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SOCIAL PARTNERS TOGETHER FOR DIGITAL TRANSFORMATION OF THE WORLD OF WORK: NEW DIMENSIONS OF SOCIAL DIALOGUE DERIVING FROM THE AUTONOMOUS FRAMEWORK AGREEMENT ON DIGITALISATION - TRANSFORMWORK VP/2020/001/0083

National Report

Malta

The survey was conducted as a part of the project: “Social partners together for digital transformation of the world of work. New dimensions of social dialogue deriving from the Autonomous Framework Agreement on Digitalization” (TransFormWork VS/2021/0014), funded by EC, DG Employment, Social Affairs and Inclusion. The research and survey were done by: Daniel Debono, Malta Business Bureau and Diana Miceli, The Malta Chamber of Commerce, Enterprise & Industry.

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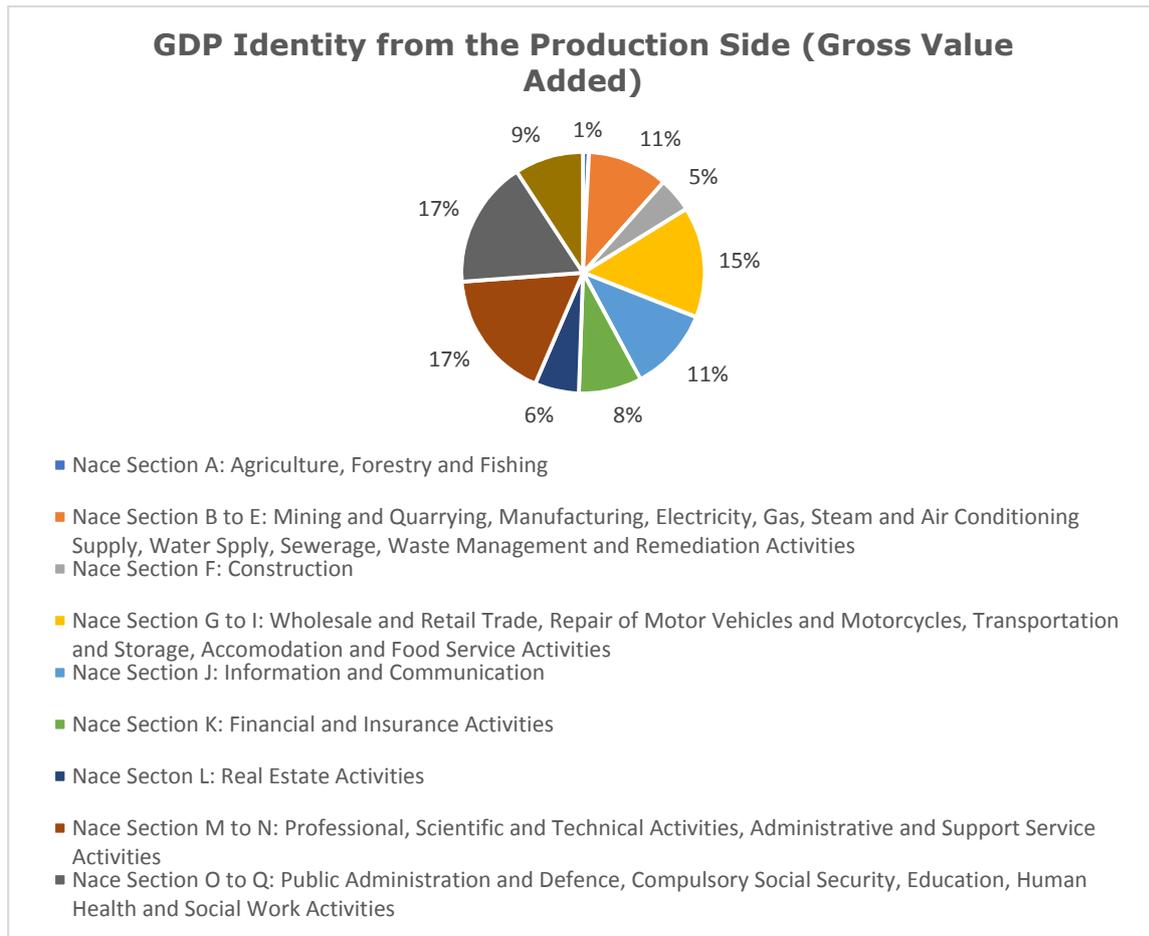
1. Desk Research

1.1. Historical trends and the development of digital transformation in the partner country

1.1.1. The Structure of the Economy in Malta

The Maltese economy is best understood in its historical context, comprising a largely service-based economy which has evolved over the decades from a dependency on the British naval presence in the years after achieving Independence in 1964, to a more diversified structure relying on tourism and hospitality, financial services, foreign trade and various other economic sectors. This highly industrialised economy benefits from the island's strategic location in the centre of the Mediterranean as well as a predominance of spoken English in the Maltese workforce and a low corporate tax rate.

1.1.2. Statistical and Sectoral Analysis of the Economy of Malta



The Gross Domestic Product (GDP) of Malta for 2020 amounted to approximately 12.8 billion euros, a marked decrease of 5.7% from the 2019 figure of 13.6 billion euros. This corresponded with a decrease in Gross Value Added (GVA) which was largely due a larger drop in services particularly in the hospitality industry, transportation and storage activities and trade activities and can largely be attributed to the impact of the COVID-19 pandemic on tourism as well as consumption by locals. The decline occasioned by these sectors was somewhat compensated by growth in other sectors particularly those related to ICT activities.

The Chart above illustrates the structure of the Maltese Economy through an analysis of the GDP identity from the production side, namely with regard to the GVA by NACE Sector. As the Chart shows the largest sections of the economy include those related to retail, transport, manufacturing, financial services, hospitality and tourism as well as the public sector.¹

1.1.3. Recent Developments

Digital transformation has increasingly come to the forefront of public consciousness in Malta, particularly with regards to the potential positive and negative impacts this transformation could have on the labour force as well as the efficiencies that it can offer businesses and individuals. In the 2019 European Commission Country Report on *Monitoring Progress in National Initiatives on Digitising Industry* Malta was given an overall score of 57.7 and a ranking of 12th out of the then 28 EU Member States. This puts Malta firmly in the medium performing cluster of countries showing some substantial progress in digital transformation.

The key focuses of Malta's digital strategy in recent years have been ensuring a high level of Connectivity throughout the country as well as the Use of Internet Services by citizens. On both fronts Malta has experienced substantial improvements with universal access to Fixed Broadband, Fast Broadband and Ultrafast Broadband for the entirety of the population by 2018, with a substantial increase in the percentage of the population making use of Mobile Broadband. Malta also scores well above the EU average on most indicators on digitalisation including use of social media, reading news online and making video calls. Conversely Malta still lags behind the EU average in terms of those making use of eGovernment services, provision of eHealth services and the percentage of the working population equipped with e-skills.²

¹ https://nso.gov.mt/en/News_Releases/Documents/2021/03/News2021_040.pdf

² https://ec.europa.eu/information_society/newsroom/image/document/2019-32/country_report_-_malta_-_final_2019_0D3133AC-ADD1-AB10-6A71F15503A6D9DF_61213.pdf

1.1.4. Key Training and Fiscal Incentives in the Digital Transformation Process

A key indicator of the Maltese government's efforts to boost the digital transformation process are a number of fiscal incentives which it has offered businesses and individuals in recent years to promote the development of STEM centric and digitally empowered economy, targeting established enterprises, startups and students to ensure the long-term viability of this process. Below are some key fiscal incentives including some information of the nature of the incentive and its impact on digital transformation in recent years.

YouStartIT

The Malta Information Technology Agency (MITA) has instituted the YouStartIT programme which is a training programme for early-stage tech startups. This initiative sees startup founders validating their startup idea to understand whether their project is viable and worth pursuing. Through this publicly funded course these entrepreneurs gain the ability to clearly frame the problem they wish to solve and identify and verify the market for their tech solution.³

Fusion R&I

The Malta Council for Science and Technology (MCST) has managed a national funding programme to drive and support local research and innovation and to bring this research into a state of market readiness. The stated aims of this programme include:

Raising the level and profile of locally funded research

Ingraining R&I at the heart of the Maltese economy

Spurring knowledge-driven and value-added growth

Sustaining improvements in the quality of life⁴

E-Skills Malta Foundation

The eSkills Malta Foundation is a National Coalition made up of various representatives from Government, industry and education, who can contribute to the increase in digital skills and the development of the IT profession. The Foundation's main areas of concern are advising stakeholders on matters of eSkills policies, contributing to ICT educational programmes and professional development, and championing campaigns to promote eSkills in the population. This gap in eSkills under Human Capital is one that has been repeatedly identified as a leading barrier to digitisation in Malta. The Founding members of the Foundation are the Ministry for Education and Employment, the Malta Information Technology Agency, the Malta Communications Authority, the Malta Enterprise, The Malta Gaming Authority and The Malta Chamber of Commerce Enterprise and Industry.⁵

³ <https://mih.mt/2020/05/mita-innovation-hub-opens-applications-for-the-second-edition-of-the-mita-youstartit-validator-programme-with-a-special-focus-on-covid-19/>

⁴ <https://mcst.gov.mt/ri-programmes/fusion/>

⁵ <https://eskills.org.mt/en/Pages/eSkills-Malta-Foundation.aspx>

eBiznify

The Malta Communication Authority (MCA), as the entity responsible for the implementation of the National eCommerce Strategy has offered eCommerce training for businesses under its eBiznify programme. This programme was both publicly and privately funded, with the ultimate aim of assisting businesses in taking the leap into a concrete online presence beyond marketing strategies, with advice on the setting up of eCommerce services and platforms.⁶

FastTrak to e-Commerce

The Malta Communications Authority has also organised a number of hands-on information sessions on the use of digital marketing with the aim of helping participants improve their businesses by establishing an effective online presence. Its main focus areas were Digital Marketing Concepts, Social Media Marketing, Email Marketing, as well as a general overview of the eCommerce landscape in Malta. The objective of these practical sessions was to support and mentor local businesses on how to boost brand awareness, generate more leads, and improve customer relationships.⁷ This initiative was followed by a similar initiative named “Fast Trak to Mobile” which focused on similar themes but centered around mobile commerce.⁸

Malta Cloud Forum

The aim of the Malta Cloud Forum (MCF) is to facilitate the uptake of cloud computing, particularly by micro-organisations and SMEs. The forum therefore strives to increase and diffuse cloud awareness and create an innovative local culture that supports, embraces, and benefits from cloud computing. The MCF is a multi-stakeholder forum of parties, comprising representatives from consulting companies, civil society, government and academia.⁹

Business Start and Microinvest

Business START is an incentive offered by Malta Enterprise which offers seed and growth funding for small start-ups. Start-ups undertakings that are still in their early development phase may receive an initial grant of up to ten thousand euro (€10,000) to help them develop their business proposal. Start-ups that present a viable business plan may receive additional support linked to full time employment which may reach up to twenty thousand euro (€20,000) per quarter.¹⁰ Similarly, Microinvest is another scheme established by Malta Enterprise which encourages undertakings, not only start-ups but also family business and the self-employed, to invest in their business, so as to innovate, expand and develop their operations.¹¹ Both of these schemes target digitalization areas such as the use of social media, mobile services, cloud technology, the Internet of Things (IoT), development in cyber security and data analytics amongst others.

⁶ <https://www.mca.org.mt/articles/mca-launches-ebiznify-e-commerce-training-programme>

⁷ <https://www.mca.org.mt/initiatives/fasttrak>

⁸ <https://www.mca.org.mt/articles/mca-launches-fasttrak-mobile-business>

⁹ <https://tech.mt/media/project/malta-cloud-forum/>

¹⁰ <http://maltaenterprise.com/support/bstart-2021>

¹¹ <http://www.maltaenterprise.com/support/micro-invest>

Skills Development Scheme

Through this scheme, Malta Enterprise aimed to support business undertakings to provide training to develop and update the skills and knowledge of their workforce. This initiative complements other eSkills related programs discussed above by supporting training and knowledge transfer initiatives that will support employees to acquire new skills, know-how and knowledge.¹²

Business Re-Engineering and Transformation and Change to Grow Schemes

Malta Enterprise has launched two twin schemes with the Business Re-Engineering and Transformation Scheme having the aim of supporting small and medium-sized enterprises (SMEs) to realign their business activity and restructure their business in order to optimise the use of technology and embrace green technology and practices. Through this scheme SMEs are provided with support from external advisors which will enable them to accelerate development.¹³ This Scheme is then re-inforced through the Change to Grow initiative whereby businesses are incentivised to kick-start transformation processes, oftentimes, but not exclusively, on the basis of the advice received under the previous scheme.¹⁴

1.1.5. Forecasts and Future Developments

The advent of the COVID-19 has undoubtedly quickened the pace for digitalisation the world over, and this trend has also had its impact on the Maltese society and economy. Throughout 2020 and the first half of 2021 vast shifts have taken place in societal needs, bringing about pressure on the existing digital infrastructure and a realisation of the impending need to upskill and reskill students, employees, and other individuals to face up to the needs of an increasingly digitised world.

Evidence of these changes can be found in the Maltese government's use of a home schooling and teleworking policy, obliging schools and businesses to foster a culture of digital competency whilst also providing those tools that are necessary to enable the smooth transition from in person communication to online interaction. These policies have also brought into sharp relief flaws in digitalisation process in recent years as well as potential barriers for this digitisation in the future, particularly centring around economic and social disparities in accessibility to technology as well as the lack of e-skills particularly in the adult population. In response to these challenges Malta has seen increased investment in its already ongoing digitisation process as well as the recognition that connectivity can be considered a right of individuals and amongst the obligations that the Maltese welfare state should be tackling.¹⁵

However, the implications of this digitalisation process cannot be accurately forecast with commentators and economists still playing catchup as to the impacts of these unforeseen pandemic on the local economy. Amongst the key changes during this period have been those to consumer trends, with a vast increase in the use of technology in order to solve complex problems, create new business models, and reach untapped markets. The increase in the use of e-Commerce platforms

¹² <http://www.maltaenterprise.com/skills-development>

¹³ <http://maltaenterprise.com/reengineering-and-transformation>

¹⁴ <http://maltaenterprise.com/support/change-grow>

¹⁵ <https://timesofmalta.com/articles/view/education-minister-pledges-free-internet-pc-access-for-disadvantaged.857545>

coupled with delays in global shipping as well government incentives have given the necessary impetus for many businesses to launch an online presence, however as the COVID-19 vaccination program reaches its peak and the inevitable relaxation of measures takes place it remains uncertain as to whether this trajectory in the investment in digitalisation by businesses will continue.¹⁶

The forecasts for the future of digitalisation in Malta are therefore hard to assert, and should be understood within the context of the various government innovations in terms of legislation, strategic documents and institutional frameworks to be discussed in the subsequent Chapter to this report. However, in establishing an understanding of the timeframes for some of the expected milestones in digitisation one may refer to the Maltese Economic Vision as launched in July of 2021 entitled “A Future-Proof Malta. In this document the Government recognises the scale of the digital transformation needed within the country, citing the low-level digital skills found in the population particularly among older workers, and commits to the introduction of policy measures to promote re-skilling over the next decade. These commitments accompany others related to the digitalisation of public administration and strengthening the fintech, gaming and ICT sectors which form part of a vision which the government refers to as that of a “digital island of the future”.¹⁷ This emphasis on digitalisation as one of the key pillars of the government’s economic vision gives a positive indication to those forecasting the future of digitalisation in Malta, an optimism tempered by the lack of concrete timeframes attached to these government proposals.

