



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

---

## **How digitalisation shapes job quality and social dialogue in Germany's public services**

### **Executive summary**

---

#### **Authors:**

***Fikret Öz and Ileana Hamburg***

***Institut Arbeit und Technik – Westfälische Hochschule Gelsenkirchen, Germany***

#### **Introduction**

Digitalisation has become a crucial topic in the public sector, presenting both opportunities and new challenges. The objective of the European Commission-funded DIGIQU@LPUB research project is to assess the impact of digitalisation on various aspects of work quality and social dialogue for public service employees in three selected sectors: public administration, hospitals and electricity. The impact of digitalisation on working conditions, work organisation and social dialogue in public services is significant, as it is in other economic sectors. However, most research focuses on the private sector, leaving the public sector in Germany understudied.

In this research paper, the main findings of our analysis, based on both desk research and our own empirical data, are presented. The research seeks to raise awareness among trade unions and decisionmakers about the impact of the digital transformation on work on public services. The quality of service and working conditions in these sectors is of utmost importance, given their impact on the well-being and satisfaction of citizens or patients.

## **Background information**

Digitalisation, liberalisation, decentralisation and the establishment of transparent energy markets can be considered as key factors driving structural changes in Germany's electricity market, with digitalisation one of the key drivers. The energy sector in general was one of the early adopters of digital solutions, opening the door not only for sector restructuring but also for new business models. The emergence of new virtual energy markets and new external suppliers, especially with respect to the distribution of electricity to customers, would not have been possible without digitalisation in general.

The public administration is responsible for enforcing laws and regulations while ensuring citizens' well-being and satisfaction, which enhances political legitimacy. Considering the ongoing digital transformation, public administrations are facing increased expectations in terms of their 'contactability' and the provision and delivery of public services. The major challenge is related to the shortage of skilled staff, as is also the case in several other sectors in Germany. Work intensification and overload due to staff shortages have climbed to the top of the agenda in sector-related discussions. The need for digital solutions, and for measures related to speed and insufficient infrastructure, has become increasingly evident in recent years, particularly during the Covid-19 pandemic. The German government has responded to the challenge of digitalisation with several of action programmes, initiatives and measures to accelerate the digital transformation. However, actions are lagging behind government objectives.

The hospital sector and the health system in Germany are confronted with longstanding but barely acknowledged structural problems. Despite some improvements in recent years, the burden of long-term ignorance remains. The combination of a shortage of skilled staff, high work intensity and relatively low pay dampens the attractiveness and reputation of these jobs, while not reflecting their life-saving importance. Staff shortages in German hospitals have resulted in increasing workloads and growing dissatisfaction compounded by low pay, especially among care workers.

In general, the hospital sector has been regarded as weakly digitalised compared to other sectors. Interviewees claim that, even when digital solutions are implemented, they are not part of a general digital strategy, but instead standalone solutions. Their lacking interconnectivity results in so-called media breakage<sup>1</sup>, in turn causing information loss, delays or ambiguities.

In general, the issues relevant in other sectors regarding the impact of digitalisation are also crucial in the hospital sector, including work intensity, working time agreements, schedules, employee training, teleworking agreements, data protection, transparency through digital

---

1. An interruption or transition in communication, where information is transferred from one medium or mode of communication to another.

tools, and work-life balance. These issues are directly or indirectly related to the overall digital transformation and are closely tied to working conditions, a central subject in collective bargaining. Given the lack of nationwide agreements on digitalisation issues, the role of works councils in negotiating internal workplace agreements will remain important for representing the interests of hospital employees in Germany.

## **Key findings**

The results of the DIGIQU@LPUB web survey indicate that digitalisation in the three sectors under scrutiny is still work in progress. With most participants using digital tools on a daily basis, digitalisation has a significant impact on work organisation, including improved time management and remote working options. However, most of our respondents also reported an increase in work intensity, mainly due to a shortage of skilled staff. The impact of digitalisation on work-life balance was generally viewed positively, and the importance of digitalisation training was emphasised. Many participants did not feel fully involved in the early stages of workplace digitalisation. The right to disconnect is governed by collective bargaining agreements in Germany. Overall, the majority of participants acknowledged the positive effects of digitalisation, such as reducing physical strain using digital instruments, but also its potential negative impact on mental health and well-being as well as the increase in employee monitoring. Job security and job losses due to digitalisation were not seen as decisive factors.

The pace and level of digitalisation differs from one sector to the next, shaped by political decisions, institutional structures and market competition. Accordingly, social partner and trade union strategies differ somewhat, though there are many similarities. Political decisions have a significant influence on market structures, particularly in the energy and hospital sectors, both of which have faced challenges due to privatisation and commercialisation. In the electricity sector, however, besides market competition, political decisions such as decarbonisation strategies are influencing digitalisation decisions. Digital transformation is typically driven by top-down strategies.

