

FORUM ON TAX ADMINISTRATION

COMMISSIONER CONVERSATIONS: CONSIDERATIONS FOR SUCCESSFUL REMOTE WORKING

June 2020



Commissioner Fernando Barraza
of the Chilean Tax Administration
(Servicio de Impuestos Internos)



Markku Heikura, Director General of
the Finnish Tax Administration

Interview between Commissioner Fernando Barraza and Director General Markku Heikura

One of the challenges of the COVID-19 pandemic for tax administrations and many other organisations has been the closure of offices and a partial or, in some cases, an almost full move to remote working (also known as teleworking). For some tax administrations, such as the Finnish Tax Administration (Vero), remote working has been a long-standing feature of their working arrangements making this a relatively straightforward adjustment in some respects. For others, it has presented a wide range of challenges, for example from a lack of suitable hardware, security concerns, work management and staff welfare issues.

In the first of a new Forum on Tax Administration (FTA) series, “Commissioner Conversations”, Commissioner Fernando Barraza of the Chilean Tax Administration (*Servicio de Impuestos Internos*) interviews Markku Heikura, Director General of the Finnish Tax Administration (Vero) about the considerations for successful remote working.

[Read more →](#)



Introduction of teleworking

Fernando Barraza (FB): *It is my great pleasure to be able to interview Mr. Markku Heikura on Vero's long experience with teleworking, something that has become the new reality for many tax administrations. We know from recent FTA meetings on COVID-19 that a number of administrations are in a broadly similar position to us that is coming from something of a standing start, while others, like Vero, have been using teleworking arrangements more routinely for some time. By way of background, in Chile until the Labour Code was modified on 26 of march 2020, there were no legal rights to agree with workers to work in remote form, although for public officials there is a pronouncement from the Controller General of the Republic that allows them to perform their functions outside the offices assigned for their work purposes. Therefore, this new reality has required a big change in our way of working and we needed to implement the legal system and the practical details for our officials with great speed.*

Markku, perhaps I could begin by asking you about the origin of teleworking in Vero which I believe began in 2012.

Markku Heikura (MH): *Many thanks, Fernando, for this invitation. We are delighted to share our experiences. I will begin by stating that teleworking is in line with our values: building trust, working together, and embracing new ways of working. We have, over a long period, aimed at organisational agility in our operations. Back in 2011, some of our units took part in a "National Teleworking Day", which sparked general interest in the issue. In 2012, our in-house translators began to pilot teleworking on an ad-hoc basis, with the permission of their supervisor.*

FB: Did you have particular goals or benefits in mind when developing your teleworking model?

MH: *Teleworking was in the interest of the Finnish Government, and that was our starting point. We saw significant benefits both for Vero as an organisation and also for our employees. We realised we could improve the efficiency of work in accordance with Vero's strategic goals, develop ways of working that are less dependent on time and place, and of course enhance the well-being of our employees with more flexibility to balancing their private and work lives. We also took into account the environmental aspect, as teleworking tends to reduce CO2 emissions via decreased commuter traffic.*

FB: Did you introduce teleworking in a "big bang" or was it gradually introduced?

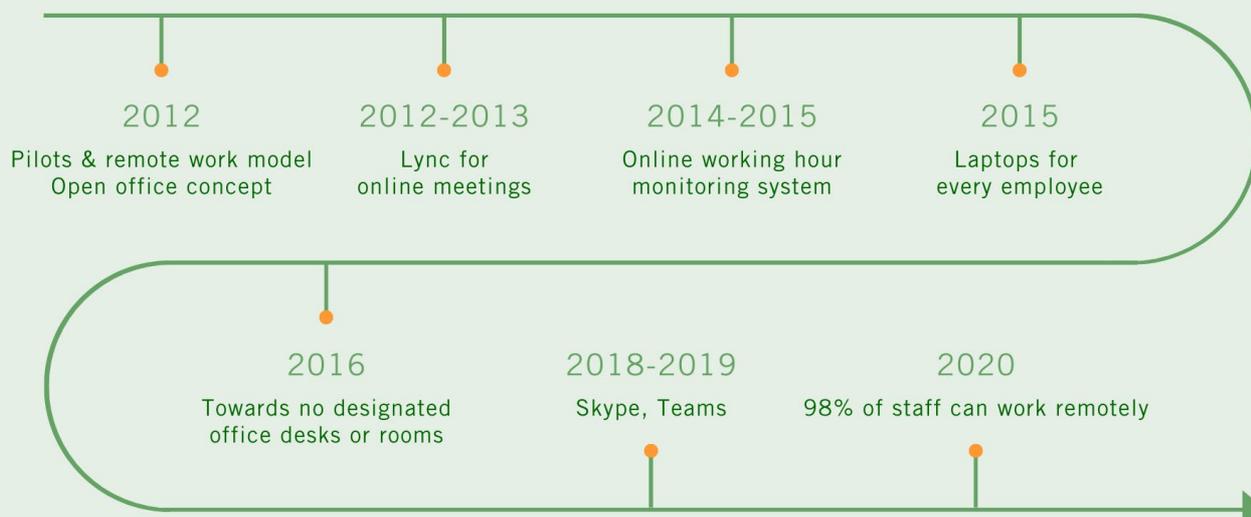
MH: *The model was originally developed by our HR Unit in co-operation with IT and security, in close consultation with staff and unions. We introduced the model gradually within our HQ in 2012. Later, we extended the practice to all of our tax offices nation-wide. I would like to come back to our values here, as I believe the choices we make as an organisation either breathe life into our values or cause them to gather dust in a desk drawer.*

