A SURVEY & ANALYSIS OF THE IMPACT OF THE EU RULES ON WORKING TIME DIRECTIVE

WHAT THIS MEANS FOR THE FIELD SERVICE INDUSTRY

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Introduction

The European Court of Justice (ECJ) has ruled in its latest Working Time Directive (WTD) that the time taken to travel to and from work at the beginning and end of each day should count as working time under the law.

On September 10th 2015, the European Court of Justice declared, “that, where workers...” do not have a fixed or habitual place of work, the time spent by those workers travelling each day between their homes and the premises of the first and last customers designated by their employer constitutes working time within the meaning of the directive.”

The main thing you need to know about the new Working Time Directive, is that the working day for mobile workers who do not start from a fixed office begins when they leave their homes for the 1st job of the day and ends when they arrive back home after the last job of the day.

This hugely important EU ruling will be implemented within the next few years, so it is vitally important that businesses know what it means and what they will be required to do when it comes into effect. It could well force thousands of European companies to hire more workers or to pay their current workforce for more working hours to remain legally compliant. Plus, companies could have to pay higher salaries to avoid breaking minimum wage laws, in addition to setting aside more time for breaks for workers during the time when they are driving to, and attending appointments.

Field workers such as electricians, gas fitters, care workers and others who do not have a fixed office or place of work will all be affected by the latest ruling. As will their employers, who need to know how the new EU ruling affects them.

If you employ field workers you need to know that the ruling clearly states: “A worker who no longer has a fixed place of work is carrying out his duties during his journey to or from a customer, that worker must also be regarded as working during that journey. Given that travelling is an integral part of being such a worker, the place of work of that worker cannot be reduced to the physical areas of his work on the premises of the employer’s customers.”

The ruling explains how: “The fact that the workers begin and finish the journeys at their homes stems directly from the decision of their employer...and not from the desire of the workers themselves. Requiring them to bear the burden of their employer’s choice would be contrary to the objective of protecting the safety and health of workers pursued by the directive, which includes the necessity of guaranteeing workers a minimum rest period.”

The ruling also has wider implications for everyone who works on a mobile basis and starts and finishes from home, rather than from an office.

Finally, it should also be made clear that the UK will need to observe EU rulings until the country leaves the EU. Within the forthcoming negotiation period, the UK government will decide which EU legislation to keep and which to remove, which means this latest Working Time Directive may well become UK law regardless. Whether or not the UK decides to adopt the law, post-Brexit, British businesses will have to deal with it, either way, if they are doing business in multiple countries within the EU.

Research overview

Earlier this year, ClickSoftware, the field service leader, commissioned Bilendi, one of the top digital service providers for the market research industry in Europe, to look in depth at the impact that the latest update of the EU Working Time Directive around travel time is going to have on a number of businesses and organizations across Europe.

Decision makers across a total of 302 European companies employing mobile field workers that work from home were asked a selection of questions regarding the proposed European Union Court ruling on travel time to work. Companies from the UK, France, Germany, Italy and Spain were all involved in the research, which also spanned a number of key sectors of industries, from utilities, telecommunications and local government services through to retailers, logistics companies, new types of energy companies and more.

The responses gathered from the research give a really good overview of how prepared European employers of field service workers are for the new EU ruling, what impact they feel it will have on their business and what some of their biggest concerns are around the new law. The data also reveals some interesting responses from companies on the impact of the new EU Working Time Directive on employees and how they feel it will influence the use of new technologies. Finally, following on from these insights, we take a short look at the benefits available to all field service organizations from deploying the latest cloud and mobile technologies.
Q1 » Some European businesses are ready, but too many aren’t

Respondents were asked a number of questions regarding their awareness of the new EU Working Time Directive and also to discover how well prepared their companies were for when the ruling comes into effect.

According to the research, over a third (36%) of UK businesses will NOT be ready when the latest EU ruling on travel time to work comes into effect.

The UK and France are the least prepared for when the ruling comes into effect, with 42% (UK) and 48% (France) of respondents claiming they will not be completely ready.

Germany and Italy are the best prepared, with 69% of respondents in Germany and 72% of respondents in Italy claiming they will be completely ready.

Overall, while 88% of all respondents across Europe claimed to be aware of the ruling, the remaining 12% are still NOT aware of it. This means that over one in 10 European businesses are still not aware of the ruling.

Those working in local government services and retail were the least aware of the ruling, with 20% (one in five) of respondents in these sectors still NOT aware.