1.2. National Framework of Digitalization

1.1.6. Legislation

The Malta Digital Innovation Authority Act (MDIA Act)

The MDIA Act came into force in July 2018 with the aim of establishing the Malta Digital Innovation Authority (MDIA). MDIA’s role can be summarised under two key points namely that the MDIA was established to promote and develop the innovative technology sector in Malta but also to give it the State’s stamp of approval whilst developing the necessary framework of regulation around them. The stated objectives of the MDIA as enshrined under its founding act is the:

- Promotion and enforcement of ethical and legitimate criteria in the design and use of innovative technology arrangements;
- Harmonisation of practices and facilitating the adopting of standards on innovative technology arrangements in Malta in line with international norms, standards and rules;
- Promotion of transparency and auditability in the use of innovative technology arrangements;
- Promotion of the ease of accessibility to the facilities provided by publicly available innovative technology arrangements and the recognition and implementations of the right of exit, withdrawal or termination of participation from any arrangement.¹⁸

¹⁶ <https://maltabusinessweekly.com/digitalisation-for-a-hopeful-new-decade/11577/>

¹⁷ <https://economicvision.mimcol.com.mt/wp-content/uploads/2021/06/A-Future-Proof-Malta-Final.pdf>

¹⁸ <https://mdia.gov.mt/wp-content/uploads/2018/10/MDIA.pdf>

Innovative Technology Arrangement and Services Act (ITAS Act)

The ITAS Act came into force in November 2018 with the aim of supporting the previously enacted MDIA Act. Through the introduction of the ITAS Action regulation was provided for innovative technology arrangements (ITAs) and designated innovative technology services providers (ITSPs). This regulation was included within the broader scope of the MDIAA to which there is substantial reference throughout the act and aims to provide further structure for the Authority to recognise, categorise and regulate innovative technology arrangements, taking an approach designed to allow flexibility of application whilst simultaneously providing for the necessary regulatory safeguards.¹⁹

Virtual Financial Assets Act (VFA Act)

The Virtual Financial Assets Act came into force in November 2018 and was aimed at regulating the area Initial Virtual Financial Asset Offerings and Virtual Finance. This act allows for the classification of cryptocurrency as a VFA with a comprehensive regulatory framework to ensure that consumer protection and the growth of the industry occur side by side. This Act was pioneering legislation in the field of virtual financial assets.²⁰

1.1.7. Strategic Documents

National eCommerce Strategy

The National eCommerce Strategy was launched in 2014 by the Parliamentary Secretariat for Competitiveness and Economic Growth and the Malta Communications Authority with the aim of supporting the take up of eCommerce and the provision of eCommerce related services by local businesses. As part of its broader strategy this document also sought to address the prospect for Malta to attract foreign companies providing eCommerce or ancillary services to establish operations in Malta. This strategy was divided into four pillars:

1. **Engendering trust in eCommerce:** seeking to entice those that may still not realise the advantages that online shopping can offer them through the implementation of educational and ongoing awareness programmes.
2. **Transforming micro-enterprises:** aiming to facilitate the proliferation of eCommerce activity by increasing awareness amongst potential sellers on the opportunities brought about by the use of internet technology and by supporting the latter in becoming more competitive, entrepreneurial, efficient and resilient.
3. **Taking SMEs and industry to the next level:** establishing an SME business innovation framework that will support and ensure that both business and industry are equipped with the necessary tools and possess the right business acumen to tap into new markets and enhance competitiveness.

¹⁹ <https://legislation.mt/eli/cap/592/eng/pdf>

²⁰ <https://legislation.mt/eli/cap/590/eng/pdf>

4. **Making Malta a Global eCommerce player:** Explore and exploit the opportunities created by the advent of a stronger European digital single market, the developing North African market and the new entrants penetrating and disrupting mature industries.²¹

Digital Malta Strategy

The Digital Malta Strategy is a strategic document issued in March 2014 in a joint collaboration between the Malta Information Technology Agency (MITA), Malta Communication Authority (MCA) and the Parliamentary Secretariat for Competitiveness and Economic Growth. The Strategy lays out a number of key principles and actions with the ultimate aim of harnessing information and communications technology to impart a positive impact on the country's economic well-being, particularly in terms of employment, industry and assisting small businesses. The Strategy outlines three major themes, namely, the Digital Citizen, Digital Business and Digital Government, which in turn are supported by three strategic enablers: Regulation and Legislation, Infrastructure and Human Capital. The key actions arising from these themes are of particular interest as they give some insight into which stumbling blocks to digitalisation the government considers to be most pressing.

Within the broad theme of the Digital Citizen actions are grouped around tackling security concerns, particularly with regard to children accessing the internet, as well as the issue of the universal accessibility of technology, both in terms of providing the necessary physical access to tech but also in the education of individuals to make good use of it, particularly with regard to basic digital skills. The actions falling under Digital Business can be grouped under initiatives to assist in the reskilling of the workforce, measures directed towards developing an entrepreneurial environment in the field of digitalisation as well as providing support in digital transformation and change management to existing companies. These actions can be seen reflected in the key training and fiscal incentives discussed in the previous chapter of this document. The final pillar, that of the Digital Government, is comprised of actions which envision the government administrative services becoming digitised for two main reasons; the ease of the consumer, be they commercial entities or private persons, as well as efficiency and accuracy of data handling and processing.²²

Malta.AI Strategy

The Malta.AI Strategy "Malta: The Ultimate AI Launch Pad" was launched in October of 2019 by the Parliamentary Secretariat for Financial Services, Digital Economy and Innovation. The aim of this strategic document was for Malta to gain a strategic competitive advantage in the global economy as a leader in the AI field. As with the previous strategy this document sets out a series of three pillars which are then paired to three enablers. The Pillars are as follows:

1. **Investment, start-ups and innovation:** The government sets out a number of initiatives aimed at generating investment in order to position the country as a frontrunner and centre for the application of emerging AI technologies
2. **Public sector adoption:** The strategy document explores how AI can be deployed widely in public administration to improve citizens' experiences, expand access to public services, and directly improve well-being. The document outlines how this can be used in pilot projects in the spheres of traffic management, education, health, customer service, tourism, and

²¹<https://www.mca.org.mt/sites/default/files/pageattachments/MCA%20eCommerce%20Strategy%20Document.pdf>

²²<https://digitalmalta.org.mt/en/Documents/Digital%20Malta%202014%20-%202020.pdf>

utilities. This point builds on the Digital Government initiative outlined in the Digital Malta Strategy.

3. **Private sector adoption:** This pillar outlines initiatives catered at enabling private companies to integrate AI into their company structures and across their organisations. These initiatives include both access to expertise and financial assistance.

The strategic enablers for these pillars as outlined in the document are as follows:

1. **Education and workforce:** The focus of this enabler focuses on the impact of the envisioned AI transformation on the country's human resources and seeks to lay out a plan for re-skilling workers to make use of this technology whilst simultaneously increasing the number of specialists in the field.
2. **Ethical and legal:** This enabler seeks to establish the world's first national AI certification programme to provide a platform to practitioners and companies that wish to showcase ethically aligned, transparent and socially responsible AI solutions, building on Malta's Ethical AI Framework Towards Trustworthy AI.
3. **Ecosystem infrastructure:** The government proposes a series of investments in tools to enable Maltese Language AI solutions, initiatives to support data availability and actions to mitigate cybersecurity risks and facilitate cost-effective access to high-performance compute capability among other measures designed to create the underlying infrastructure to support a thriving AI ecosystem.²³

National eSkills Strategy 2019-2021

The National eSkills Strategy 2019-2021 was launched in October of 2019 by the eSkills Malta Foundation, a Coalition of stakeholders on which further information was given in the previous Chapter. The stated aim of this strategy was to complement initiatives at both local and EU level to address the need for existing and new digital skills. The National eSkills is formed of twelve main recommendation areas which will be summarized briefly below:

1. Developing a 3-year rolling plan to ensure that the strategic direction pursued retains full relevance on an annual basis.
2. Developing a robust communications plan suited to a digital environment by utilizing various online mediums that are also being used by trainees, individuals, businesses and industries.
3. Publishing an online reference technology board to serve as a benchmark for technology adoption and corresponding market usage.
4. Funding sustainable initiatives business models taking into account aspects of project continuity as well as incorporating a triple bottom line which includes considering stakeholder interest, the environment and society.
5. Providing students at an early stage with a fuller industry experience by inviting experts to the classroom.
6. Supporting the introduction of ICT changes in curriculum across all educational structures, particularly to ensure harmonisation of new curricula across public, private and independent education organisations.

²³ https://malta.ai/wp-content/uploads/2019/11/Malta_The_Ultimate_AI_Launchpad_vFinal.pdf

7. Collaborating with industry to develop continuous profession development (CPD) toolkits to assist various industries in establishing the relevant core skills that shall be required in the coming years.
8. Supporting initiatives at a national level leading to the provision of short-cycle specific training in order to support agile upskilling of the workforce in targeted areas of business.
9. Developing a framework for grading and evaluation digital competence.
10. Establishing initiatives that support a shift of youth focus from the consumer aspect of technology to participative use of technology and online systems.
11. Reducing the mismatch between the skills available and those demanded for the digital transformation of the.
12. Opening up to a professional structure in the domain of ICT whereby there would be a structure that supports recognition for IT professionals at local level.²⁴

1.3. The Role of Social Partners

Maltese national social partners discuss and promote their views at the Malta Council for Economic and Social Development (MCESD),²⁵ which is an advisory council issuing opinions and recommendations to the Maltese Government on social and economic matters. The MCESD is the official fora for social dialogue in Malta. Considering its tripartite format, social partners expect that the Maltese Government listens and takes up recommendations prior to implementing important reforms.

A second important tripartite institution for social dialogue in Malta is the Employment Relations Board (ERB),²⁶ which is set up according to the provisions of the Employment and Industrial Relations Act and is tasked with making recommendations on national standards for conditions of employment. The ERB representatives are nominated by the social partners that form part of the MCESD.

Trade union density accounts to around 45% of Malta's workforce and is mostly concentrated in the public sector and other traditional sectors such as manufacturing. Coverage is less found in other established sectors such as financial services, gaming, construction, and tourism.

Apart from the public sector, where a collective agreement is signed between Government and several unions representing different categories of employees (such as in the medical and education professions), in the private sector collective bargaining is characterised by a decentralised system. This means that in the absence of multi-employer and sectoral collective agreements, collective bargaining takes place at company level. As such the employers' associations are not direct participants to the process.

Decentralised collective bargaining in Malta is viewed as a system that is more in tune with the exigencies of individual firms and ensures flexibility in wage setting. From a national perspective,

²⁴ https://eskills.org.mt/en/nationaleskillsstrategy/Documents/National_eSkills_strategy.pdf

²⁵ [Malta Council for Economic and Social Development \(MCESD\)](#)

²⁶ [Employment Relations Board \(gov.mt\)](#)

wage flexibility is considered as a main trait for preserving economic competitiveness in the context of a small open economy.

Apart from wage increases negotiated in collective agreements, all employees in Malta qualify for annual statutory wage increases linked to the cost of living; an economic formula referred to as the Cost of Living Allowance (COLA).²⁷ Over time, collective agreements have also started including more non-wage clauses such as family-friendly measures.

For the past decades, Malta largely experienced harmonious industrial relations, with no firm changes expected to the system in the foreseeable future. In this respect, discussions relating to the EU autonomous framework agreement on digitalization are likely to take place among social partners, with outcomes contributing to national strategies and/or legislations, while specific recommendations are communicated to respective members for adoption at company level.

1.3.1. State of play on the main issues, outlined in the Autonomous Framework Agreement on Digitalisation

Digital Skills

Being a small open economy deprived of any natural resources, Malta depends entirely on its human capital to create added value. For this reason, Malta has developed a high-level educational system made of both academic and technical institutions that have produced qualified persons for all aspects of economic activity. Nevertheless, as Malta experienced high economic growth in the years prior to Covid-19 and as work functions rapidly develop, primarily because of digital transformation, labour market challenges escalated. These related to (i) insufficient supply of labour for work categories of all skills sets, (ii) lack of interest by Maltese nationals to work in certain trades, (iii) inadequate skills forecasting, and (iv) slow adaptation of educational providers to the needs of industry.

To address these issues Malta has looked at different solutions, some of which aimed for the short term, while others for the medium and long term. For the short term, in the years prior to Covid-19, Malta imported substantial amount of labour, both from the EU and third countries, to meet the demand generated by high economic growth. In parallel, comprehensive debate took place at national level on how to improve the provision of home-grown labour skills to meet the demand of industry. As explained further below, several initiatives were undertaken to address the skills gap through better forecasting. Finally, fully aware that the level of their competitiveness depends on productivity, enterprises in Malta proactively provide continuous training to develop the skills of their workforce. Digital skills are one of the most important components of training provided.

Training or further study opportunities are also widely available with the support of several national and EU funded opportunities provided through Government-led schemes^{28,29} and other national

²⁷ [Subsidiary legislation: Wage increase national standard order \(legislation.mt\)](#), Schedule A, pgs.2-3

²⁸ [ENDEAVOUR Scholarship Scheme \(gov.mt\)](#)

²⁹ [Get Qualified \(gov.mt\)](#)

public agencies' initiatives such as by the Employment Service Agency (Jobs Plus)³⁰, the Malta Development Bank (MDB)³¹ and the Malta Financial Services Authority (MFSA)³².

Social partners in Malta agree on the need for more take-up of digital skills at all levels due to the impact of digitalization on the workplace. Trade unions acknowledge the positive impact on business operations while also express the concern of the impact this may have on workers. Nevertheless, they acknowledge that the digital transformation will continue nonetheless and that the key to overcome the issue lies in the upskilling of competences. This is not a simple task due to the challenge that may be experienced by some to accept or adapt to digitalized systems.

On the other hand, business organizations are all for technological advancement at enterprise level and are active in promoting the take up of digital tools as well as identify barriers. They also push for support programmes that provide adequate training and encourage employers from within their membership to enroll employees in training.

Social partners see the value of social dialogue in this area and are committed to contribute to national policies through the established fora such as the MCESD, based on their experience and feedback provided from members.

Modalities of Connecting and Disconnecting

Modalities of connecting and disconnecting, or as it is better known, the right to disconnect, is not an entirely new topic, with some EU member states having already legislated on the subject matter in recent years. In Malta the issue was not predominant prior to Covid-19. It was only brought to the fore of public debate as remote working became mainstream due to the pandemic, which increased awareness around the topic.

For many years remote working was associated with flexible-work arrangements, requested in the great majority by female workers, due to care responsibilities. Provisions for remote working have been included for applicable categories of workers in collective agreements, particularly for public sector workers. The practice, while not totally absent, was less common in the private sector.

Covid-19 changed the perception of remote working entirely. Although the change was initially brought about by convenience rather than conviction, both employers and employees quickly adapted, opening horizons to new operational and work practices for the future. This phenomenon was studied locally in a report undertaken by the Malta Business Bureau on the implications of working from home on business and the environment.³³ The study concluded that remote working positively impacts work satisfaction and productivity although this diminishes progressively towards a senior level. Positive environmental aspects are derived from less road congestion although on the negative side household energy and water consumption increases. Some barriers to the work environment relate to communication and social interaction with co-workers. However, other

³⁰ [Jobsplus \(gov.mt\) / Jobsplus.gov.mt/iis](https://jobsplus.gov.mt/)

³¹ [MDB to launch a new EU funded scheme for students](#)

³² [Financial Services Scholarships Scheme | EduMalta \(gov.mt\)](#)

³³ [Working from Home in Malta: Implications for Business and the Environment | Malta Business Bureau \(mbb.org.mt\)](#)

research suggests that one of the biggest obstacles to remote working is the challenge of blurring between work and private life.³⁴

The Minister within the Office of the Prime Minister responsible for social dialogue announced in November 2020 that the Maltese Government was considering making the right to disconnect legally enforceable, even prior to any EU initiative.³⁵ This refers to a Maltese MEP-led motion for a European Parliament resolution calling for an EU Directive on the right to disconnect, which was also strongly motivated by the increase of remote working across Europe due to the pandemic. The resolution was adopted in December 2020.³⁶

In July 2021, the Maltese Government announced that as from October 2021, civil servants, whether working physically or remotely, will have the right to disconnect, which allows them to disengage from work and refrain from participating in work related communications.³⁷ Following the November 2020 announcement, no further public statements or tripartite discussions took place between Government and social partners on regularizing modalities for connecting and disconnecting in the private sector.

Social partners' discussions on the right to disconnect has been very much centred around the aspect of remote working. Employers view the opportunities related to remote working and the use of digital services in the workplace as self-evident, namely for the potential to improve work-life balance for employees by eliminating long commutes and mold their lives more easily around family life. It is broadly acknowledged that remote working could blur the line between work and private life, although this does not lead to a common position among social partners on the need for legislation. Trade unions tend to emphasize the difficulty to disconnect from work while at home and the stress levels this could lead to. Employers' representatives believe that working hours are regulated and these should be respected through good management processes such as by assigning deliverables that can be met within the working hours for which employees are contracted.

Both employer and worker-representative organisations see the scope for social partner dialogue to jointly address these issues.