In 2012, we also piloted and introduced a new concept for our work environment. In brief: open office with zones for different types of work. As both new concepts were rolled out at the same time, we of course monitored the data on working hours closely, only to learn that levels of working hours did not change and the number of sick leave days actually decreased. As part of our rules, teleworking is not an automatic right, and employees can be called into the office if necessary, either for work purposes or if the supervisor sees that the employee is not able to comply with jointly agreed rules or perform effectively.

New ways of working at the Finnish Tax Administration



Short history of remote work



FB: *That is interesting that you say that there is no automatic right to teleworking. How then do you reach agreements with employees on teleworking agreements?*

MH: *In Finnish labour law, the principle is that the employer decides where employees work. Our employees know that teleworking is dependent on situations and may vary from one week to the next. This is well understood, and we have not really had any problems with it. Our employees have used the right to telework one to three days per week in a variety of ways; some regularly, some in intervals. In the present COVID-19 environment, we strongly recommend that all employees telework five days per week.*

FB: *You mentioned that you worked closely with labour unions. Could you describe the main points that you had to resolve?*

MH: *We did everything gradually: testing, reviewing and adjusting based on results and findings. Our consultations were ongoing with the labour unions throughout the process. We discussed regulations and monitored the data on working hours and sick leave days. As the numbers did not imply any cause for concern for Vero or the unions, we moved on with extending the practice.*

The topics we have discussed were, among other things, overtime payments, work safety issues, laptops, monitors, ergonomics in terms of desks and chairs, internet connections and how to best monitor working hours in practice. We don't always agree, but we seek understanding through open discussions. Building an environment of trust does not mean giving up on technical arrangements necessary for Vero to do resource planning or monitor working hours.

FB: Is there any governing regulatory framework?

MH: *At the outset, the regulatory framework for teleworking was based on the framework agreement signed by European labour markets on 16 July 2002, and later on the Ministry of Finance's rules adopted in 2015. Nowadays, teleworking is included in the Finnish Working Hour Act (as of 1 January 2020).*

FB: Have you made further adjustments to the model over time?

MH: *We have concluded a number of different pilots to test how we can best utilise teleworking. In one of these pilots, a group of employees tested the daily rhythm of three days of teleworking and two days at the office, while another group tested more flexibility in the daily time frame for teleworking, from 6.00am to 7.00pm. In 2016, in continuation of our open office concept, we introduced a policy of no designated desks at the office. As a result, our premises can no longer fit in all employees at the same time, meaning that a part of our staff in fact needs to be outside the offices teleworking, travelling, or on leave.*

FB: Are there some functions and tasks that are not susceptible for teleworking?

MH: *Any tasks that can be performed with a laptop by accessing one's workstation are suitable for teleworking. Of course we also have a number of tasks, which are not suitable for teleworking, such as customer service in the walk-in offices, digitalising incoming paper mail, tax audits based on paper material, some IT related tasks, for example updating databases or systems maintenance, and of course discussions between a supervisor and employee such as performance reviews.*

We have advised supervisors to come into the office regularly to meet their staff and other managers. It is noteworthy that paper-based tax audits are becoming quite rare, and customer service shifts on the phone and chat applications can be done remotely.

FB: I am sure you get this question a lot, but did you get extra budget to implement teleworking?

MH: *Indeed, this comes up frequently and the answer is rather straightforward. There was no need for extra investments. We started to replace desktop computers with laptops over ten years ago, and by 2015 everyone in our administration was equipped with a laptop. A teleworker needs to have a mobile phone. For online meetings we have been using Skype for Business, and it is now being replaced with MS Teams. All of these developments we would have needed in any case.*

It is the employee's responsibility to acquire and cover the costs of an internet connection for the home office or other teleworking location. The employee is also responsible for the work facilities and any necessary home office equipment. As regards secure remote access, we use the service provided by the Government ITC Centre. We pay based on the volume of the usage.



