters poll revealed that telecommuting is most popular in emerging markets. In comparison to 24% telecommuters in Asia-Pacific, 27% in Middle East and Africa and 26% in US, Europe is left far behind. Although the numbers have grown from 13.4% in 2012 to 14.5% in 2015 (www1), Europeans are still mostly working in the office. Moreover, statistics from 2015 point out that there are

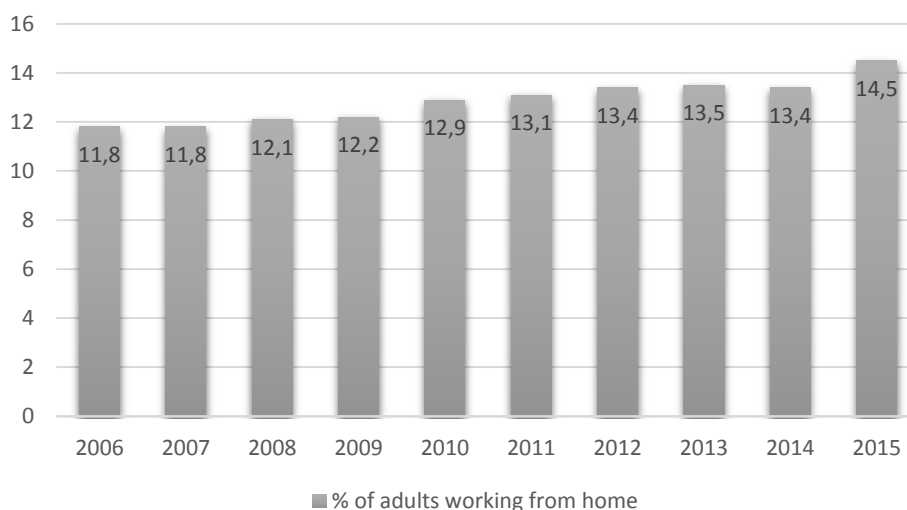
very significant disproportions between European countries. The highest amount of teleworkers can be observed in Denmark, Sweden, Netherlands and UK – 37%, 33%, 30% and 26% respectively (www2). In comparison, remote work is the least popular in Visegrad group countries (Hungary – 11%, Slovakia, Poland & Czech Republic – 10%), Greece and Italy – only 9 and 7%.

Even though the phenomenon of telecommuting has been known for over forty years, there are still very few researches conducted on this topic. As the number of telecommuters is visibly increasing every year, it is worth to take a closer look at such a working arrangement. The aim of this article is to perform critical analysis of telecommuting in Poland and outline obstacles for development of remote work. The paper consists of an analysis of Polish labour market in terms of employment in particular sectors, legislation and governmental support for such form of working arrangement. This analysis evaluates reasons for inconsiderable amount of telecommuters and proposes areas for improvement. The herein article has been developed mostly on the literature review and on the basis of demographic and statistical data acquired from Eurofund and particular economic institutions.

## 2. Statistical data on telecommuting in European Union and Poland

As mentioned briefly in the introduction, Europe is far behind US with regards to telecommuting, however the trend is visibly increasing every year. Figure 1 depicts overview on the number of teleworkers in Europe in years 2006-2015. Over the decade, the amount of people conducting work outside of employer's premises has increased from 11.8% in 2006 to 14.5% in 2015. Every year the percentage was continuously increasing.

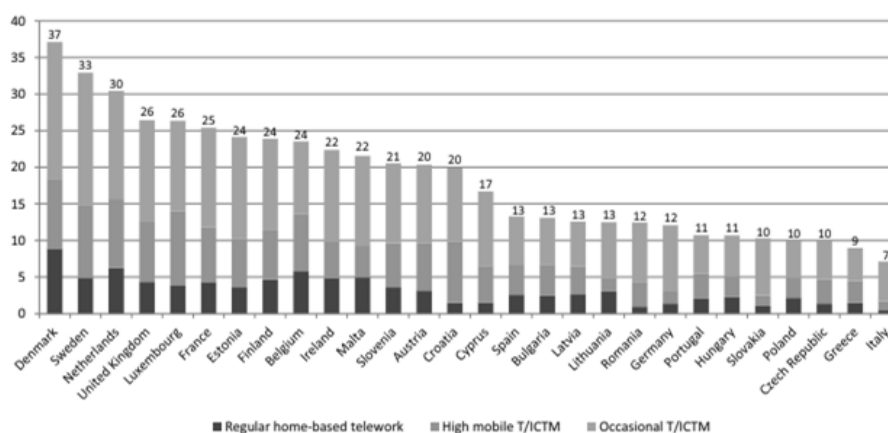
**Fig. 1** Percentage of telecommuters in Europe in years 2006-2015



Source: (www1).