Furthermore, digitalisation is having a significant impact on industrial relations and interest representation in Germany. It can result in changing work arrangements such as increased remote work and more flexible hours, potentially challenging the traditional role of trade unions. During the Covid-19 pandemic, it became increasingly difficult for trade unions to maintain contact with employees working from home. Due to data protection regulations, many companies are often unable to make internal communication channels such as company e-mail addresses available to third parties. The trade unions stress in general the importance of issues related to the regulation of remote working as well as such issues as the right to disconnect, work-life balance, privacy issues, seamless monitoring, work intensification and increasing stress due to more and more small-scale work steps, the emotionless work of

machines on and with people, and the blurring of boundaries between work and private life in times of constant accessibility. There is no collective agreement in Germany covering the right to disconnect. This issue is still being discussed publicly, albeit so far without any conclusion at national level.

To address challenges associated with the digital transformation and its impacts on job quality and social dialogue, trade unions in Germany are adapting their strategies and exploring new ways to represent workers in the digital age, trying to strike a good balance between the benefits of digitalisation and workers' rights. Trade unions have, however, faced difficulties in securing nationwide agreements to mitigate the negative effects of digitalisation. Instead, most agreements are reached at company level, facilitated by the strong legal rights and actions of works councils<sup>2</sup>. The latter have strong statutory powers to shape working conditions at local level with respect to digitalisation impacts. Trade unions provide support to works councils in various ways, including offering advice and assistance, as well as training programmes and national campaigns. They also participate in discussions on new technologies and digital solutions, such as artificial intelligence, platform work or blockchain, through workshops, policy papers and theme conferences. They stress the importance of evaluating these developments from the perspective of employees. In general, the trade unions call for comprehensive workplace co-determination regarding the whole digitalisation process, protecting jobs, comprehensive training measures, occupational health and safety adapted to the new requirements and more comprehensive protection of employees' privacy.

As regards collective bargaining in Germany, two general agreements with respect to digital transformation can be viewed as trade union successes. One is a recent (2022) agreement in the chemicals sector which sets out digital access rights for trade unions, enabling them to use internal communication channels within companies. Currently established communication channels are to be used for this purpose, for example company e-mail addresses. These can be supplemented by other company information systems, such as a digital bulletin board on a company's intranet or mailing lists. It is still an open question whether trade unions in other sectors can achieve such a digital access agreement in the near future.

Another achievement was the 2021 collective agreement on digitalisation between the Federal Ministry of the Interior and the trade unions. This collective agreement establishes rules prioritising job and pay security. The agreement comes into effect when significant changes to work are brought about by digitalisation. For instance, it gives employees the right to training if their work changes, is discontinued, or if they need to take on a new job. The agreement also provides for pay protection if a new job comes with a lower pay level than the previous one. This agreement with the federal government is seen as a template for others

---

2. Germany makes a legal distinction between Betriebsräte (works councils) in private sector companies and Personalräte (staff councils) in public-sector organisations. For the purpose of this paper, the term 'works council' is used for both.

to follow. However, Germany's federal states and municipalities have yet to reach such an agreement and trade union efforts have yet to bear fruit.

## **Conclusions and policy pointers**

In general, trade unions acknowledge the positive aspects of digitalisation. Seeing it as a way to increase the flexibility of work in terms of time, place and organisation, they believe it offers new opportunities for both employees and employers in terms of work structure. In the three sectors analysed in the report, trade unions emphasised the importance of preserving the common good character of public services and the need to avoid negative impacts on working conditions during the digital transformation. Neither the quality of services nor the working conditions of employees should be negatively impacted, with a balance needing to be struck between these two goals.

All trade union interviewees stressed the importance of being involved in decision-making throughout the digital transformation. This can help alleviate the concerns and resistance of workers and optimise digitalisation. Through additional training and skill development initiatives, employees can be supported in taking these steps. Digital transformation should not be driven solely by economic and rationalisation considerations, but rather should serve to reconcile the quality of services with good working conditions. Each digital process should be evaluated from these perspectives.

---

**DIGIQU@LPUB website:** <https://www.ose.be/digiququalpub/>

**Emails:** [oez@iat.eu](mailto:oez@iat.eu)

**Referring to this publication:** Öz F. and Hamburg I. (2023) How digitalisation shapes job quality and social dialogue in Germany's public services. DIGIQU@LPUB project. OSE Working Paper Series, Research Paper No. 58, Brussels: European Social Observatory, September.

---

With the financial support of the