Practical considerations

FB: *Perhaps I could now turn to some of the more practical issues that need to be considered. Maybe I can start with the obvious privacy and security implications in a teleworking environment. Did Vero employees sign a confidentiality agreement in order to telework?*

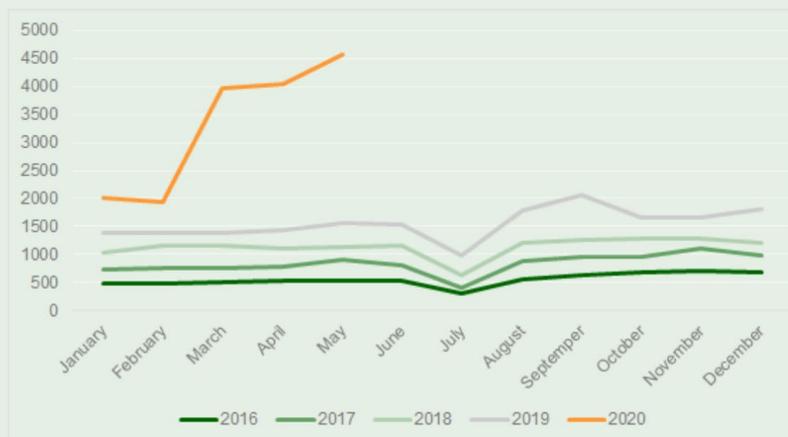
MH: *All Vero employees sign a confidentiality agreement when they enter the administration. In the past, we also required the supervisor and employee to sign a written contract on teleworking. As we realised this mainly increased bureaucracy without adding any value, we adjusted the practice. An oral agreement has been sufficient from 2020 onwards. As of now, we consider teleworking a regular way to work, and it does not require any special arrangements. I should add that employees are not allowed to take any confidential papers home from the office. Our reality is becoming increasingly paperless, as all tax returns and appendices are now in digital form, making it possible for all desk audits to be conducted remotely.*

FB: *Do you have any special systems for detecting breaches in the teleworking context?*

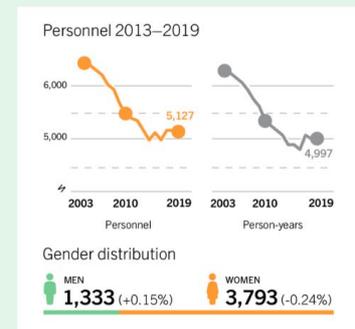
MH: *Our Security and Risk Management Unit utilises software, such as MS Defender, to detect unusual sign-ins. We have learned that teleworking does not produce any more detected issues than occur in the office environment. If a problem is detected, a safety failure procedure begins and our data protection officers assess the situation. Administrative action is taken if necessary. As a rule, one cannot connect to Vero's IT environment with anything other than Vero's laptops and mobile phones. The use of personal devices, for example private printers or USB keys, is technically prevented. Our taxation system (Gentax) also records every single movement and keystroke made by employees, so steps can be traced back if needed.*

Number of remote workers per month 2016-2020

Short history of remote work



The Tax Administration personnel offers service throughout Finland



FB: How do managers monitor what work is done given that there is perhaps less visibility than in the office environment?

MH: *We believe visibility as such does not guarantee efficiency or results. Thus, we monitor the results of teleworking in the same way as we do for work done in the office.*

FB: How do you supervise how many hours employees work or whether they are available at any particular point in time?

MH: *In the early years, teleworkers were required to work with fixed hours from 8:00 to 16:20. As we learned more from our teleworking pilots, we started to allow more flexible hours. All employees monitor their hours, and everyone is expected to keep their Microsoft Outlook calendar updated. Our online tools allow us to be in contact with one another at all times.*

FB: Would you be able to say a little more about how the working hour monitoring system works?

MH: *This is an important question and I will try and give a detailed answer. Everyone at Vero uses a working hour monitoring system called Kieku. It is a commercial software solution, which includes processes for HR and finances. The system is based on SAP's and CGI's software products such as SAP Fiori, SAP CATS, CGI timeadmin. As a rule, when people start and finish the work day or take a lunch break or other private break, they log it in real time in their own work stations.*

When hours are logged in on a daily basis, they also need to be allocated, for example to tasks or projects. It is done in the same system. The hours are allocated to one or several tasks or projects, this could be for example three hours to project A, two hours to project B and so on. The allocation should be done once a week and the supervisors check the hours monthly.

The Kieku system is only accessible in Vero's secure mobile environment, which can only be accessed via the secure remote access service, Pulse Secure. Kieku does not use login tracking or georeferencing.

FB: When teleworking, I guess it is possible that employees work longer hours sometimes than they would in the office, for example because they do not need to commute. Does Vero pay overtime hours or are there other forms of compensation?