The number of telecommuters in particular EU countries is very uneven. Telework seems to be the most common in Scandinavian countries – Denmark and Sweden are European leaders on this ground. Other EU countries placed on the top of the list are the Netherlands, UK, Luxembourg and France. Poland is amongst countries with the least amount of teleworkers, together with neighbouring Slovakia and Czech Republic equal to only 10%. Greece and Italy are closing the list with 9 and 7% respectively (www2). The full list of percentage of teleworking employees in EU28 Member States is represented in figure 2. Interestingly, most teleworkers are located in Germany – 2.13 million and the UK – 2.03 million. According to the European Commission the total amount of telecommuters in EU is equal to approximately 10 million people. Over 5 million of them are self-employed and around 4.5 million are employed under employment contracts.

**Fig. 2** Percentage of telecommuters in the EU28 by country



Source: (www2).

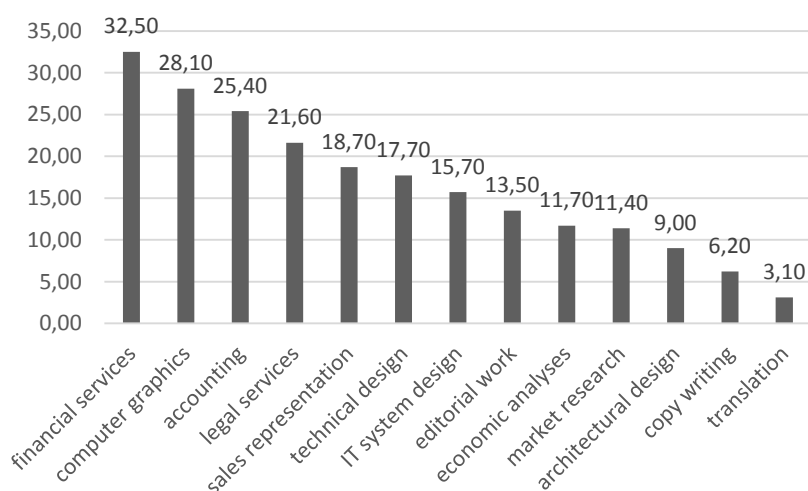
The most recent data regarding telecommuting in Europe comes from research report “Working anytime, anywhere: The effects on the world of work” published in 2017 as a result of collaboration study between Eurofound and ILO. It draws characteristics of telecommuters in particular EU countries with respect to occupation, economic sector and gender.

Firstly, the report draws attention to the fact that not all occupations enable remote work. Some types of jobs require physical presence of the employee at the work place, examples being: shop assistants or manufacturers. On the other hand, some occupations, e.g. constructions workers, drivers, pilots constantly work outside the office and their work cannot be performed at the fixed workplace. However this study focuses on teleworkers conducting their work with usage of information technology. Keeping that in mind, the results on Eurofound and ILO research reveal that the highest percentage of telecommuters belongs to the group of so-called ‘knowledge’ workers, that is highly qualified staff, often in managerial and professional positions. To support that statement, data from the UK shows that 18% of teleworkers are managers, while 24% have professional occupations and 25% are in associate professional and technical occupations. Statistics from the Netherlands or Finland look very similar (Eurofound and ILO, 2017). Secondly, it turns out that telecommuters are mostly self-employed and working full-time – for example in the UK 38% of remote employees is self-employed and 67% of telecommuters works full-time.

Regarding economic sectors where telecommuting is the most common the EWCS 2015 shows results of cross-country comparison, which reveals that top sectors are: IT, financial services, services in general and public administration (Noonan and Glass, 2012). For example in the Netherlands teleworkers are employed mostly in information and communication (42%), financial and insurance activities (36%) and professional, scientific and technical activities (28%) (Eurofund and ILO, 2017). In Spain, Hungary and Sweden telework is the most common in services sector.