AI and Guaranteeing the Human in Control Principle

Artificial intelligence (AI) is increasingly becoming a core component of goods and services. It has great potential to improve standard of living as well as to increase the competitiveness of companies. Nevertheless, there are certain risks with AI that should be kept in check, particularly the human in control principle.

In recent years, AI has gained more traction in Malta's public policy. As referred to earlier in this report, in October 2019, the Maltese Government published Malta's national AI strategy³⁸ with the objective of creating a new economic niche and positioning Malta as an investment destination for the sector, particularly for start-up support and innovation. It also envisages further AI solutions

³⁴ [Workers want to telework but long working hours, isolation and \(europa.eu\)](#)

³⁵ [Government considers making right to disconnect legally enforceable \(timesofmalta.com\)](#)

³⁶ [REPORT with recommendations to the Commission on the right to disconnect \(europa.eu\)](#)

³⁷ [Civil servants on track to get right to disconnect before it becomes EU law \(timesofmalta.com\)](#)

³⁸ [Malta The Ultimate AI Launchpad vFinal.pdf](#)

adopted to improve services by the public sector. The strategy also focuses on the requirements for the education and workforce, a legal and ethical framework as well as infrastructure.

A special task force was established made of academics, entrepreneurs, and experts to provide a holistic approach for the sector. The progress in the implementation of the Maltese national AI strategy is promoted on a dedicated web portal.³⁹

As stated above, the human in control principle is of strategic importance for there to be trust in AI systems. They require strong governance and control practices. For this reason, the Malta AI strategy is complemented by an Ethical AI Framework⁴⁰ to support AI practitioners in identifying and managing the potential risks of AI. This focuses on four main areas:

- (i) **Human autonomy:** humans interacting with AI systems must be able to keep full and effective self-determination over themselves;
- (ii) **Prevent harm:** AI systems must not cause harm at any stage of their lifecycle to humans, the natural environment or other living beings;
- (iii) **Fairness:** the development, deployment, use and operation of AI systems must be fair;
- (iv) **Explicability:** end users and other members of the public should be able to understand and challenge the operation of AI systems as required for the particular use case.

Malta has also developed a certification framework that is technology neutral and voluntary. It believes that this will be used by reputable organisations that wish to send a positive sign of recognition in the process of building trust and transparency. The certification framework is managed by the Malta Digital Innovation Authority.⁴¹

Social partners in Malta share the view on the benefits of Artificial Intelligence and what its limits should be. On the positive side there is the efficiency in business processes and on the other hand the increasing dependence on AI raises other concerns such as around issues of cybersecurity. In terms of impact on employment, Unions emphasize that distribution of AI technology should not lead to job losses. On the other hand, business organisations acknowledge that with the advent of successive technological advancements some job functions may be lost, but also note that others are created. They argue that this cyclical process therefore ensures that whilst economies develop towards a point of increased efficiency, the workforce remains gainfully employed in the industries that surround this advancement.

Social partners also agree that despite the comprehensive AI strategy launched by the Maltese Government, there needs to be a bigger drive, a horizontal one, in terms of implementation. Very little has been done in terms of integrating outcomes of that strategy into tangible policy solutions. Employer social partners also expressed the concern that AI is not present enough at the workplace and that greater uptake is necessary. It is noted that there is a shortage of skills within the workforce and great disenchantment. Nevertheless, the advent of Covid-19 has accelerated digital transformation and this needs to be reinforced by necessary financial schemes to accelerate the uptake of AI at the workplace.

³⁹ [Malta AI](#)

⁴⁰ [Malta towards Ethical and Trustworthy AI.pdf \(gov.mt\)](#)

⁴¹ [Malta Digital Innovation Authority – Malta Digital Innovation Authority \(gov.mt\)](#)

Respect for Human Dignity and Surveillance

There is a broad understanding among stakeholders in Malta that surveillance at the place of work must take place only for adequate reasons. There are merits to it such as for example for security reasons and to expose any dishonest activity taking place at the workplace, but this should not be to the extent of impinging on the employees' right for privacy.

There is little research on the subject referenced in Malta, albeit a study conducted in 2013 by a Maltese researcher as part of advanced academic studies, which focused on workplace surveillance among graduate professionals in the Maltese public sector. A summary was featured by Eurofound.⁴² In the study, most interviewed workers claimed that monitoring systems resulted in a loss of dignity and lack of empowerment, which created a sense of discomfort. The greatest concern was on how the organization managed the monitoring system.

Nevertheless, there is no specific regulation on employee monitoring and surveillance in the place of work in Malta. This is regulated more broadly in the context of the Data Protection Act of the Laws of Malta and its subsidiary legislation.⁴³ Furthermore, the Information and Data Protection Commissioner adopted the 2020 European Data Protection Board's (EDPB) recommendations on European Essential Guarantees for surveillance measures.⁴⁴

Therefore, in the absence of specific regulation, monitoring, rather than surveillance, is permitted if it is relevant, not excessive and implemented in the least intrusive way possible. While employers are not required to obtain express consent for monitoring if the above criteria are fulfilled, they should inform the employees about any monitoring that is carried, for which purpose, and how data will be used.⁴⁵

There has not been elaborate discussion among national social partners on the subject matter. As stated above, there is general agreement that surveillance at the workplace should be done for adequate reasons. Unions also expressed a more specific opinion in the context of remote working, stating that any surveillance should be strictly work related. From their end, business representatives consider the need for surveillance for operational and productivity reasons. While they support policies measures that protect employees, they express caution with respect of creating a litigation culture. They would like to see an educational approach through positive communication among employers and employees.

Both employer and worker representative organisations see the scope for social partner dialogue to jointly address these issues.

⁴² Garzia, C. (2013), *Workplace Surveillance: Good Watchdog or Cynical Control?*, unpublished manuscript, Birkbeck College, University of London – [impact of electronic surveillance in the workplace | Eurofound \(europa.eu\)](#)

⁴³ [LEĠIŻLAZZJONI MALTA \(legislation.mt\)](#)

⁴⁴ [Recommendations 02/2020 on the European Essential Guarantees for surveillance measures - IDPC](#)

⁴⁵ [Working Conditions - Employee monitoring and surveillance: The challenges of digitalisation \(europa.eu\)](#)

1.3.2. Examples of Good Practice

The Malta Chamber

The Malta Chamber has carried out a number of good practices such as partnerships, projects and events in the transformation of work practices towards the digital transition.

To ensure the security of employment in the transition towards digitalisation, The Malta Chamber is close collaborating with other national entities and discussing elements of the Autonomous Framework Agreement with Tech.mt, MCA and MDIA.

The Malta Chamber is in a public private partnership with Government on [Tech.mt](#), which is aimed to support the technology industry in Malta by supporting local tech companies to promote their work; expose tech professionals to innovative technology and drive academic research; create a bi-directional communication channel between local and foreign academia; and provide guidance in market intelligence via market research and market report publications.

The Malta Chamber is also in the process of signing a Memorandum of Understanding with the [Malta Communications Authority](#) aimed to promote and safeguard a communications environment that is conducive to investment, innovation, economic growth and social well-being as well as another Memorandum of Understanding with the [Malta Digital Innovation Authority](#) being a regulator of innovative technology and a promoter of innovative technologies through various incentives made available from time to time.

Internally, The Malta Chamber set up the Technology Business Section which bringing together technology providers to discuss the transition and any challenges identified and raise such matters with government to support the digital transition better. Additionally, The Malta Chamber has also set-up the Digital Transformation Thematic Committee with representatives from the Services, Manufacturing, Importers, Distributors and Retails Economic Groupings to further understand the needs of the industry across all sectors in the transition towards Digital Transformation. These committees feed into policy development and proposals continuously being made to the Maltese Government.

Digital Skills & Securing Employment

In terms of Digital Skills & Securing Employment, The Malta Chamber believes in leading by example, hence the migration from a former system to [Office 365](#) and all the features it provides to work remotely and in teams more effectively. Timesheet recording is also being used for all work and projects using [Clockify](#) while also making use of [Meistertask](#) to track all projects including their tasks, deliverables and timelines. To digitalise our membership and ensure a seamless experience for our members, The Malta Chamber also developed a portal to store documentation, invoices, notices and events for our members using [Chamber Nation](#). To ensure seamless operations, the management liaised with all staff and provided training for all platforms.

Moreover, The Malta Chamber is part of an ERASMUS+ Project known as [Digital Skills for the Artificial Intelligence Revolution \(DS4AIR\)](#). The aim of the Project is to: establish the current state of affairs in the business industry in terms of AI Readiness for adoption and application; identify the gaps between the required new digital skills and competences and the demands of the labour market, design and develop an online self-paced training course on digital skills for employees in the AI Revolution known as [digitalskills.ai](#); reskill vulnerable adults whose jobs are threatened by the new technologies, hence ensuring their survival and prosperity in the job market; analyse the quality

and impact of the course content and instructional design, vis-à-vis the expected training learning outcomes; and write a short recommendations document aimed at businesses on the importance of digital skills for corporate training in the age of the AI Revolution.

The following educational webinars and events were held by The Malta Chamber within the framework of transitioning to a more digitalised economy:



Kickstarting Ai In Industry - A Practical Guide For Non-Experts held on 18 March 2020 in collaboration with the Google Developers Group organised a session on how to become an AI-enabled company. The speakers presented concrete examples of how the concept of Industry 4.0 can be put into practice by industry.



The AI Revolution: A Reality Or A Myth? was held on 1 December 2020 to address the impact of Artificial Intelligence applications on human resources, this webinar discussed whether AI is all a hype or whether it is truly streamlining many human resources processes into automated processes.



Cybersecurity: Threats & Preventive Measures held on 2 December 2020 in collaboration with Bank of Valletta organised a session on how to mitigate cybercrime, in the face of the accelerated digital transformation as a result of the pandemic.



Virtual B2B Meetings: Digital Transformation of the Blue Economy held on 25 April 2021 in collaboration with the University of Split (Croatia) as part of the EU Industry days 2021. The event brought together SMEs, local businesses, start-ups, academia, decision-makers, representatives of government

agencies as well as end-users from the field of blue economy and ICT sectors to explore the potential of digitalization, international cooperation and discuss the Future of EU industries in a digital environment for the blue economy, including the essential digital skills required.



The Reskilling Revolution in the Artificial Intelligence Era was held on 17 June 2021 to address the need for businesses to identify employee digital skills gaps and provide relevant digital skills training to upskill employees in preparation for the move to Artificial Intelligence (AI) technology within the work environment. This event attracted education professionals, AI/technology experts, business owners and their employees as well as those involved in professional training.



Digital Skills for the AI Revolution was held on 14 October 2021 as part of the [Erasmus+ Days 2021](#), through the [DS4AIR](#) project focusing on reskilling and upskilling to embark on the AI Revolution. The project is aimed at improving and extending

the reskilling of vulnerable adults in the workforce who possess a lower level of knowledge and digital competences in the AI Revolution.



Reskilling in the era of AI was held on 17 November 2022 as part of SME Week 2022. It aimed to align people and business goals while identifying the gaps that currently exist. The event highlighted how digitalisation efforts can help businesses in investing smartly in their employees in the era of AI.

Modalities of Connecting & Disconnecting



The Malta Chamber also drafted the Guidelines on the Right to Disconnect for its employers in liaison with The Malta Business Bureau and presented them to employers on 8 April 2022 during an online session as the National Event on [Modalities of Connecting & Disconnecting](#), this was within the framework of the [TransformWork](#) Project. Other Social Partners were invited for this initiative.

The General Workers Union

The General Workers Union continuously engages with the management of companies in which it represents workers, to ensure a smooth transition of the workforce to a digital work environment. Below are two examples of initiatives undertaken with two key Malta-based companies.

Foster Clark Products Ltd.

This company exports 99% of its products to African and Asian markets. After more than 50 years as a market leader in the food and beverage industry, where most of the production was done manually, the company embarked on a process to become fully automated and to introduce over €5 million worth of new machinery to increase efficiency and achieve a better outcome of the products.

Meetings were held with the General Workers Union which has full recognition and represents all the employees at the workplace. The company informed the Union about the new strategy which required that most of the employees had to be reskilled to be able to operate the new machinery.

The Union together with the management, contacted MCAST to formalise accredited courses which were adequate for these employees. Every employee, irrelevant of the role, was assessed and graded to assess the course level they should attend to. Everyone had to attend training, from operators to group leaders, engineers, and supervisors.

The new system increased the potential for progression for employees and those who wanted to be trained as technicians were given the opportunity to study and graduate as technicians. The increase of technicians is crucial given that most systems are fully automated and the two personnel overlooking each machine. This means that there needs to be one operator and one technician instead of two operators. Therefore, several operators opted for this opportunity and were promoted to technicians upon completion of the course.

This was a success story for Foster Clark Products Limited, as it resulted in a win-win situation that increased exports while upskilling and motivating its employees. This success was achieved through leadership, innovation, and strategic investment and in full collaboration with the General Workers Union.

Enemed

This company is responsible for the importation, distribution, and wholesale of petroleum products for the inland market including the aviation sector. It also offers its storage facilities to third parties. Enemed is a major player in the Maltese market. Most of its employees are represented by the General Workers Union.

Different departments of the company cater for different sectors yet lacked automation and all administrative tasks were carried out manually. Refuelling of ships and refuelling of storage system tanks were also operated manually and employees had to be physically present to open and close valves. Once the management decided to move towards digitalisation, the General Workers Union was consulted, and a plan was put in place immediately to upskill the employees.

The employees were introduced to digital skills and were trained on new systems. All manual paperwork was eliminated. The new systems included:

1. An iPad was provided to security personnel and reports being keyed in by the security personnel go directly to the Chief Security. The iPads were found to be beneficial for the

safety of the security personnel as they can track whether a security person returns to base on time, given that security personnel have to make rounds in dangerous secluded areas. Therefore, the system tracks their movement for their own safety.

2. Refuelling systems are now fully automated. Operators just monitor the amount of fuel going in or out and control the operation by means of a control panel.
3. The aviation crew personnel can control the process of refuelling aeroplanes using just an iPad. Thereby simplifying operations efficiently and effectively.

The digital system has proved to be more efficient, since a lot of health hazards have been eliminated and it is a safer environment at the place of work. Employees are happier and more motivated.

2. Empirical Survey

2.1. Introduction and the Methodology

The project team investigated further views in Malta about the topics addressed in the EU autonomous framework on digitalisation as well as the implementation of related activities. This was done through interviews held with the Maltese cross-sectoral social partners and surveys conducted with businesses and employee representatives from February to April 2022.

Below is an analysis of the outcome of the feedback received. The first section outlines the responses received from the interviews held with the social partners. The second section focuses on the results of the surveys with businesses and employees' representatives. The questions were divided into four main categories: (i) Digital Skills; (ii) Modalities of Connecting and Disconnecting; (iii) Artificial Intelligence and Human in Control Principle; and (iv) Human Dignity and Surveillance. The data analysed is followed by the graphical representation depicting the results and are found in Annex A and Annex B respectively.

2.2. Social Partners' Representative Organizations

Description of the Group

The Maltese cross-sectoral social partners that responded to the questionnaire are the following: (i) Malta Chamber of Commerce, Enterprise and Industry; (ii) Malta Employers Association; (iii) Malta Chamber of SMEs; (iv) General Workers Union; and (v) UHM Voice of the Workers. The social partners

Background to the Enterprises and Employees participants

The first question asked in both questionnaires aimed at giving an overall picture of the backgrounds of both sets of respondents. In the instance of the **HR** Questionnaires, a total of **36** replies were received whilst in the case of **employees** a total of **43** replies were received. Overall, the range of sectors and job titles varied widely in both instances. In the case of the HR questionnaire the largest incidences of respondents was from the manufacturing industry (as highlighted in Fig. 1.1). Meanwhile, respondents for the employees' questionnaire were also quite diversified in terms of job

positions with the most common being project managers and admin workers (as highlighted in Fig. 2.1).

The next three sets of questions focussed on **trade union representation** and **collective agreements**. Whilst 93% of employees stated that they had trade union representation, only 35% of the HR respondents confirmed that their enterprise had trade union representation (Fig. 1.2 and 2.2). In the case of enterprises with 50 to 100 employees, the HR respondents confirmed that their employees were more likely to be members of the trade unions. Meanwhile, most of the employees confirmed that their enterprises have more than 50% of workers that are trade union members (Fig. 1.3 and 2.3).

