



The impact of digitalisation on job quality and social dialogue in public services across the EU

In digitalisation social partners trust. The impact of digitalisation on job quality and social dialogue in the public services in Finland

Executive summary

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Introduction

The aim of this Research paper is to analyse various impacts of digitalisation on job quality in public administrative services, in the electricity sector and in the health care sector in Finland. The paper provides a review of the relevant policies and draws on the existing literature, a European-wide online survey and qualitative research, including a thematic focus group and employee interviews. Thus, the findings are based on the mixed-method approach. Three trade unions representing public sector employees participated in the survey, interviews and focus group discussions, whereas the electricity sector is represented only via the survey; the trade union for nurses only took part in the interviews. However, the health care sector – including nurses and practical nurses – is represented by other trade unions covering employees in the public and private sector services. The number of online survey responses from the public sector was 1,251, and 809 responses came from the hospital and health care sector. The smallest group of responses (111) were from the electricity sector. Because of the small number of responses, results should be treated as indicative rather than confirmatory.

Background information

Finland ranks first on the 2022 Digital Economy and Society Index (DESI). Finland's high score is based on good performance on the human capital, integration of digital technology and digital public services indices. The high ranking is a result of a long developmental path. Thanks to the individual social security number introduced in the early 1960s, it became possible to combine different data bases. Gradually, most data on social security and health care were digitalised to make public service and health care processes more seamless and less bureaucratic. In health and social care there is a specific digital service infrastructure, containing information on social welfare and health care, vaccinations and benefit utilisation. All information is available from the same source, allowing the service providers to offer their clients better and more accurate services. People themselves can check their own details and keep an eye on their own data. As regards public services, most information is digitally available for decisions. The client does not need to provide unnecessary documents and if some documents are needed, they can be delivered digitally. The service is faster and less bureaucratic than in the 'paper era' when the clients had to obtain and deliver all papers by themselves.

As regards the health care sector, electronic patient records reached 100% coverage in 2007. The National Archive of Health Information (Kanta) has been in use since 2014. All health care providers use it. Individual users can seek information on their own personal health and health care records. The digital repository is invaluable from the health care provider's perspective. Medical doctors or hospitals providing health care can immediately see the medical and sickness records of the patient, which, in emergency situations in particular, is of crucial importance.

Digitalisation has transformed the whole electricity sector. There are now new ways to distribute energy and service customers. One important potential implication of digitalisation is its ability to break down boundaries between energy subsectors, enabling integration and cooperation between various actors and systems. This kind of interconnectivity makes it possible to optimise supply and demand in real time. Due to digitalisation, it is now easy to load the extra electricity produced by customers' own solar panels to the main grid or sell the surplus electricity to other users. Nowadays, the Internet of Things (IoT) and other advanced artificial-intelligence solutions are important in exchanging data, goods, and services, as well as in property maintenance.

Key findings

The utilisation of digital tools is widespread in Finland. Virtually all respondents and focus group participants report that they use digital devices, but there are significant differences between the three sectors in employees' attitudes to digitalisation and impacts of digitalisation. According to our results, public service employees are the most positive about and satisfied with digitalisation, followed by health care workers. The least positive attitudes are found in the electricity sector. The picture is largely the same regardless of whether we look at perceived impacts of digitalisation at the individual or at a more general level. Within each sector, respondents are more negative about the personal impacts of digitalisation than about more general impacts of digitalisation, i.e. on society or employment. The respondents understand the importance of digitalisation and the digital economy, but they do not immediately see positive effects of the process in their own life, working conditions or income.

The overall view of digitalisation in the public administration sector is rather positive. Digitalisation is regarded as a necessary tool to better serve clients and to improve productivity. It is not regarded as a major threat to employment in general or to employment in the sector. Furthermore, digitalisation combined with teleworking is seen as making it possible to better reconcile work and family life. In the two other sectors, opinions are more negative. There are fewer possibilities for teleworking in the hospital sector. Therefore, the work-life balance is depicted in more negative terms. In the three sectors, employees complain that introduction of digital tools has been top-down and often the training has been unsatisfactory. Connectivity seems not to be a major problem in the sector studies.

One of the most important aspects of work is whether one's work is interesting or not. In this respect there are no major differences between the electricity and hospital sectors, whereas there are statistically highly significant differences between public services and the other two sectors. In the public service sector, digitalisation is seen as a necessary and fundamental tool to serve clients. By contrast, in health care, employees often see that digital processes actually interfere between them and their clients; they are much more likely to believe that the time they use for digital operations takes away time from their basic job, taking care of their patients.

