

Brno University of Technology
Faculty of Business and Management

International Conference

Trends in Economics and Management for the 21st Century

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About this conference

International Scientific Conference entitled "Trends in Economics and Management for the 21st Century" is held under the auspices of Rector of Brno University of Technology prof. Ing. Karel Rais, CSc., MBA, dr. h. c., as a part of celebrating the 20th anniversary of the BUT Faculty of Business and Management.

By organising this conference, the Faculty of Business and Management wants to provide a forum for academics and professionals to discuss a wide range of issues related to economics and management. Conference topics are as follows:

- Management in 21st century
- Marketing and trade on an international scale
- ICT - a threat or an opportunity for the future?
- Trends in accounting, taxes, and finance
- Competitiveness of Nations and Global Economy

All abstracts published in the conference proceedings are reviewed.

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JEL Classification: L15

Vytae

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TELEWORK New Way of Working in 21st Century

Iveta Baltina, Alise Vitola

Abstract

The past six generations have amounted to the most rapid and profound change mankind has experienced in its 5000 years of recorded history (Gratton, 2011). This has led also to the transition in the way of working. Nowadays more usually companies and institutions are using telework or distant work. New ICT solutions and technology developments allow increasing a proportion of employees in telework. Telework, a work-based practice that has steadily increased in the United States and abroad, allows employees and their tasks to be shared across settings away from central place of business or physical organizational location (Robertson & Vink, 2012).

Even if the issue of telework (distant work, smart work) can be found in the European Commission's agenda since mid of 1990s statistical data on employees working as teleworkers is still low. Also data on teleworkers in member states differ. The distinctive north-south differences in the take up of telework in the Europe are clearly shown. In 2005 the highest rate 14,4% involved in telework at least "a quarter of the time" or more was in Denmark, but the lowest 2,3% in Italy.

Therefore the purpose of the research is to analyze current regulatory framework and policies in EU level for promotion and development of telework. The research will also cover statistical overview of telework in Europe and analysis of different forms of implementation of telework in different member states. Qualitative analysis on telework development in case of Latvia will be provided.

We used such qualitative methods as document analysis, semi-structured interviews and such quantitative methods as analysis of statistical data, a questionnaire.

The principal results and major conclusions are as follow. Telework brings sustainable innovation in work organisation and new trends in management in the 21st century providing positive effects on productivity, maintaining a good work life balance, reducing commuting/travel time and carbon footprints.

Telework became a political priority for the EU with the Lisbon European Council in 2000, but reliable national statistics are still rare. No legislative acts are issued on EU level. Implementation of telework in different member states is regulated by the Framework Agreement, but implementation is ensured in accordance with the practices and procedures specific to management of labor in the respective EU member state. Lack of clear definition of telework still presents a problem. Overall statistics shows that performing telework on part time basis is more common than full-time telework.

The survey of 150 employed persons in Latvia was done using an internet questionnaire to find out the opinion on the use of telework to perform professional duties. 25% of respondents have been doing telework, 18% do it regularly. 20% of respondents state that their employer supports the use of telework, 66% of respondents would like to do telework, and for 37% of respondents it would bring additional motivation to increase their performance. 63% of the respondents would like to telework from home, 28% - from smart work center. However, 70% of the respondents think that telework does not suit their professional duties. The results of the questionnaire confirm that there is a potential for the use of telework and the creation of smart work centers. At

the same time, most of the employed are skeptical about the use of telework to perform their professional duties, therefore additional activities for the promotion of telework should be made (seminars, social campaigns etc.).

The five interviews show a more detailed picture on the daily life of a teleworker. As the most important benefits of teleworking are mentioned lower costs for the premises (especially important for the self-employed and small companies) and the flexibility planning one's time. Teleworkers feel more independent, creative and productive. The main drawbacks are the loss of communication and control (especially for the employers) and the decrease in socialization. Also the absence of a working space might be a drawback when meeting with clients in person. Therefore some of the interviewees spend in the office few days in a week. Most of the interviewees see the potential in establishing smart work centers in the largest towns (especially towns with universities and vocational schools) and to some extent – also in rural territories. Such centers could inter alia encourage cooperation of small businesses and lead to innovative ideas. A promising solution seems to be the creation of smart work possibilities in already working business support infrastructure, e.g. business incubators.

Keywords: Smart work, telework, labor management, sustainable work

JEL Classification: M54, O38

Vitae

Iveta Baltina has twelve years professional experience (1998-2010) in public administration in the fields of development and implementation of EU funds. Since 2010 Iveta Baltina is PhD student of Riga Technical University. Her research interests cover developments in public administration, efficiency and effectiveness of public institutions. Currently Iveta Baltina participates in an EU-wide project Micropol - Smart Work Centres in Non-Metropolitan areas. She is a member of Latvian Evaluation Society.

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