Conversely, 100% of respondents in oil and petroleum industries and those working in property and casualty insurance where they have assessors, were FULLY aware of the ruling.

Key takeaway

Though some countries and industry sectors are more aware about and prepared for the impact of the new EU Working Time Directive, there is still a considerable proportion of respondents who are unaware and underprepared. With over one in 10 European companies still not even aware of the new EU ruling and over a third of businesses claiming they will still not be ready for the changes once the ruling comes into effect, the importance of any field service organizations acting now to find out exactly how the ruling will affect them cannot be overstated.
The new EU ruling is going to have a considerable impact on any European business that employs mobile field workers that work from home. The research asked respondents a number of questions to gauge the perceived level of impact employers think the new travel time ruling will have, how many changes they feel they will need to make and what their major concerns about the new law are.

According to the research, six out of 10 (60%) European businesses admit they will have to make changes to their business because of the latest EU ruling on travel time. While 60% of UK companies admit they will have to make changes because of the ruling, this goes up to 64% in Italy and 65% in Spain.

Cost is the biggest concern around the new law, according to 29% of respondents, while 19% were concerned about unknowingly breaking the rules and 12% were concerned about not understanding the new law. This concern about current systems and processes not being able to manage the change is notably higher for certain sectors, including utilities (20%) and manufacturing (25%).

The sectors that are going to have the make the most changes are new types of energy companies (79%) and property and casualty insurance (83%). Additionally, 12% of respondents said their current systems and processes would not be able to manage the changed requirements due to the ruling.

Key takeaway
It is clear from the research that the majority of European companies that employ field service staff that work from home are going to have to make changes to their business, with certain sectors such as energy and insurance companies likely to make the most changes due to the new EU ruling. There are also a number of concerns about the new law, with cost being the over-riding concern for nearly one-third (29%) of respondents.
Q3 » Employees to be significantly impacted by the ruling

In addition to the impact of the new EU ruling on their business, respondents were also asked a number of questions about how they thought the new law might affect their employees and whether they thought they would need to employ more field-service staff and/or change the way they schedule resources in the field.

According to the research, 30% of all European respondents think that the new EU ruling is going to mean they will have to cut the number of jobs that a field service professional can complete in one day.

The same proportion of European respondents (30%) think the ruling also means that they will have to pay staff more for overtime to factor in travel.

The proportion of respondents who think they will have to pay staff more for overtime to factor in travel is highest in the UK (32%) and Spain (37%).

Overall, 19% of respondents think they will have to hire more employees to enable them to complete field-based work, which goes up to 39% in Italy and 41% in Germany.

Nearly seven in ten (68%) admit that they will or may have to change the way they schedule resources in the field, which goes up to 80% in Italy.

In certain sectors there is a higher-than-average proportion of businesses who will or may change the way they schedule resources in the field, such as telecommunications (81%) and manufacturing (82%).

Key takeaway
The results show that the new EU Working Time Directive is going to have a significant impact on the typical working day of field service workers across Europe, with 30% of respondents already thinking that the new ruling will mean that they will need to cut the number of jobs scheduled on an average working day. It also reveals a trend that businesses believe they will need to pay their field service staff more in overtime to cover travel time to and from work. The ruling will bring about considerable changes in the ways in which the vast majority of European companies schedule their resources in the field.
Q4 » Use of new technologies to help manage the new requirements

The use of new tools and technologies by European field service organizations is going to be heavily influenced by the new law on travel time to work, with the research asking respondents directly about new systems and tools they feel might be needed to help with the change in law.

Certain sectors will have a notably higher need to implement new technologies, systems and tools, such as telecommunications (57%), manufacturing (64%) and local government services (67%).

The proportion of respondents who think they will need to implement new systems and tools is slightly higher in the UK (48%), Spain (50%) and Italy (56%).

According to the research, nearly half of respondents (47%) will need to implement new systems and tools when the latest EU ruling on travel time to work comes into effect.

Key takeaway

Technologies such as the latest cloud software services and mobile device applications will be increasingly adopted by field service companies across Europe in the wake of the new EU ruling on travel time to and from work, as employers will be keen to look at new ways of improving employee productivity and efficiency out in the field, while remaining compliant.
Q5 » Employees stand to benefit the most

European businesses were asked directly in the research about who they felt the new Working Time Directive law would benefit: employees and/or businesses?

The great majority of respondents think that the new law will primarily benefit employees (45%) or both the business and its employees (30%).