The respondents were also asked to confirm whether their enterprises' **working conditions** were covered by a **collective agreement**. 75% of HR respondents said they were not, while the employees answered positively to this question by 84% (Fig. 1.4 and 2.4). In turn, of those who are covered by a collective agreement, the HR respondents have only 13% of agreements that account for issues related to the **digital transformation**. A similar low percentage of 17% answered affirmatively to this question from the employees' cohort (Fig.1.5. and 2.5). The breakdown of what the collective agreements cover is depicted in Figures 1.6 (the graph is representative of a single reply) and Figure 2.6.

Digital skills and securing employment

The Maltese cross-sectoral social partners reported several activities in the area of digital skills. They all reported their involvement through consultation or adoption in national training funds, competence development plans, voucher schemes and/or a combination of these activities.

As for their views on the impact of digital transformation on work organization and on training opportunities, the social partners are very supportive. A common understanding was that digital transformation is inevitable and brings about a huge cultural change at the workplace and organisations themselves, which will require the upskilling of all workforce. Companies are encouraged to embrace the change needed in industries to remain competitive in a national and global labour market. Digital transformation should be seen as an opportunity for innovation within their organisations. It also results that collective agreements in Malta address digital transformation by stating that every opportunity for training should be given to employees.

The social partners also engage in the provision of training through different forms. Some are registered training providers with the Malta Further and Higher Education Authority (MFHEA), collaboration with education institutions such as the Malta College for Arts, Science and Technology (MCAST), EU Funded projects and promoting programmes provided by other accredited organisations.

As part of their mission and contact with respective members, the social partners promote the need to motivate their employees to participate for training. Some social partners pointed out specific topics such as:

1. **Digital ways of thinking** such as digital creativity, innovation and problem solving knowledge, cognitive and practical knowhow, competence and attitude that employers require and/or employees own.

2. **Digital ways of working** such as analytics, communication, collaboration, teamwork knowledge, cognitive and practical knowhow, competence and attitude required by employers and/or employees own.
3. **Digital tools for working** include ICT and information systems knowledge, cognitive and practical knowhow, competence and attitude required by employers and/or employees own. These may also be specific like industry related software.
4. **Living in the digital age** encompass digital safety, security, knowledge of social and ethical responsibility, cognitive and practical knowhow, competence and attitude that employers require and/or workers possess.

Modalities of Connecting and Disconnecting

The social partners confirmed that they address the issue of respecting working time rules and teleworking and mobile work rules within their membership, albeit indicating different topics. The most common are the right to disconnect. Others mentioned include occupational health and safety (OSH) and established policies on the use of digital tools for private purposes during working time. One social partner developed policy guidelines for members. Other social partners discuss their views through public events or by working with companies to change the culture. One trade union also mentioned that a reference is made in collective agreements.

Artificial Intelligence (AI) and Guaranteeing the Human in Control Principle

The social partners generally do not have agreements relating to common principals or guidelines related to the deployment of Artificial Intelligence (AI) systems at the enterprise level to assist their members and to ensure it is lawful, fair, transparent, safe, and secure. Only one trade union mentioned that while still at its infancy, it has a policy on how to use AI systems for the benefit of work without entering the personal realm. But none of the trade unions mentioned that these aspects are included in collective agreements.

Respect for Human Dignity and Surveillance

The social partners do not have guidelines on the issue of surveillance as such but address this within the broader General Data Protection Regulation (GDPR) requirements. An employer organization emphasized that businesses should operate ethically and within the rights of the law and believes in striking the right balance between the employer and employee which ultimately may boost productivity. A trade union mentioned that it strives to implement the proper systems at the workplace so that the workers are not deprived of their human dignity by being monitored during the working hours.

2.3. HR Managers

Digital Skills and Securing Employment

In giving the whole picture on **digital skills** within the enterprise, the respondents were asked whether their enterprise has implemented a **digital strategy**. Only 57% of HR respondents confirmed this (Fig.1.7). In Figure 1.8 HR respondents did confirm that in the past five years their enterprises had introduced **new technologies**. The types of new technologies that were introduced are also

depicted in Figure 1.9. In the case of the HR questionnaires, the most types of technologies introduced included software, computer hardware, communications followed by automation.

Very similar answers were received to the question regarding the changes or new forms of **organisation of work** as a result of the introduction of new technologies. 58% replied positively to this in the case of the HR replies (Fig. 1.10). Figure 1.11 in turn is showing the replies to the types of production systems introduced as a result of the **new technology application**. **Workplace innovation** was the most common answer. In a related sub question, HR workers were asked to choose the types of changes to the work organisation that were noticeably brought about by new technology application. **Work groups / team working** was a common answer in the case of HR followed by the answer to **increased individual responsibility** (Fig. 1.12). Figure 1.13 shows the HR respondents' answer to the question on whether any negative impacts were identified or experienced as a result of the introduction of new technology. The most common answers were the increase in workplace stress followed by a reportedly increase in work intensity and more responsibility without an increase in remuneration.

A high percentage of 67% of HR responses confirmed that workers do in fact have a say to report the training that they wish to participate in (Fig. 1.14). 81% of the HR workers did also confirm that the introduction of new technology was accompanied with related training (Fig. 1.15). HR respondents were also asked whether their respective employers recognised **informally gained skills** which are not validated by a diploma. About 60% of the HR respondents' cases said that this was not the case (Fig.1.16). In a separate question, HR respondents were asked to choose what the employer offers in terms of support for training. The most common reply was the employer provides internal or external training to improve digital skills which are organised and paid in full by the employer (Fig. 1.17).

Figures 1.18 – 1.33 all include answers gathered from the HR questionnaires. The HR respondents answered that 78% of the workers' employment contracts were changed as a result of the introduction of **new technologies**. Those who confirmed this were also asked to specify how. One comment referenced GDPR changes, and another mentioned the increase in the amount of training. In a related question, the HR group was also asked to specify whether employees or employee representatives were involved in the introduction of new technologies. Only 44% replied positively to this. About 19 respondents of this questionnaire also confirmed that employees were informed of the new initiatives in ensuring their involvement in the introduction of new technologies (Fig. 1.20). In Fig.1.21, many respondents also shared that they mostly believed that the introduction of new technology led to improvement in **work organisation** and increased **job satisfaction** and **motivation**.

The majority (85%) confirmed that the introduction of new technologies did not result in changes to the **remuneration system**. Of the 15% who did answer yes, they had to then specify if the changes affected **non-certified personal skills** and **formal skill qualifications** (Fig. 1.23). In Figure 1.24, respondents also confirmed that as a result of the changes to the remuneration system due to new technologies led to both greater **workplace flexibility** and **improved quality of work**. (It is to be noted that for this question very few replies were received).

83% of HR respondents confirmed that the introduction of new technologies at the workplace was in fact accompanied by the **relevant training** (Fig.1.25). Overall, the HR respondents agreed that they believe it is "very important" to assess the importance of **basic digital skills** for their workforce. Similar consensus was noted for the comment on the importance of **soft skills** for their workforce

with the majority of the answers ranging from “very important” to “fairly important”. Figure 1.28 depicts a variety of answers when HR respondents were asked which proportion of the workforce in their respective enterprise requires **advanced digital skills**. 1 to 25% was the most common answer in this case. Interestingly, Figure 1.29 shows that most HR respondents do not believe that their enterprise’s reliance on digital skills will be increasing in the next 5 years. On the same vein, more than half of the HR respondents (58%) answered that they do not believe their respective enterprise will be experiencing a **digital skills gap**. The majority confirmed that their enterprises responded to digital skill gaps by providing on the job training. Most also agree to the statement that a **competence development approach to lifelong learning** is essential for employees (Fig. 1.32). Most HR staff answering this questionnaire also believe that in motivating staff to participating in training, they need to link training with assessments and appraisals.

Modalities of Connecting and Disconnecting

The HR staff were asked whether there is a system in place to control (Monitor, calculate and record) regular working time in the enterprise, including teleworkers / mobile works (on-site control within the enterprise). A high number of HR staff confirmed that they do - 76% replied positively (Fig. 1.34). An interesting point to add here is that a some of HR staff also elaborated that as a company they **do not believe that they should micromanage** their staff in this context.

The “**Right to disconnect**” was tackled in a question addressed to both groups wherein it was asked whether working time arrangements are discussed with workers within the enterprise (Fig. 1.35). 64% of HR workers gave a negative reply. Therefore, in this case, more than half of the enterprises which are being represented in this instance do not consult their employees on the right to disconnect. Those HR representatives who did answer positively to the question, were asked to elaborate how this is done. **Sample answers stated that rosters are done according to one’s activities or personal requests and another stated that the workers are free to choose from where to work as long as they are available during the core hours.**

HR respondents were asked whether there are policies and / or established rules on the use of **digital tools** for private purposes during working hours. 50% (Fig. 1.36) of the HR respondents claimed that there are policies in place and many elaborated that these policies **are against personal use of equipment especially when it comes to social media.**

In closing this pillar, a final answer was also asked on whether there are policies within their enterprises to prevent **isolation at work** (especially in the case of teleworking). The HR respondents replied positively with 75% saying that they have rules or policies in place. The HR respondents in this case were also asked to specify what is in place if they answered positively to the latter question and the answers are all indicative of **regular meetings** (Fig.1.37).

Artificial Intelligence (AI) and Guaranteeing the Human in Control Principle

The first question within the third section of this questionnaires was aimed at establishing the level of awareness that exists within the enterprises vis-à-vis **Artificial Intelligence (AI)**. 89% of the HR staff confirmed that they are aware of what AI is (Fig 1.38). Those who answered positively were then asked to confirm whether AI systems are used within their respective enterprises. 33% answered yes in the case of the HR employees (Fig 1.39). The small number who did answer that they indeed use AI within their enterprise were then asked to specify what type of AI is used and the most common answer was, for **social media monitoring** followed by **inter-team chat tool** (Fig. 1.40).

Robotic Process Automation (RPA) is an AI tool that is also mentioned in the comments from the HR questionnaires when asked to elaborate.

An interesting statistic from the HR questionnaire is that only 48% (Fig.141) replied positively to the question as to whether AI used within their respective enterprise complies with existing law (including **GDPR**) in guaranteeing the **privacy and dignity of employees**. The general comments from HR on how AI impacts work practises within the enterprise all support the idea that with the incidence of more use of AI, the more time there is to focus on other priorities (thereby increasing efficiency). Within the same line of reasoning, the HR respondents were also asked whether specific work tasks had changed after the introduction of AI. HR respondents confirmed that AI had not in fact impacted their specific work tasks - 60% in the case of HR (Fig 1.42). The 40% of HR respondents who answered that there were changes, were asked to elaborate however most did not and if they did, their answer was not specific (example: "within the digital department").

Respondents were also asked whether the enterprises have any internal OSH rules, related to AI, guaranteeing that the use of robotics and artificial intelligence applications are respecting and complying with **safety and security control**. Figure 1.43 shows an array of answers with only 8% replying positively in the case of HR. As a final question for this section, both were also asked whether their respective workplaces have rules on the control of decisions, related to AI (if **the human in control principle** is applied). Figures 1.44 illustrates that only 14% positively answered this question. All answers from HR were all negative to the question asking if the enterprise uses **AI systems in human resource procedures** such as recruitment, evaluation, promotion, and dismissal.

Respect of Human Dignity and Surveillance

Figure 1.46 illustrates that most of the employees answered that they do not know or answered negatively to the question whether the employer has adopted a policy related to **work monitoring via digital tools or AI surveillance systems**. When asked to elaborate in the case where the employer has adopted a policy, HR respondents alluded to the policies centring around the CCTV systems and most also answered that the employees or their representatives were not consulted in formulating this policy (Fig. 1.47).

The HR respondents were also asked whether there is an AI surveillance system or other monitoring system in their enterprise and if there are any measures in place that limit the risk of intrusive monitoring and misuse of personal data. 53% in the case of HR replied that there are not such systems (Fig.1.48).

56% of the HR respondents confirmed that trade unions or other employees' representatives are consulted/informed on issues related to **data privacy protection** (Fig.1.49). Finally, Figure 1.50 in the case of HR respondents, shows that only 28% have trade unions or other employees' representatives in the enterprise equipped with facilities and (digital) tools.

2.3.1 Graphical Representations of the answers received in the Human Resources Questionnaire

Figure 1.1: The different sectors represented:

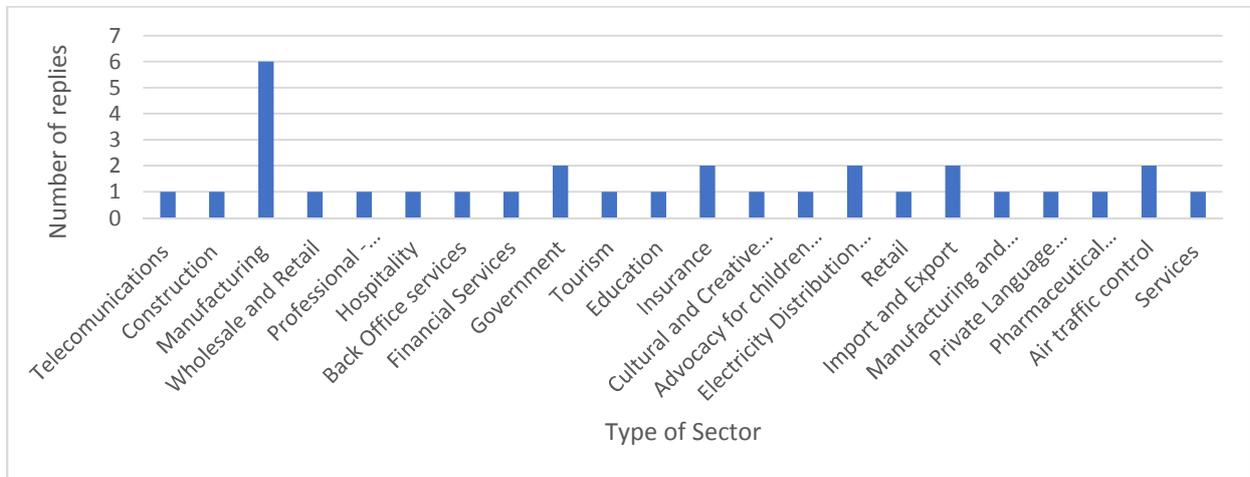


Figure 1.2: Trade Union Representation:

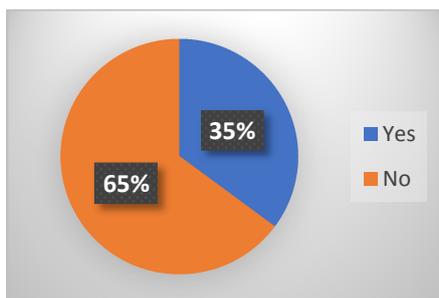


Figure 1.3: Percentage of workers that are trade union members:

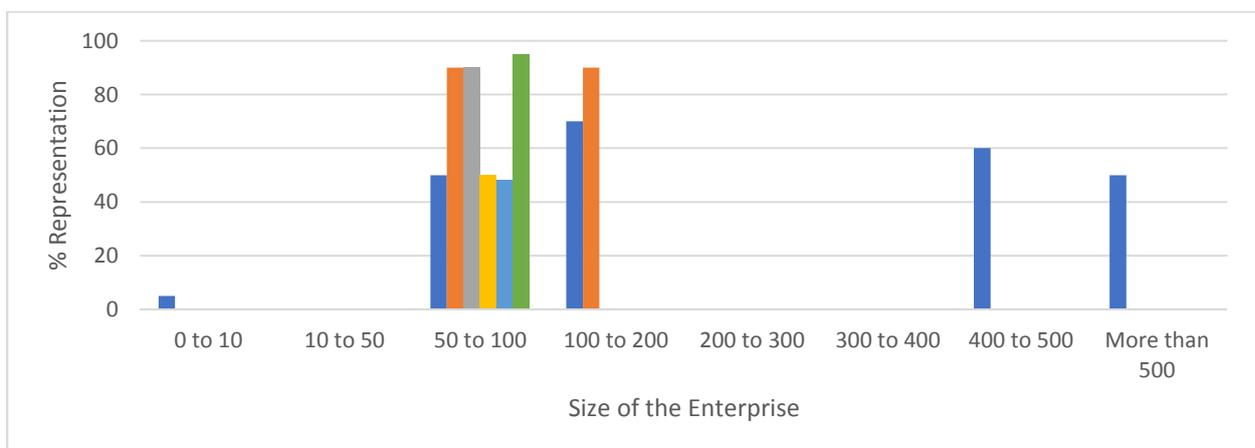


Figure 1.4: Answer to the question on whether working conditions are covered by a collective agreement:

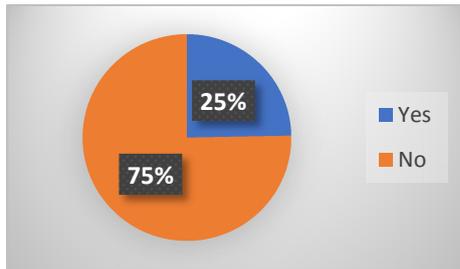


Figure 1.5: Replies to the question on whether the collective agreement in the respondents' enterprises addresses issues related to the digital transformation of the enterprise (HR):

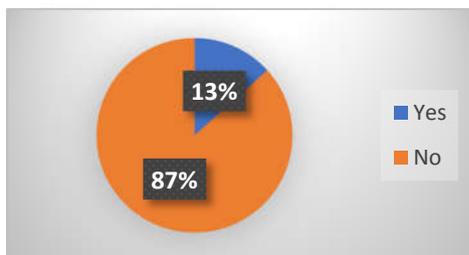


Figure 1.6: For those that answered positively to the question in having a collective agreement in their enterprise, they had to specify which topics it covers:

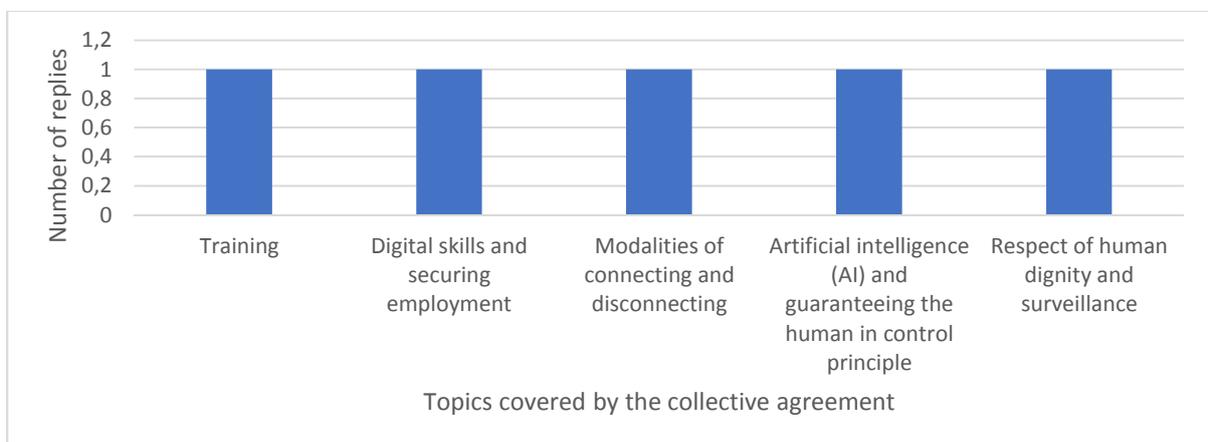


Figure 1.7: Percentage of positive and negative replies to the question asking whether a digital strategy has been implemented by the enterprise:

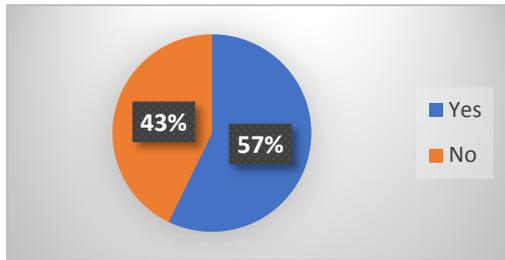


Figure 1.8: Percentage of positive and negative replies to the question asking whether the enterprise introduced any new technologies in the past five years:

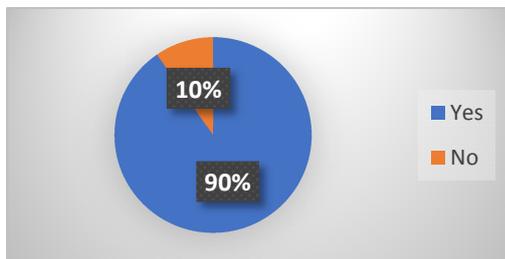


Figure 1.9: Percentage type of new technology introduced in the past 5 years:

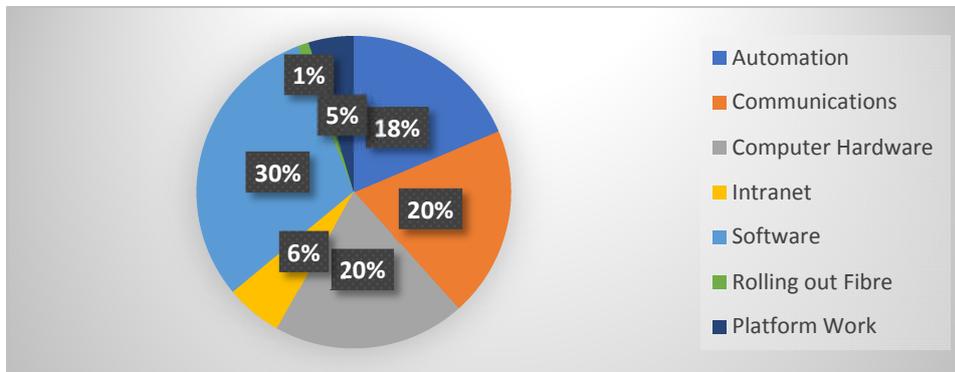


Figure 1.10: Replies to the question asking whether the introduction of new technologies led to new forms of production systems and/ or changes to the organisation of work:

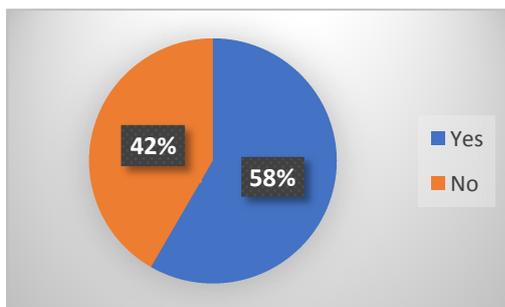


Figure 1.11: The types of production systems introduced due to the new technology application:

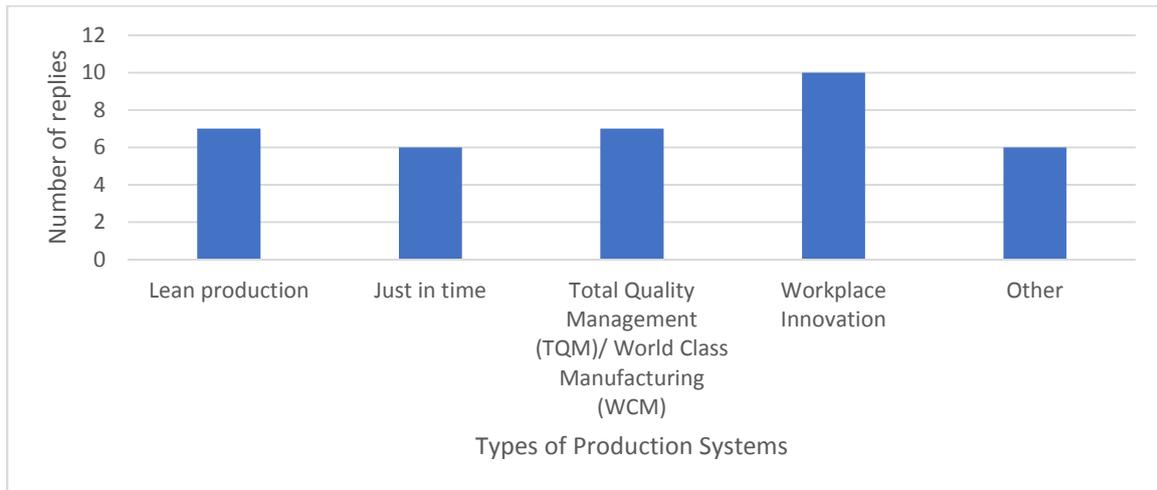


Figure 1.12: The types of changes to the work organisation introduced due to the new technology application:

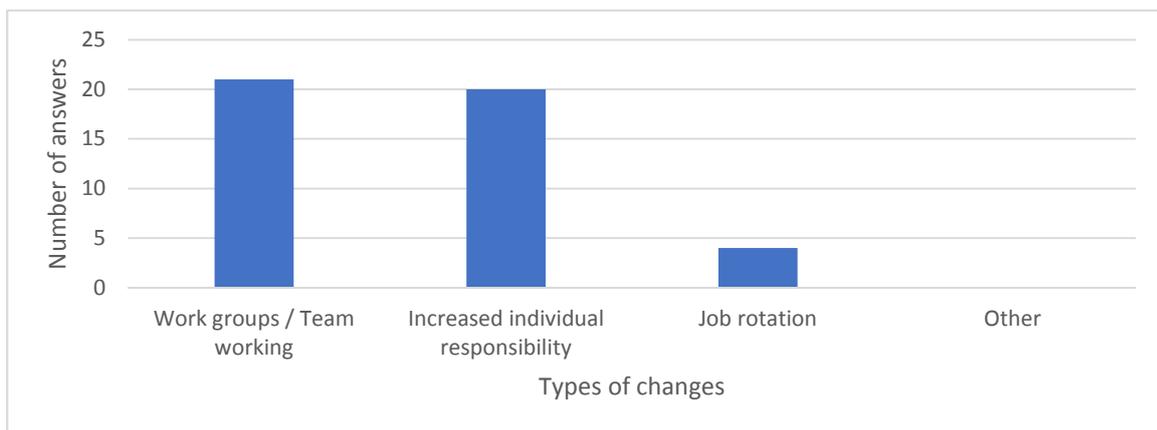


Figure 1.13: Replies to the question on whether the introduction of the new technologies have negative impacts on workers:

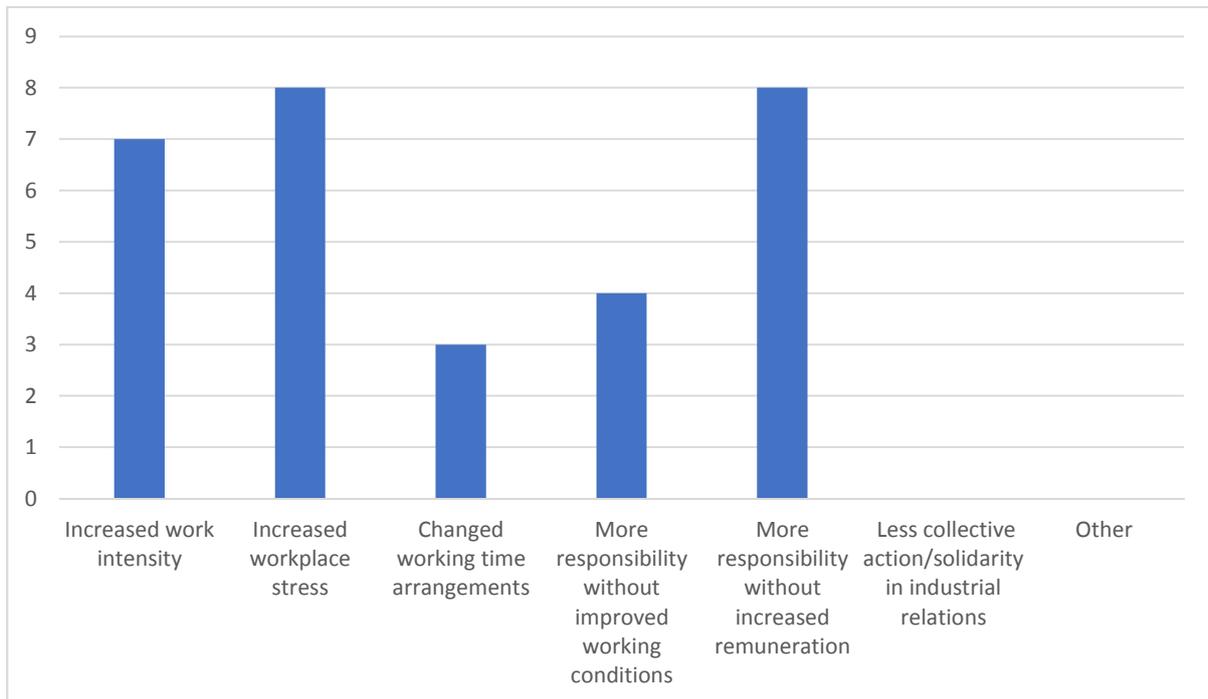


Figure 1.14: Answer to whether there is an enterprise procedure which allows managers and workers to report what kind of training they would like to participate in:

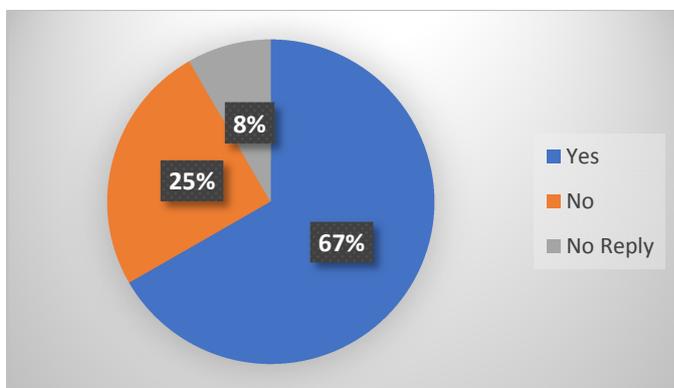


Figure 1.15: Answer to the question whether the introduction of new technologies or the process of digitalisation at the workplace accompanied with related training:

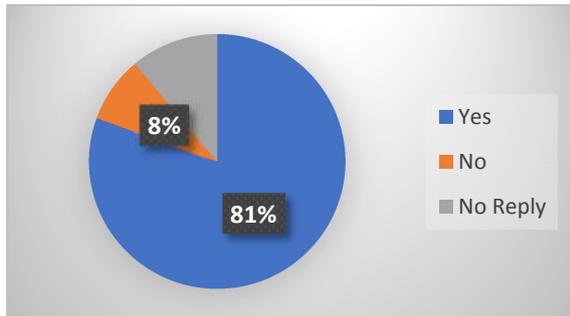


Figure 1.16: Answer to whether there is a system to recognise informally gained skills, which are not validated by a diploma:

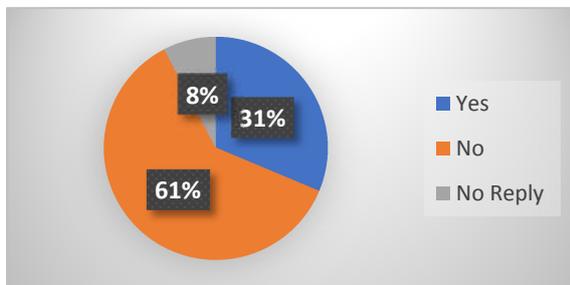


Figure 1.17: Answers from HR respondents to the below options:

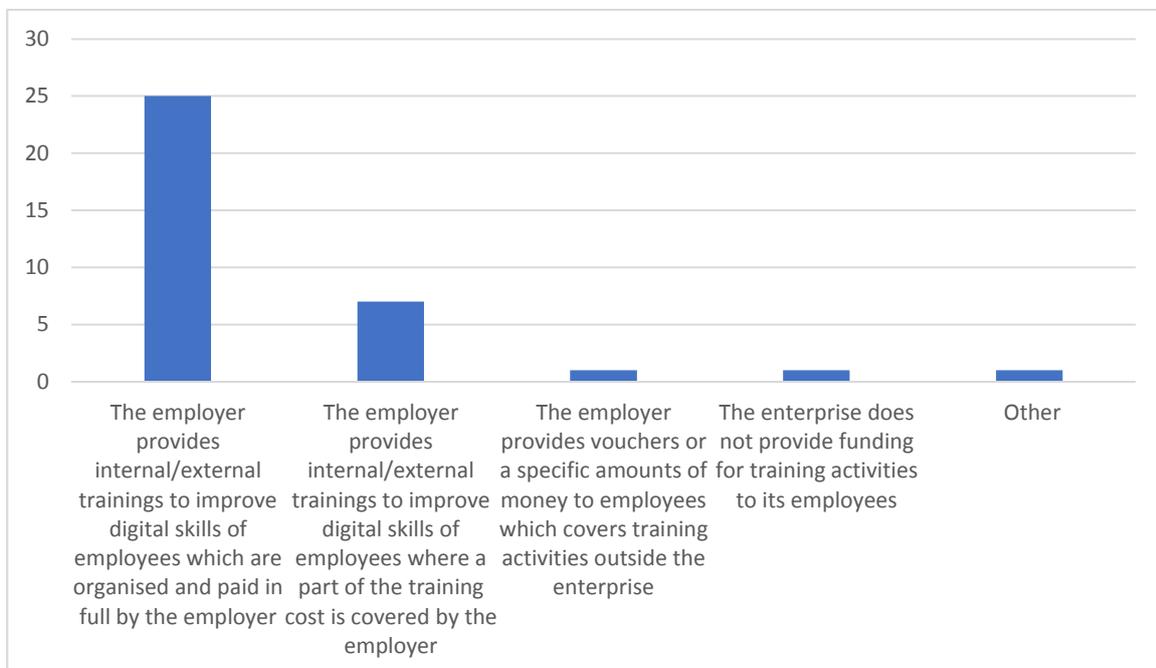


Figure 1.18: Answer to the question whether the introduction of the new technologies result in changes to workers' employment contracts:

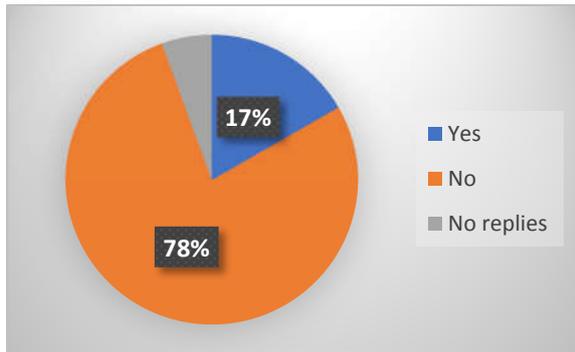


Figure 1.19: Reply to the question whether employees and/or employee representatives involved in the introduction of the new technologies:

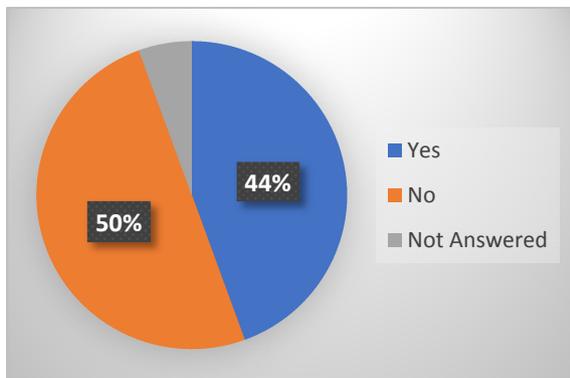


Figure 1.20: Answers to the questions how employees were involved in the introduction of the new technologies:

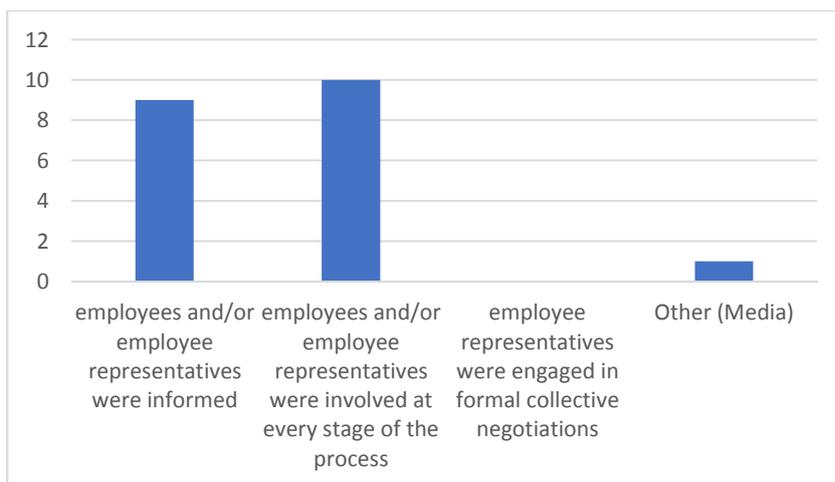


Figure 1.21: Answers reflecting the respondent’s opinion on whether the introduction of the new technologies resulted in changes to the organisation of work:

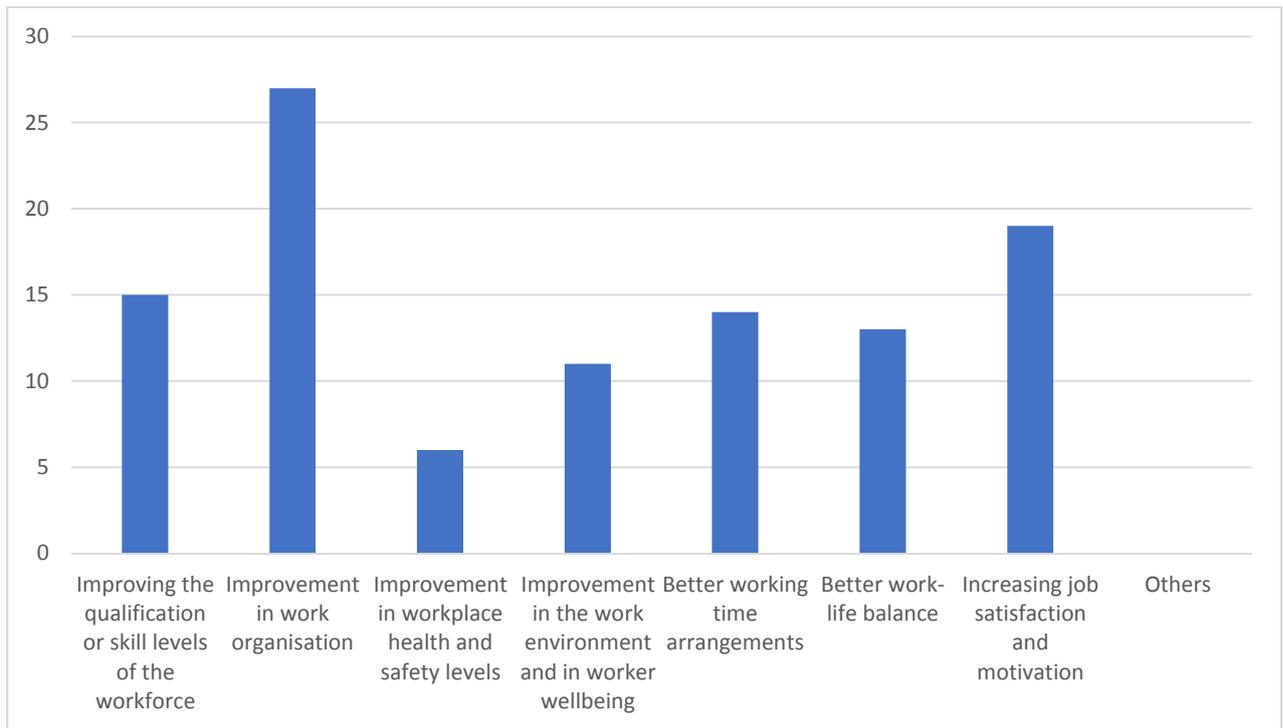


Figure 1.22: Answer to whether the introduction of the new technologies resulted in changes to the remuneration system in the enterprise:

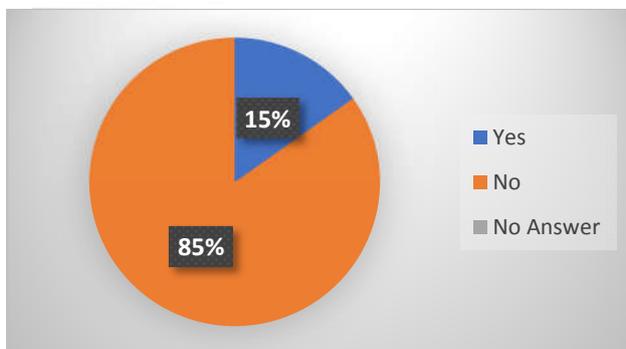


Figure 1.23: Answer to whether the introduction of the new technologies resulted in changes to the remuneration system in the enterprise (HR). Respondents had to specify which of the two choices below applies:



Figure 1.24: Answer to whether the introduction of the new technologies resulted in changes to the remuneration system in the enterprise (HR). Respondents had to specify which of the choices below apply:

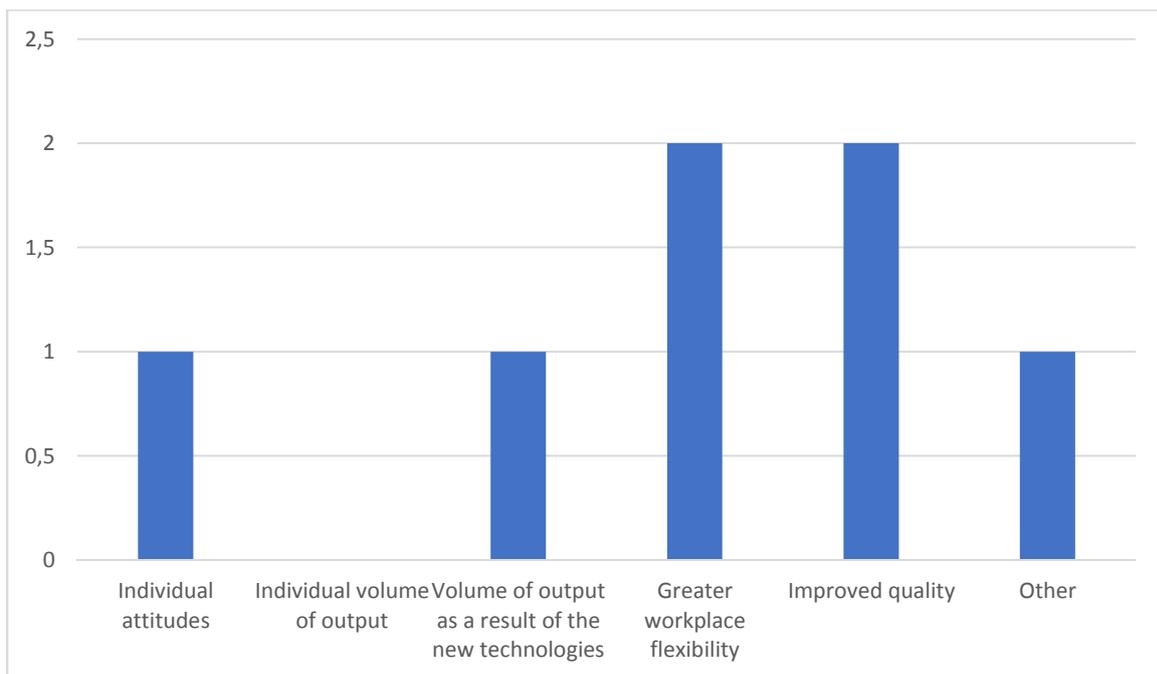


Figure 1.25: Answer to the question whether the introduction of new technologies at the workplace accompanied with the relevant training:

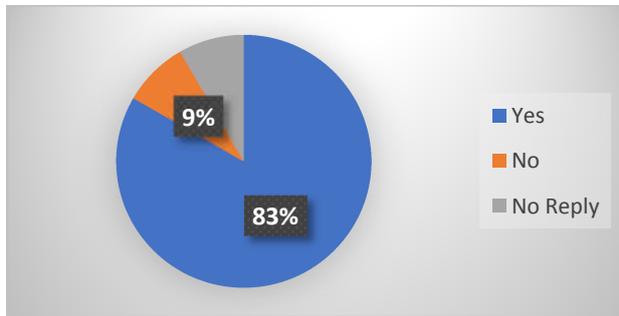


Figure 1.26: Answer to how much HR assesses the importance of basic digital skills for their workforce:

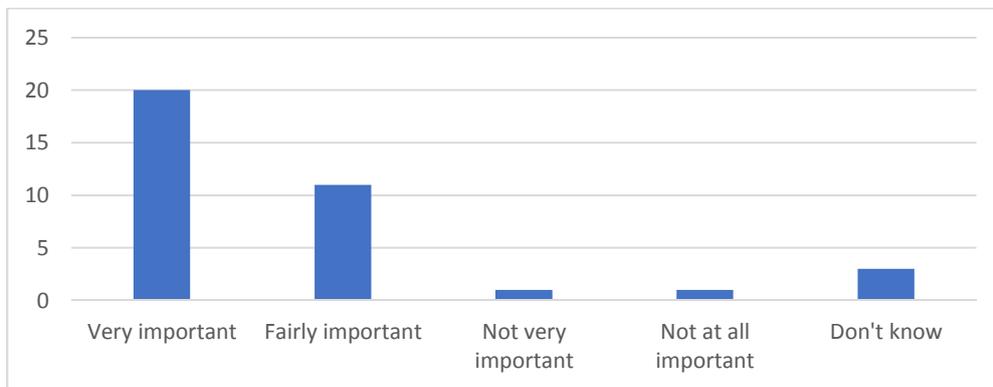


Figure 1.27: Answer to how HR assesses the importance of soft skills for their workforce:

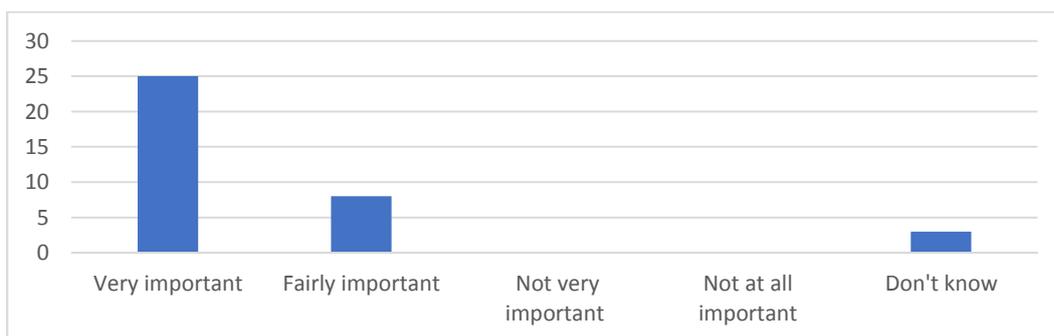


Figure 1.28: HR's answer to the proportion of workforce in the enterprise that require advanced digital skills:

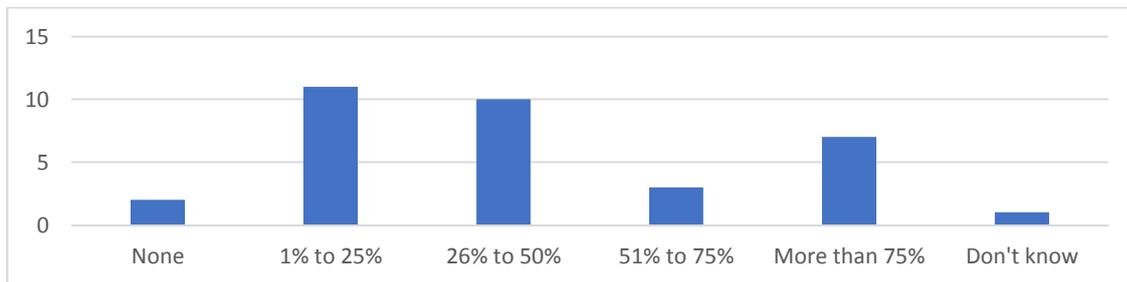


Figure 1.29: HR's answer to the question on how reliant on digital skills their respective enterprise will be in the next five years:

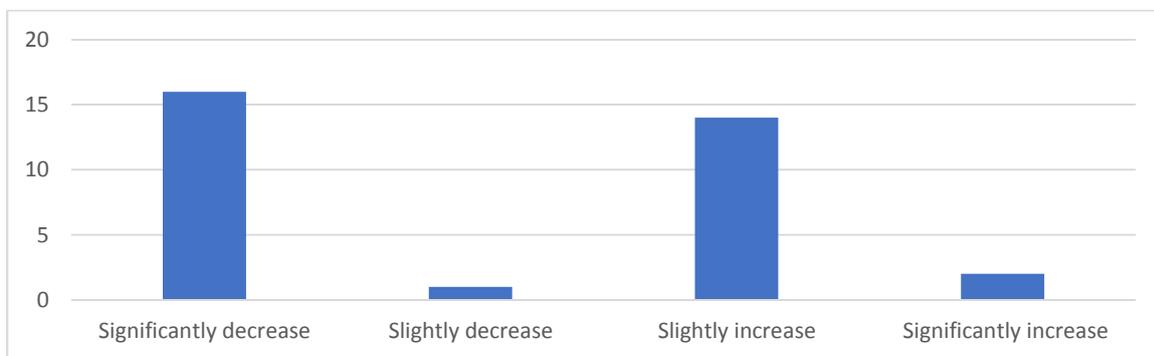


Figure 1.30: Answer to the question addressed to HR on whether their respective enterprise experiences a digital skills gap;