MH: *Yes, we pay for the overtime, but only if it is agreed beforehand with the supervisor. In general, we rarely need to resort to overtime, as our flexible hours are a good buffer in peak times. Our regular working hours are 7 hours 21 minutes a day and 36 hours 45 minutes a week. People can start flexibly between 06:30 and 09:30 and finish between 14.30 and 19.00. We have allowed some extra flexibility on Monday mornings and Friday afternoons, and even more flexibility in the summer vacation season. During the COVID-19 crisis, we decided to widen the flexible working hours from 06.00 to 23.00 in order for our staff to maintain a better work-life balance in what has obviously been a difficult situation. As a rule, our employees are very capable of self-guiding their work within the offered timeframe.*

FB: Are there special insurance considerations for employees who are teleworking in their own homes?

MH: All employees are entitled to the same occupational healthcare services regardless of where they work. If an employee gets into an occupational accident while teleworking, it is covered by the statutory accident insurance or the person's own accident insurance, depending on the type of accident.



The people side

FB: *Please could I ask a few questions about how you dealt with skills and motivation issues for staff. Maybe I could start with asking what kind of training you provided for managers and employees.*

MH: *This is not an entirely new issue for us, as we have many offices throughout Finland and supervisors often work in different locations than their team members. We continuously train our managers to lead remotely, facilitate discussions and do competence development via Skype and MS Teams. We familiarise and coach all our new employees to the administration.*

In 2020, we did, however face a new situation, as we needed to familiarize and remotely coach all those that we employ as extra temporary help in the summer period, and then have them work remotely as well. They received their laptops and mobile phones in the office, and are now teleworking without any problems.

Our general principle is that an employee who knows how to work in the office also knows how to work at home: we do everything on computers and we are a paperless office. The basic instructions related to teleworking are available in our Intranet. The only additional task in reality is to open the secure line to access one's workstation. The workstation's support menu contains key operating instructions, which are available without signing in.

FB: *Is there a working protocol to supervise teleworking?*

MH: *Teleworking is based on mutual trust between the supervisor and the employee. We monitor the results of teleworking in the same way as we do for work done in the office.*

Some of our employees have jobs where they are in contact with their colleagues regularly, thus enjoying a range of social contacts, but some jobs are more independent. Therefore, our managers chat regularly with everyone to monitor how people are doing in terms of wellbeing and workload.

FB: *How do you measure the satisfaction levels of teleworking employees?*

MH: *In the early years, we conducted several surveys on the benefits, risks and drawbacks of teleworking. Teleworking has been perceived very positively all along. It increases wellbeing at work and reduces sick leave days, and it helps our employees to balance their private and work life responsibilities. The only risk that has arisen is alienation from colleagues, which is why we ensure supervisors contact their teams regularly. Nowadays, we no longer conduct surveys on teleworking per se, as it is very much business as usual for us.*



Technology issues

FB: *Were there any particular issues related to the laptops provided to the employees for teleworking purposes, for example around procurement options and insurance?*

MH: *We started to replace desktop computers with laptops over ten years ago and by 2015 everyone in our administration was equipped with a laptop computer. We do not have any special insurance in addition to the normal warranty. The model is the same whether you work in the office or at home. Only a few cases are not covered by the normal warranty and it is not cost-effective to get special insurance. We have not witnessed any increase in loss or damage due to teleworking.*

FB: *What kind of remote access do you use to enable teleworking?*

MH: *We utilise a secure remote access service provided by the Government ITC Centre. We pay for that based on the volume of usage. The system is the same for all government workers in Finland. Using the secure remote access service, employees can access their workstation in exactly the same way as they would in the office.*



Final words

FB: *Based on your experiences what do you see as the key elements for successful teleworking?*

MH: *I would highlight three things. Firstly, teleworking is based on mutual trust, which should be seen as a normal way of working, not a special arrangement. Secondly, supervision, meeting arrangements and their methodology needs to be redesigned as the tools and ways of working are different when teleworking. Thirdly, the ability to telework depends heavily on the extent of digitalisation within the tax administration. In Vero, all of our taxation solutions are fully digitalised and all tax returns are in digital form. All administrative routines are done by computer. As a rule, we handle no paper in our offices and all of our archives are digitalised.*

FB: *Thank you so much for giving so generously of your time. Do you have any final words of advice to tax administrations wanting to improve their ability to telework?*

MH: *It has been a great pleasure. Thank you for your insightful questions. If I sum it up in a few words I would say: first look at the potential benefits for your organisation and staff. If possible, start with small and controllable pilots. Be open about the results. If the results are encouraging, then gradually expand. As for us, we see no going back to the old ways of working.*

 fta@oecd.org

 [@OECDtax](https://twitter.com/OECDtax)

 www.oecd.org/tax/forum-on-tax-administration