Over half of respondents in the UK (51%) think that the EU ruling will primarily benefit employees.

Currently, half of all respondents (50%) said that their employees opt out of the Working Time Directive.

The proportion of respondents who said their employees opt out of the Working Time Directive was highest in Spain (60%) and Italy (62%) and in sectors such as home and business services (75%) and new types of energy companies (74%).

Key takeaway

It is clear from the research results that most companies across Europe think that the new law will primarily benefit field service staff, with half of all respondents noting that their employees are presently opting out of the current Working Time Directive. With the right tools and systems in place, this ruling should benefit both the business and the employee by helping to make the whole system more efficient.
Q6 » How cloud and mobile technologies can help

Clearly, from the results of the research outlined above, the judgement is going to have a number of major implications for European employers.

Courts and tribunals must now interpret the Working Time Regulations 1998 (WTR) in such a way as to reflect the requirements of the WTD for employees to work no longer than 48 hours, taking into account traveling time for those employees who do not have a fixed working address.

Coupled with the requirements of the new regulation, the market has seen a dramatic rise in the level of expectation from customers in terms of service delivery. Businesses and consumers alike have become used to instant “uberised” services and expect everything to be delivered faster, more flexibly and more responsively, with real-time status updates.

The Internet has facilitated the introduction of two major innovations within the field service industry – digital connectedness (through the cloud) and smart mobile devices. What is also clear is that there are benefits to businesses from developing and deploying the latest cloud and mobile technologies to enable their field-based employees to be as productive as they possibly can throughout every minute of their working day, whether are travelling to or from their home base, or to or from a scheduled job.

The power of cloud computing and the ubiquity of mobile devices means companies can now redesign their entire Field Service Management (FSM) process to the benefit of both the field service professional and the customer, ensuring that everyone has all the information they want, whenever and wherever they need it.

Those companies that adopt the most innovative cloud services and mobile technology solutions are the ones that are most likely to thrive in the new economy. Business customers and consumers who receive field-based services from any supplier, demand a fast, flexible and responsive service. And it is the power of cloud computing wedded to the ubiquity of smartphones and mobile devices that allows organizations to redesign their entire FSM process in ways that are agile, flexible and responsive - to the mutual benefit of the customer, the business and the field service technician, engineer or employee. Whether that’s making sure that schedules comply with working time legislations, managers having the tools to schedule employee journey times efficiently, maintaining communications with customers to ensure they will be in when the engineer arrives or making sure technicians have all the information and parts they need when they arrive on site.

Embracing the latest cloud and mobility technologies helps businesses to survive and thrive in the 21st century, meeting customer and employee needs while also complying with business regulations. Mobile workforce management software solutions that incorporate business best practices, advanced decision-making algorithms and artificial intelligence that enable you to manage and optimize your entire service operation: before, during and after the day of service should definitely be considered.
How to prepare for when the ruling comes into effect

There are a number of options open to employers, many of which do not require a total overhaul of working practices or, if managed correctly, can have a positive impact on the organization’s bottom line. Any organization that might be affected by the ruling should consider the following steps:

1 | Review your current situation. Call together your HR, operational, scheduling and dispatch and in-house legal teams to work out how many employees might be affected, understand the hours your employees are currently working, the scheduling and dispatch practices you have in place, and the contracts you have with employees. Making sure you have a firm grasp of the implications of this new ruling will dictate your ability to adjust to the situation.

2 | Look at the way that field service employees’ appointments and workloads are currently scheduled. How much is manual and what can be done to automate the process so that the new travel time rules are automatically taken into account when work plans are created? What difference would an automated workforce management scheduling solution make? These solutions have built-in processes that match working time requirements with optimized job scheduling and travel routes for employees. They can also track the progress of employees in the field in real-time, making sure that and required rest breaks are adhered to while also optimizing job scheduling according to time worked, skills and predicted travel time.

3 | Ensure that employees have adequate rest breaks and that you have put in place monitoring procedures to avoid potential breaches in the regulations (or by employees conducting personal business during the time they are travelling to their first job and from their last job). An automated scheduling solution can make this a more straightforward task, both for dispatchers and schedulers and for employees.

4 | Begin a dialogue with employees, especially before the implementation starts. Continue to adapt to this ruling and maintain a continuous dialogue between employer and employee. The ruling could result in many day-to-day changes to working practices, and it is essential to bring employees with you as the changes are implemented. Have a clear channel of communication to outline changes and capture feedback to ensure the smooth introduction of the new working practices.
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