Unfortunately Poland has not been covered in the abovementioned report. Some overview on telecommuting in Poland was provided in 2007 by Doradztwo Gospodarcze DGA S.A (Wyrzykowska, 2014). Their report indicated that at that time only 1% of all Polish employees were working remotely. However 19% of surveyed companies admitted that they are planning to introduce such arrangement in the near future. Another study, conducted in 2009 by PBS DGA, revealed that telecommuting is performed by approximately 500-600 thousands of workers, which accounts to 5% of all employees. Dawid-Sawicka suggests that remote work is available mostly in foreign multinational corporations (www3). Pracownia Badań Społecznych conducted a research based on a sample of 1000 companies, which outlined sectors where telework is the most popular. The results correlate with findings regarding other European countries - top sectors are financial services, IT and accounting (www3). The full list is depicted in figure 3.

**Fig. 3** Teleworkers in Poland by sector of occupation (in %)



Source: Stroińska (2012).

### 3. Policies and regulatory framework of telecommuting in European Union and Poland

In Europe the practice of telecommuting has been acknowledged quite late – only in the mid 1990s. In 1999-2000 it became an element of Strategy for Jobs in the Information Society proposed by European Commission. In 2000 setting up collective agreements regarding teleworking and accomplishing ‘Information Society for all’ became one of EU’s priorities (van Klaverem and Tijdens, 2003). European Union had to address the needs of changing labour market, strongly impacted by factors such as globalisation, increasing competition, demography and aging workforce or increasing number of women active on the labour market. There has arisen an urgent requirement for a flexible form of work which can be integrated with family and private life. It became possible to create such working arrangement thanks to technology and IT solutions. Together with increasing focus on work-life balance, attention has been drawn also on quality of working conditions. The concept of telework in context of better working conditions was reflected in European Employment Strategy and Europe 2020 strategy and Guidelines for national employment policies. For example, when Employment Strategy was commenced in 1997 at the Luxembourg European Council it was focused only on job creation and almost completely ignoring job quality issues. However, after the Lisbon Council in 2000 and Barcelona Council in 2002 “more and better jobs” became the essence of European Employment Strategy (Eurofund, 2008). Therefore early 2000s can be perceived as a milestone in development of telecommuting in Europe.

Telecommuting is defined in Article 2 of the European Framework Agreement. It describes telework as a form of conducting work with usage of information technology. Furthermore, work which could also be performed in the office is performed away from the employer’s premises on regular basis. The definition is kept broad in order to enable EU Member States to adjust the term to their regulations. However, such wide interpretation creates problems with measuring and comparing telework around European countries.

European Framework Agreement on Telework is not incorporated into directive, which results in diverse implementation across the countries. When it was signed in 2002, EU consisted from fifteen Member States, however the agreement was implemented also by ten countries which joined European Union in 2004. Bulgaria and Romania were also invited to the Framework Agreement. The process of implementation varied between the countries and was applied in line with national practices. As a result majority of the countries, that is Austria, Belgium, Denmark, Germany, Greece, France, Italy, Luxembourg and Spain implemented the European Framework Agreement through collective agreements. Czech Republic, Poland, Portugal, Slovakia, Hungary and Slovenia implemented it through the national legislation. Finland, Ireland, Latvia, the Netherlands, Sweden and the UK enforced telework through so called ‘soft law’ mechanisms, which means it is applied through codes of conduct or guidance. On the contrary, Bulgaria, Cyprus, Estonia, Lithuania, Malta and Romania did not implement European Framework Agreement on Telework (Eurofund, 2008).

Telecommuting has been omitted in Polish Labour Code for a very long time. However it does not mean that remote work did not exist in Poland. It has been enabled through additional annex to employment contract stating that work may be carried out outside the office. Due to increasing number of telecommuters, it became clear that legal regulations regarding this form of working arrangement need to be specified. The areas which had to be defined referred to e.g. type of work, place, time frame, remuneration, electronic equipment, competition or work safety regulations. First legal regulations regarding remote work were published on 24<sup>th</sup>

August 2007 in the amendment to the Labour Code. The amendment was aligned with European Framework Agreement from 16th October 2007.

Regulations regarding telecommuting are covered in the Chapter IIb, Division Two. Article 67<sup>5</sup> defines telecommuting as work, which “may be performed away from the premises of an employer, on a regular basis, by means of information and communications technologies (ICTs) in the meaning of the provisions on rendering services by electronic means”. Following that definition, a teleworker is any person which performs work under the conditions mentioned above and “presents the effects of work to an employer, in particular by means of information and communications technologies (ICTs)” (Article 67<sup>5</sup>, § 2).