Unsurprisingly, opinions on digitalisation are linked to occupational status. Rather surprisingly though, the relationship is not linear. Those in the lower levels of the hierarchy tend to have more negative opinions of digitalisation. Highly skilled professionals and highly skilled technicians have the most positive views on digitalisation. Interestingly, skilled professionals

and skilled technicians display surprisingly low values. Their values are lower than the values for moderately skilled clerical workers.

In 2020, Finland launched a development programme for work and wellbeing at work, aiming to make more effective use of digital technology, to create working life innovations and to enhance work quality and wellbeing at work. The programme is carried out in collaboration with ministries, public sector institutions, and trade unions and employer federations. Despite many disputes, the Finnish social partners share some important views. Most importantly, the social partners agree that the digitalisation of society in general, and the digitalisation of production modes in particular, will fundamentally change the old practices and ways of doing things. The Finnish social partners see this transformation as a positive evolution. In their joint memorandum report on digital transformation, trade unions and employer federations acknowledge that the digital revolution will change the content of work in all professions. While some of the old tasks will disappear or be organised in totally different ways, new professions and tasks will arise to compensate for the destruction of the old ones. The social partners emphasise that digitalisation of working life must be steered by a culture of mutual trust. In contrast to doomsday prophecies of the end of work, trade unions also believe that digitalisation and artificial intelligence (AI) will produce significant improvements in productivity, employment, delivery of public services and work processes at workplaces. In the joint memorandum written by representatives of trade unions and employer federations, there are four major points: 1) ensuring the development of skills and competences; 2) support for workplaces in the introduction of new technologies and new ways of doing things; 3) coherent and fair rules of play for a harmonised operating environment; and 4) working together towards better solutions. Digitalisation has not had any major impact on social dialogue in Finland and interestingly digitalisation is not an issue in any collective agreements analysed for this study. In a way, digitalisation is a part of everyday business and an essential part of work processes.

The social partners see that success in the digital future requires investments in research and innovation to facilitate and speed up economic growth, employment, productivity and skills formation. Increases in productivity will only take place if the implementation of new technologies in the production process is supported by training and by stronger collaboration between different actors (for example, employers, employee organisations, educational institutions and lifelong learning providers). Since the most important changes in the utilisation of technology will take place in workplaces, labour market institutions must be at the forefront of development and provide policy tools to support the change.

Conclusion and policy pointers

In present-day society, digital literacy is an essential precondition for full societal participation, in the sense that people must have sufficient capacities to participate in working life and more generally to cope in society. Digital literacy includes two central aspects. The first aspect is the capacity to read and critically evaluate what one has read. This aspect pertains to all information available in digitalised form, through all possible digital channels. Regarding acquisition and implementation of new digital technologies and software, the usual processes by which this takes place seem to be organised in a manner which is excessively top-down in nature. Usually, an employer just declares that a new digital system will be introduced. Employees are forced to simply adapt to these changes. Despite the high scores on the Digital Economy and Society Index, there are numerous aspects where improvements are needed:

- Digital literacy must be included in curricula at all levels of education.
- Life-long learning in general, and employer-provided training in particular, must better take into consideration individual needs.
- Special measures should be planned and taken to enhance participation of those who have inadequate digital skills. As a rule, those who have digital skills currently participate much more in further education, whereas those lacking skills participate much less.
- The process of acquisition of new technologies is too much of a top-down process. Such processes should include more genuine dialogue between employees and employers.

The second major aspect to successful social participation relates to skills in digital writing in digital service forums. Such skills become increasingly relevant when services traditionally provided face-to-face (such as health care, mental health care services, etc.) are digitalised. This issue is most important in the public services and in health care.

Regarding public services, the combining of databases will help clients with multiple intertwined problems. Clients no longer need to provide a multitude of documents, which will simplify and speed up decision-making processes. Regarding social and health care services, digitalisation facilitates more personalized, preventive, and predictive healthcare services. For all these hopes to be materialised, there is a need to:

- Improve the sectoral coordination between different actors.
- Better coordinate digital platforms between welfare counties to make data exchange and information flows more seamless.

One specific group which tends to lack linguistic and digital skills are immigrants in general, and refugees in particular. Immigrants' employment rates tend to be 20 percentage points

lower than among the native population in Finland. The same applies to people with disabilities, with employment rates in this group likely to be even further below that of the general population. In order to improve the situation, new digital technologies (for example, digital interpretation services, remote work, mobile work, and other digital employment arrangements) should be used to promote the inclusion of disadvantaged persons in the labour force.

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