According to Article 67<sup>6</sup>, in order to apply work outside the company’s premises the conditions of such arrangement need to be specified in an agreement between the employer and all enterprise trade unions within 30 days of the presentation of the draft agreement by the employer. In case there are no enterprise trade unions, then “the conditions for applying telework must be set out by the employer in the workplace regulations, after prior consultation with the representatives of employees chosen in the standard method adopted at a given employer”. Agreement on the conditions of work may be settled either when concluding the employment contract or later on, during the employment. However, in case the agreement is made when concluding the employment contract, “the employment contract must additionally determine the conditions of work in accordance with Article 67<sup>5</sup>”.

Both employer and employee may request to stop working in the form of telework and reestablish the previous conditions, however, as per Article 67<sup>7</sup>, it has to take place within 3 months from the date of undertaking work in the form of telework. The parties may settle “the date from which the reinstatement of the previous conditions of work performance will take place, though not later than 30 days from the date of receiving the request”.

The Labour Code specifies also duties of an employer. His obligations are covered in Art. 67<sup>11</sup> which states that employer has to provide teleworker with necessary, insured equipment, “cover the costs of installing, servicing, operating and maintaining the equipment”, as well as “provide the teleworker with appropriate technical support facility and necessary training targeted at the service of the equipment” unless stated otherwise in a separate agreement. Such additional agreement may cover also the scope of insurance and the rules referring to the communication between two parties and form of control over the work. In a situation when employee uses his own equipment, he is entitled to a cash equivalent determined by “the levels of wear and tear on the equipment, the certified market prices of the equipment, and the amount of material used for the needs of the employer and the market prices of the material”.

According to Article 67<sup>12</sup>, employer is responsible for setting out “the rules of data protection for data transferred to the teleworker” and should “conduct a briefing and provide training for that purpose”. Teleworker needs to sign written confirmation that he is aware of rules regarding data protection.

Regarding the control over the work carried out remotely, the employer has the right to conduct an inspection at the work place. In case when the work place means telecommuter’s home, the employer is entitled to check “1) the progress of the telework performed, 2) for the purpose of stocktaking, maintenance, service or repair of the assigned equipment, as well as its installation, 3) within the scope of health and safety at work - with the prior consent of the employee, expressed in writing or by means of electronic communications, or similar means of individual distance communication.” Inspection at employee’s home cannot violate his or his family’s privacy nor prevent appropriate use of the premises.

According to Article 67<sup>15</sup>, teleworker may not be discriminated nor treated in “less favourable manner in relation to undertaking or terminating an employment relationship, conditions, promotion and access to training”. Moreover, the employee has to be enabled to access the premises of the employing establishment, offices, technical equipment, social facilities as well as contact to other employees and employers social activities.

#### 4. Discussion

Summing up the first part of the article it may be concluded that Poland is amongst countries with the least amount of teleworkers. The reason for such a situation may be the structure of employment. Taking into account top five European countries with the highest amount of telecommuters, it can be seen that the share of employment in services is much higher than in Poland. Considering that services, especially IT, financial services and public administration are sectors where telecommuting is the most common, the fact that in Poland in 2017 only 58.11% of workers were employed in services sector is one of the key factors influencing low rate of teleworkers. For each of the top five countries visible in table 1 the number is close to 80%, which is over 20% higher than in Poland.

**Tab. 1** Employment in services (% of total employment)

Country Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Denmark	74.36	77.12	77.97	77.71	77.70	77.99	78.26	78.21	78.82	78.63
Sweden	76.53	77.67	78.02	78.08	78.33	78.81	79.42	79.68	79.91	80.00
Netherlands	78.57	79.20	79.29	80.05	80.06	81.39	81.48	81.25	81.25	81.25
United Kingdom	76.92	79.28	79.57	79.60	79.75	80.08	79.78	80.21	80.42	80.53
Luxembourg	83.06	85.74	85.55	85.41	86.00	86.37	87.59	86.43	86.93	87.09
Poland	54.14	55.60	56.64	56.42	57.01	57.46	57.97	57.93	57.97	58.11

Source: (www4).

Polish labour market consists in 99.8% from micro-, small- and medium-sized enterprises, which are equal to 1.76 million, 59.2 thousands and 15.5 thousands respectively (www5). Large enterprises, hiring more than 250 people account only to 3.4 thousands. According to EU28 average, workers are distributed almost equally between micro companies – 33%, SMEs – 35% and large corporations – 32% (www2). That could be another reason why remote work is so uncommon in Poland. Usually it is large multinational corporations that are more open towards innovative solutions and are willing to invest in equipment and technology enabling remote work.

Moreover, SMEs are more cautious regarding risk exposure (Burke, 2017). Such work arrangement may be perceived by employers as risky, due to the fact that work is conducted outside of office premises, which diminishes employer's ability to control workers. It is very challenging to manage remote worker and such relation should be based on mutual trust (Gadecki et al., 2016). Technology enables control through programs monitoring employees activities, or time away from the computer, however there is a very thin line between supervision and violation of privacy. Furthermore, employees are skeptical about usage of work equipment at home – they cannot control whether it is not used for private tasks and the obligation of servicing and providing well-functioning equipment lays on the employer. Therefore enabling remote work may result in additional costs for the employer.

What is more, countries characterized by high power distance are more resistant towards telecommuting due to abovementioned lack of control. For instance according to Hofstede, Poland with score of 68 belongs to societies identified as hierarchical. That means that centralization is popular and subordinates expect to be told what to do by supervisors. On the contrary, Denmark or Sweden, where the number of teleworkers is the highest in Europe, have very low scores in this dimension. In fact, regarding employees autonomy Denmark ranks the highest amongst European countries – 18 points. Power is decentralized and managers depend on the experience of workers, equal rights and independency. Similarly in Sweden – the score is equal to 31, Swedish society values equal rights and managers are playing a role of “coaching leaders” rather than supervisors (Wojcak and Barath, 2017).

On the other hand, it is also mentality of workers that makes them afraid of undertaking such a work arrangement. People working from home very often admit that they feel as if they are perceived as working less because they are not present in the office (Stroińska, 2012). They feel that they are obliged to overcompensate for working away from the office premises. It leads to another issue, connected with measuring working time and overhours (Morganson et al., 2010).

Furthermore, taking into account regulations on teleworking described in the second part of the article, one of the most important ones seems to be the control of working conditions, which should be conducted by the employer. Inspection of the workplace needs to be announced prior to the visit and cannot violate his or his family's privacy nor prevent appropriate use of the premises. Furthermore, it is hard to imagine that the employer could, so to say “move furniture” in the workers premises in order to improve his working conditions. Stroińska (2012) reveals that most telecommuters interviewed in her research admitted that there is an unwritten form of agreement between employers and employees that workers are responsible for making themselves comfortable and safe at their own home, thus the inspections were found to be quite ineffective. Such an attitude may lead to deterioration of working conditions. Moreover, application of principle measures regarding the working conditions is impossible when working from public places, therefore it is essential that this gap in legal regulations is filled. It also leads to another problem connected with telework, namely the increased possibility of accidents in the workplace.

## 5. Conclusions

Concluding, the main point of this article was to critically analyze a flexible work arrangement such as telework on the example of Poland. Poland belongs to countries with the smallest amount of telecommuters, not only in Europe, but also in the whole world. Therefore it was chosen for the subject of herein analysis. First part of the article consists of a statistical overview of telecommuting and outlines countries and sectors of economy with the

highest share of telecommuters. It may be summed up that 1) European leaders in this matter are Scandinavian countries, 2) telecommuting is the most common in the sector of services, especially information technology and finance.

Second part of the article refers to policies and regulatory framework of telecommuting in European Union and Poland. It draws attention to the fact that regulations have been introduced quite recently and that there are significant differences in regulations between the countries. Telecommuting is defined in Article 2 of the European Framework Agreement, however provided definition is very broad, which creates problems with measuring and comparing telework around European countries. In Poland telecommuting is regulated by the Labour Code.

The final part of the article is devoted to a discussion about reasons for such an inconsiderable amount of telecommuters in Poland when compared to other European countries. The issue is very complex and multidimensional, there are not only economic factors, but also cultural and legal aspects. It may be concluded that relatively low employment in services and small share of multinational corporations on the Polish labour market are key economic factors influencing the number of telecommuters in Poland. Other restraining factors mentioned in the article are high exposure to risk, challenges connected with managing a remote worker, high power distance and a gap in legislation with regards to working conditions or accidents taking place in remote workplace.

Due to the fact that there are very few researches conducted on this topic and telework itself is becoming more and more popular, the article may be perceived as a base for further studies.

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