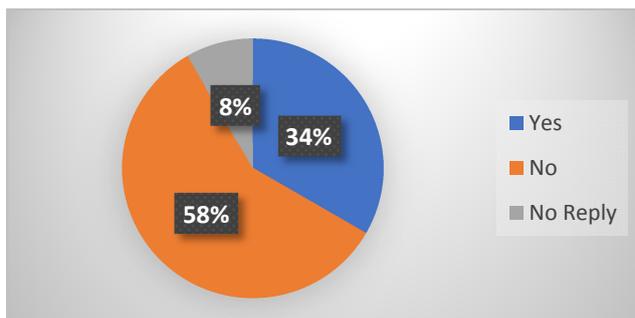


Figure 1.31: Answer to the question addressed to HR how their respective enterprise responds to digital skills gaps:

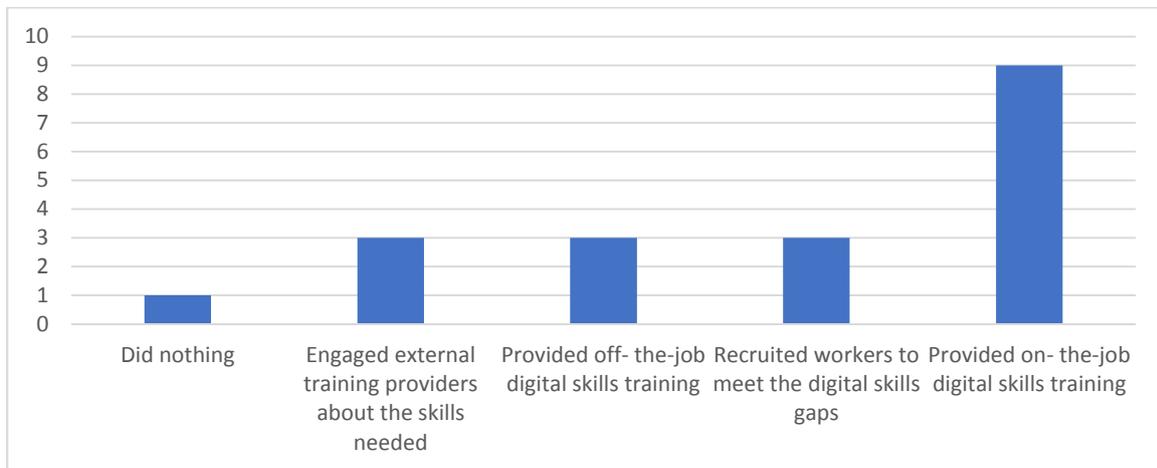


Figure 1.32: Answer to whether a competence development approach to lifelong learning essential for employees:

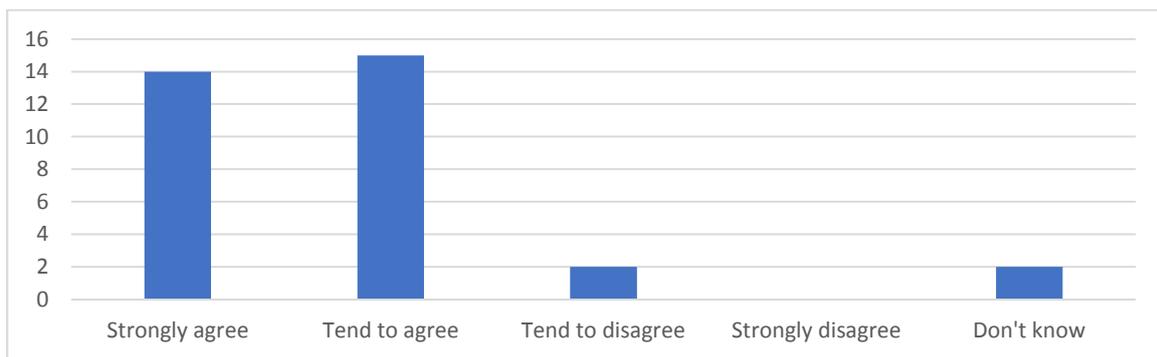


Figure 1.33: Answer to how HR reacts to the need of motivating staff to take part in training:

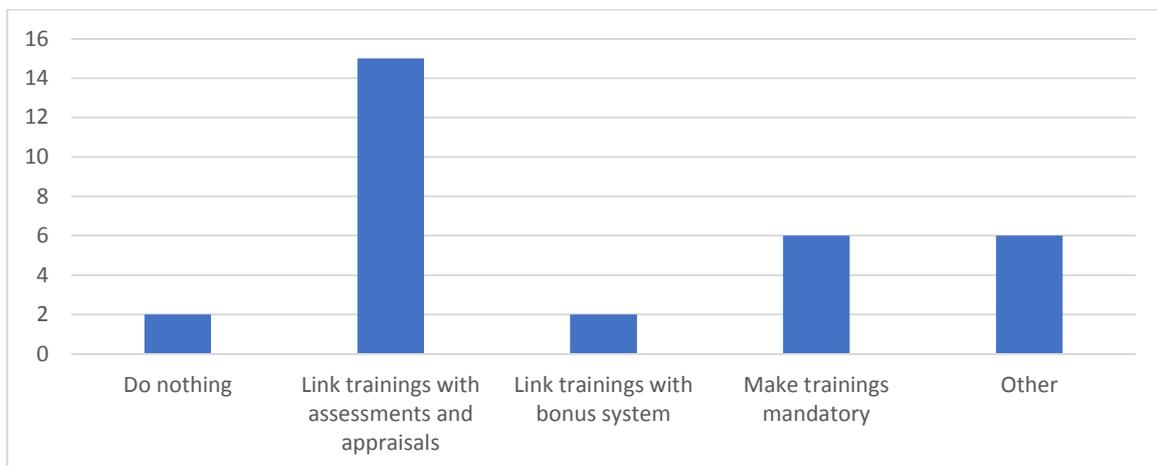


Figure 1.34: Answer to whether there is a system in place to control (monitor, calculate and record) regular working time in the enterprise, including teleworkers/mobile workers (on-site control within the enterprise):

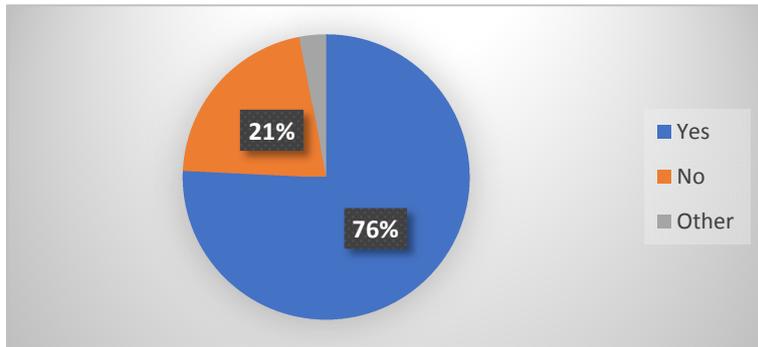


Figure 1.35: Answer to whether working time arrangements (in the light of the “right to disconnect”) are discussed with workers within the enterprise:

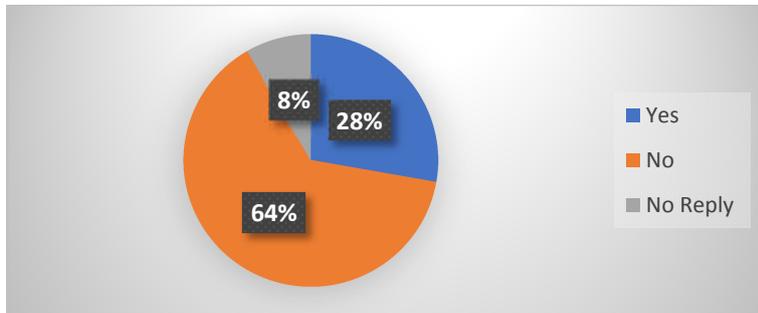


Figure 1.36: Reply to the question whether there are policies and/or established rules on the use of digital tools for private purposes during working time:

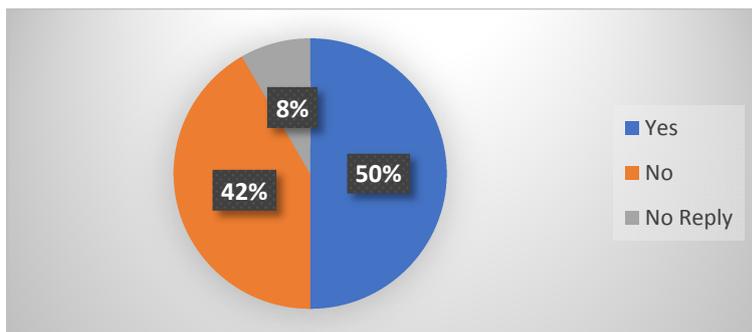


Figure 1.37: Reply to the question on whether there are there policies and/or established rules to prevent isolation at work (when teleworking or any other digital solution is applied at work):

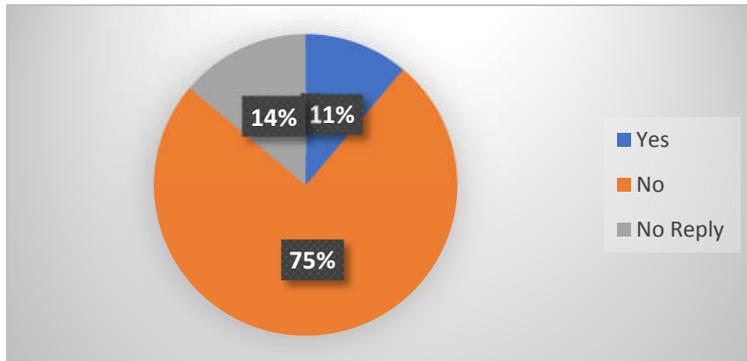


Figure 1.38: Answer to the question whether HR workers know what AI is:

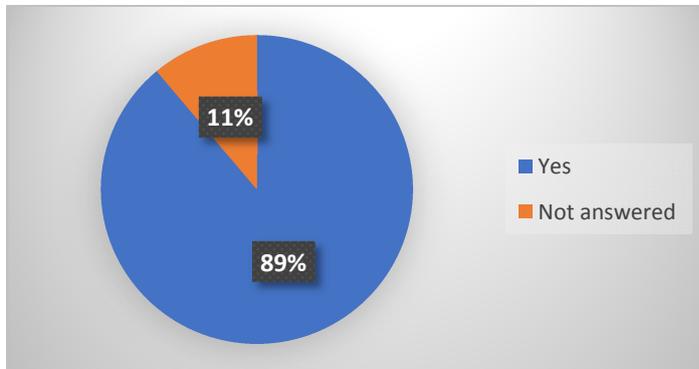


Figure 1.39: The 89% who answered positively to the previous question were then asked to specify whether AI systems are used in their enterprise:

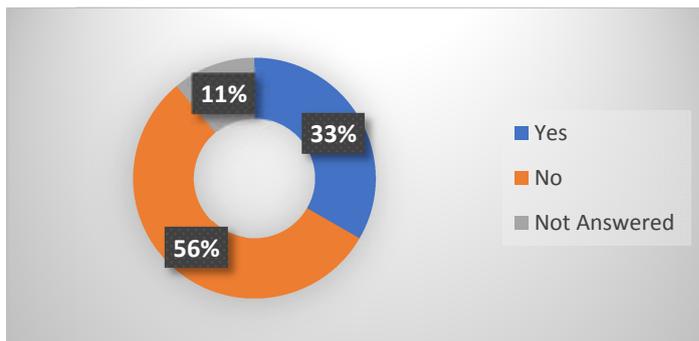


Figure 1.40: The 33% that answered that AI is used in their enterprise were also asked to specify what type is used:

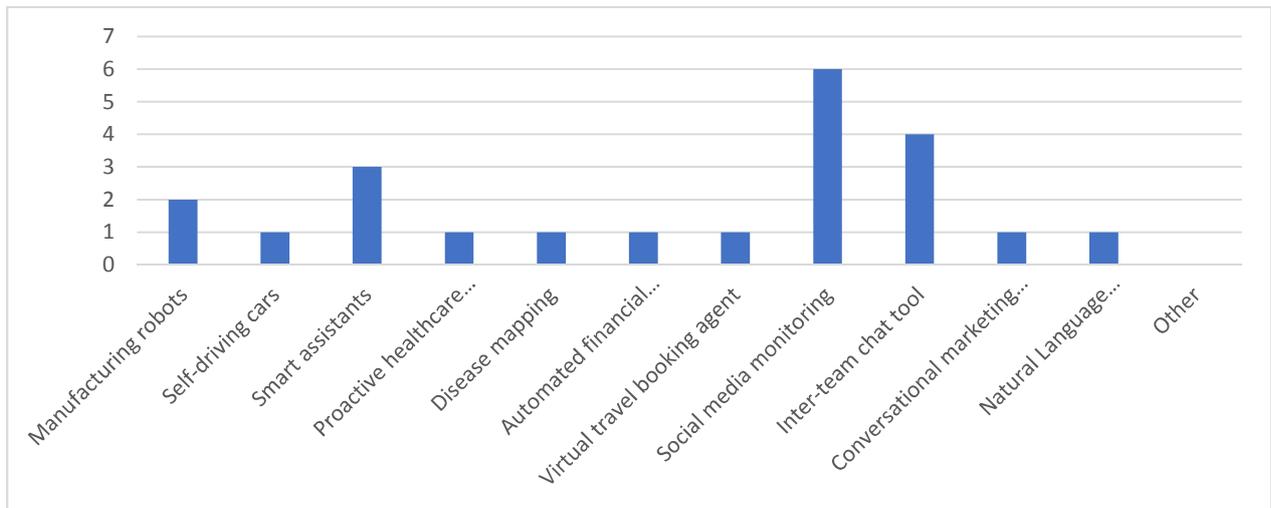


Figure 1.41: Answer to whether AI used within their respective enterprise comply with existing law, including the General Data Protection Regulation (GDPR), guaranteeing privacy and dignity of employees:

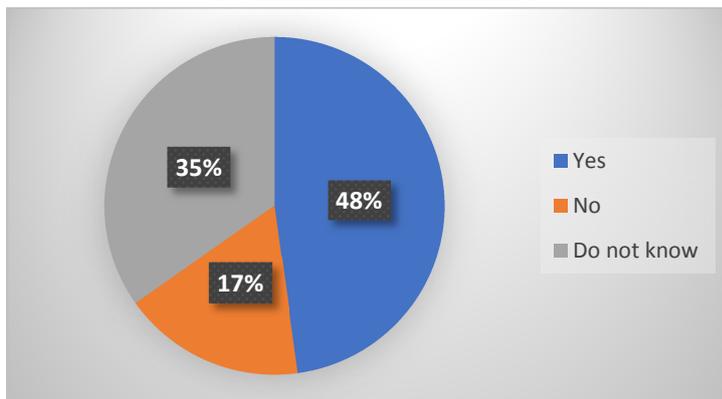


Figure 1.42: Answer to the question on whether specific work tasks changed after the introduction of AI:

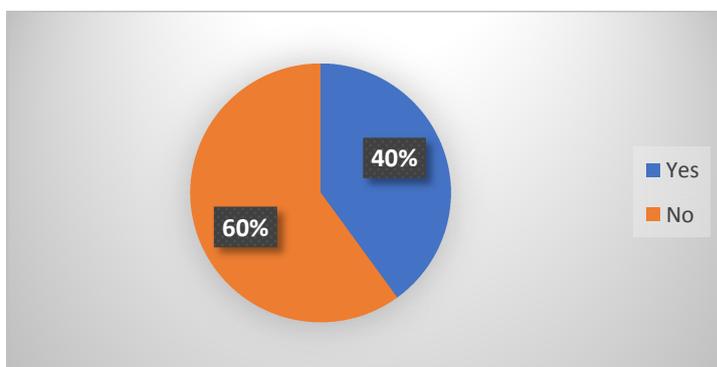


Figure 1.43: Answer to the question whether the enterprises have any internal OSH rules, related to AI, guaranteeing that the use of robotics and artificial intelligence applications are respecting and complying with safety and security control:

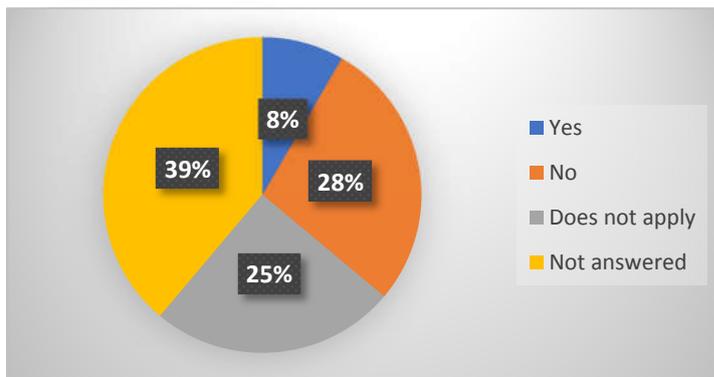


Figure 1.44: Answer to whether the enterprises have rules on control of decisions, related to AI (if human in control principle is applied – final decisions are taken by humans and not the AI):

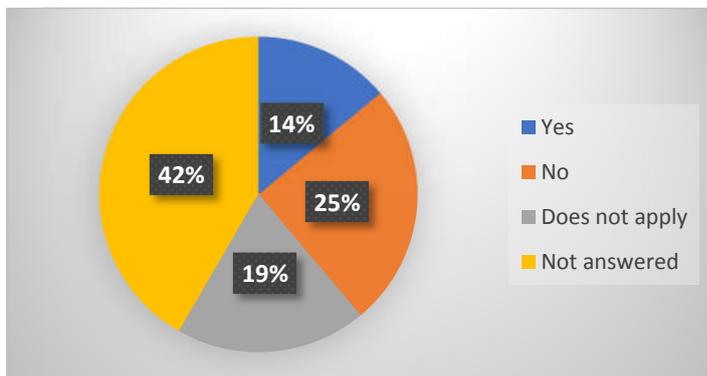


Figure 1.45: Answer to whether the enterprises use AI systems in human resource procedures, such as recruitment, evaluation, promotion and dismissal, performance analysis:

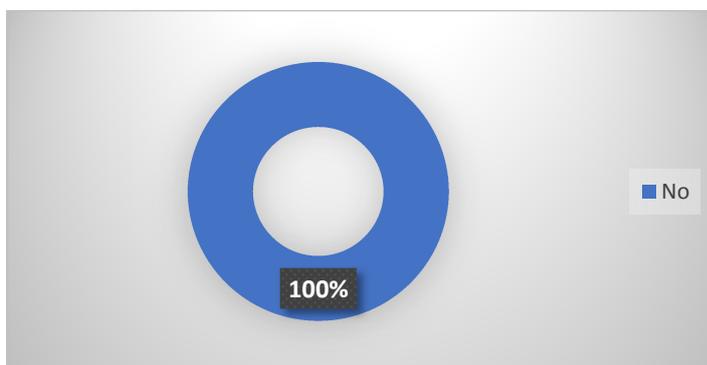


Figure 1.46: Answer to whether there is a policy in place, related to work monitoring of employees via digital tools or AI surveillance system:

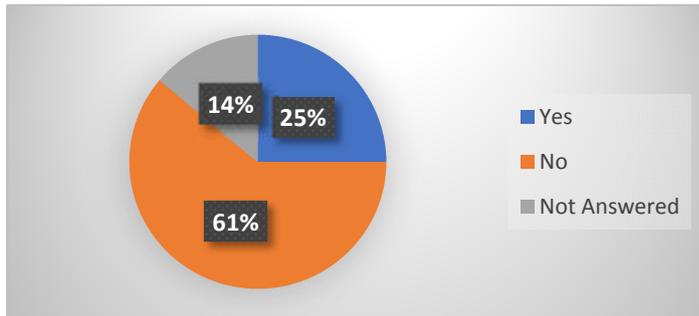


Figure 1.47: The 25% who answered "yes" were asked whether the employees or their representatives were consulted:

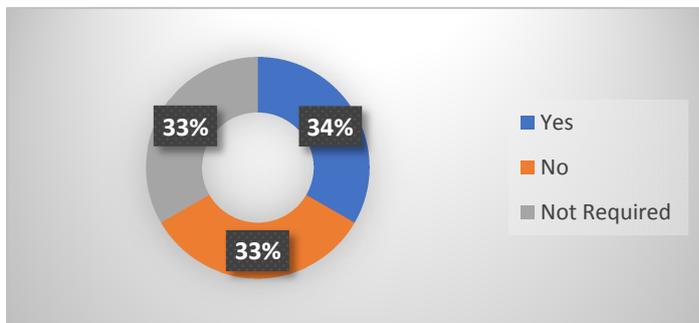


Figure 1.48: Answer to the question asking whether there any measures in place to limit the risk of intrusive monitoring of employees and misuse of personal data in cases where there is an AI surveillance system or other monitoring systems in the enterprise:

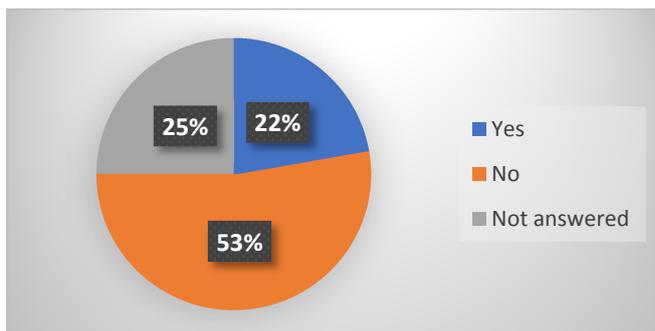


Figure 1.49: Replies to the question on whether employees' representatives consulted/informed on issues related to data privacy protection:

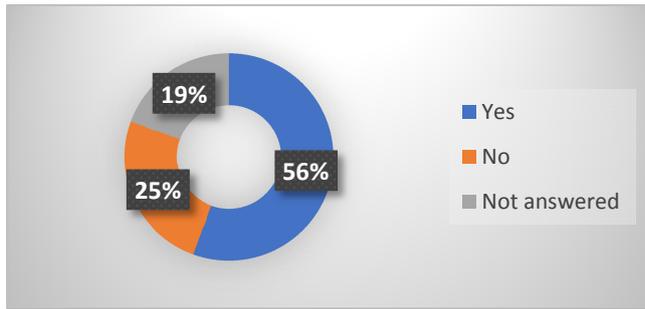
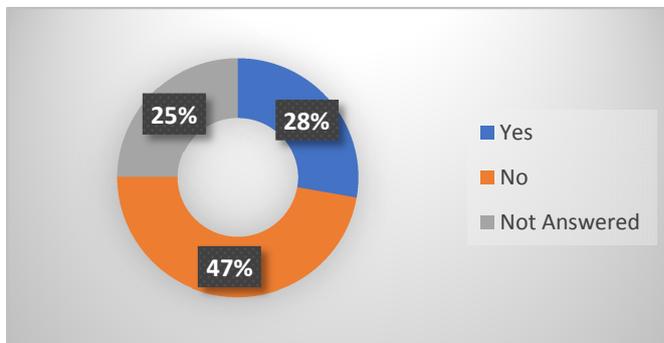


Figure 1.50: Answer to whether employees' representatives in the enterprise equipped with facilities and (digital) tools, e.g. digital notice boards, to fulfil their duties in a digital working environment:



2.4. Employees

Digital Skills and Securing Employment

In giving the whole picture on **digital skills** within the enterprise, the respondents were asked whether their enterprise has implemented a **digital strategy**. Only 37% of the employees answered yes (Fig. 2.7). Similar to the HR respondents, the employees did also confirm that in the past five years their enterprises had introduced **new technologies** (Fig. 2.8). The types of new technologies that were introduced are depicted Figure 2.9. The employees also reported that the most types of technologies introduced included software, computer hardware, communications followed by automation.

The employees' reaction to the question on whether the implementation of a new digital strategy has led to changes in employment levels, qualifications and /or skill requirements, health and safety rules and procedures, work time arrangements etc... is represented in Figure 2.10. Other changes reported by employees *varied* from teleworking to clocking in systems and leave systems.

In reaction to the question regarding the changes or new forms of **organisation of work** as a result of the introduction of new technologies, 53% of the employee answered positively (Fig. 2.11). In reaction to this question, those who answered positively, were also asked to **about the introduction of new organisation of work brought about by the advent of new technology** (Fig.2.12). The most common question was **the introduction of telework** followed by working in groups – **teamwork** and there were also a few answers on the fact that there was increased individual responsibility.

The employees were also asked to identify any negative impacts that they experienced as a result of the introduction of new technology (Fig.2.13). Most identified **the increased work intensity, increase in workplace stress and more responsibility without increase remuneration** as the main negative effects felt. Others also commented that the increased use of personal assets was also an issue. The employees also answered how the introduction of new technologies impacted them positively. Improved **work-life balance** and improved **working conditions** were the two most common answers (Fig.2.14).

The employees were asked whether the enterprise gives the opportunity to its workers to report the **training** they would like to participate in. 40% of employees confirmed that this was not the case. (Fig. 2.15). 88% of the employees did also confirm that the introduction of new technology was accompanied with related training (Fig.2.16). Most of the employees who answered positively to the question on receiving training commented that their training effectiveness was rather positive, or they felt neutral about the matter (Fig.2.17). About 60% of the employees answered negatively to the question on whether their employers recognised **informally gained skills** which are not validated by a diploma. When asked to specify how these informally gained skills are awarded in the case of employees, they specified that this is through monetary awards and KPIs (Fig.2.18). The employees were also asked to choose what the employer offers in terms of support for training. The most common reply was the employer provides internal or external training to improve digital skills which are organised and paid in full by the employer (Fig. 2.19).

Skills

Modalities of Connecting and Disconnecting

The employees were asked whether there is a system in place to control (Monitor, calculate and record) regular working time in the enterprise, including teleworkers / mobile works (on-site control within the enterprise). 46% of the employees confirmed that they do in fact have a system. The employees who do not have a system in place were asked whether there should be a system adopted but the answer was divided down the middle (Fig. 2.20 and Fig 2.21). The employees were also asked to rate the systems used in reporting their overtime work and the vast majority (Fig. 2.22) confirmed that their existent systems are easy to use.

The “**Right to disconnect**” was tackled in a question wherein employees were asked whether working time arrangements are discussed with workers within the enterprise (Fig. 2.23). 60% of employees replied negatively to this, meaning that more than half of the enterprises which are being represented do not consult their employees on the right to disconnect. The employees were also asked whether there are policies and / or established rules on the use of **digital tools** for private purposes during working hours. As illustrated by Figure 2.24, this question was received with more mixed reviews from the employees with just 39% confirming that there are rules and another 37% saying that there are not any rules established.

The final question was concerned with whether there are policies within their enterprises to prevent **isolation at work** (especially in the case of teleworking). Only 33% of the employees replied positively to this in confirming that they have rules or policies in place to prevent workplace isolation (Fig.2.25).

Artificial Intelligence (AI) and Guaranteeing the Human in Control Principle

When asked about the level of awareness that exists within the enterprises vis-à-vis **Artificial Intelligence (AI)**, 84% of the employees confirmed that they are aware of what AI is (Fig. 2.26). Those who answered positively were then asked to confirm whether AI systems are used within their respective enterprises. 14% of the employees answered yes (Fig. 2.27). The small number who did answer that they indeed use AI within their enterprise were then asked to specify what type of AI is used and the most common answer was for **social media monitoring** followed by **inter-team chat tool** (Fig. 2.28).

The employees were also asked if their work tasks are impacted in the case where AI is used. 90% answered that this is not the case (Figure 2.29). Within the same line of reasoning, the employees, were also asked to answer whether specific work tasks had changed after the introduction of AI. The answer received was that AI had not in fact impacted specific work tasks. 85% in the case of employees responded so (Fig.2.30).

The employees were also asked whether their respective employer has any internal OSH rules, related to AI, guaranteeing that the use of robotics and artificial intelligence applications are respecting and complying with **safety and security control**. Figure 2.31 shows that there were no positive replies from the employees. Finally, employees were asked whether their respective workplaces have rules on the control of decisions, related to AI (if **the human in control principle** is applied). Figures 2.32 illustrates that once again there were no affirmative answers in the case of the employees.

Respect of Human Dignity and Surveillance

Figure 2.33 illustrates that most of the employees answered that they do not know or answered negatively to the question whether the employer has adopted a policy related to **work monitoring via digital tools or AI surveillance systems**. The employees were also asked whether there is an AI surveillance system or other monitoring system in their enterprise and if there are any measures in place that limit the risk of intrusive monitoring and misuse of personal data. 34% of the employees replied that there are not such systems and 58% also answered that they are not aware whether there are any measures in place that limit the **risk of intrusive monitoring and misuse of personal data** (Fig. 2.34).

Only 26% of the employees confirmed that trade unions or other employees’ representatives are consulted/informed on issues related to **data privacy protection** (Fig. 2.35) and Figure 2.36 in the case of employees, shows that only 19% respectively have trade unions or other employees’ representatives in the enterprise equipped with facilities and (digital) tools.

2.4.1 Graphical Representations of the Answers received in the Employee Questionnaire

Figure 2.1: The different jobs represented:

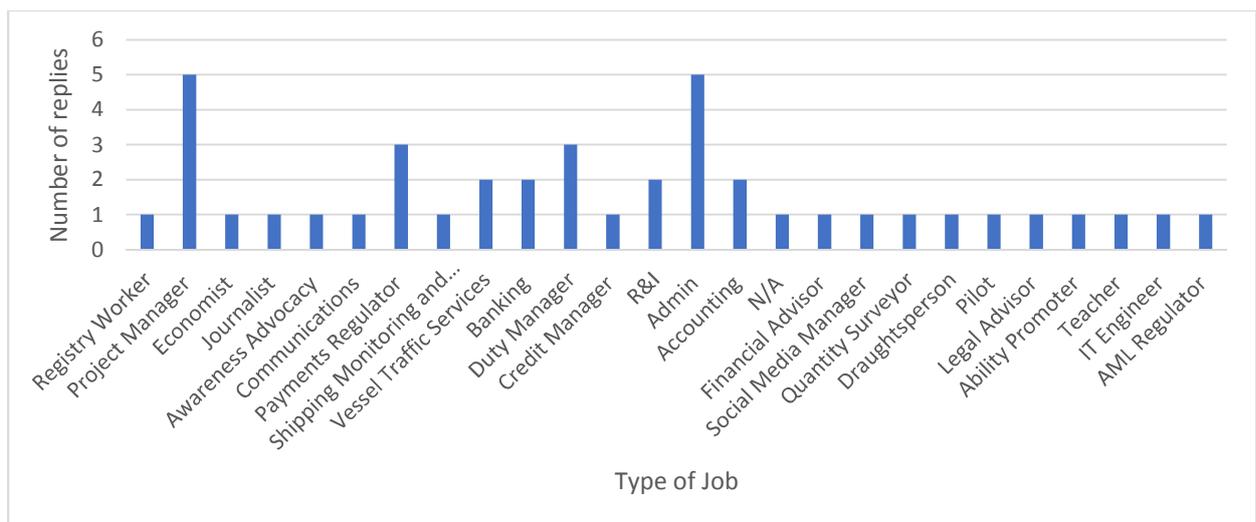


Figure 2.2: Trade Union Representation:

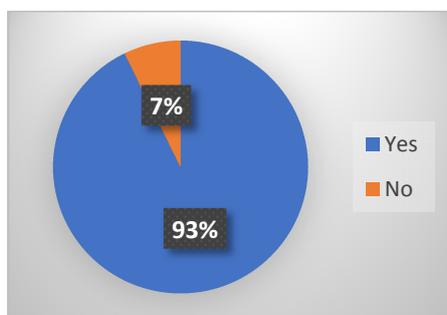


Figure 2.3: Percentage of workers that are trade union members:

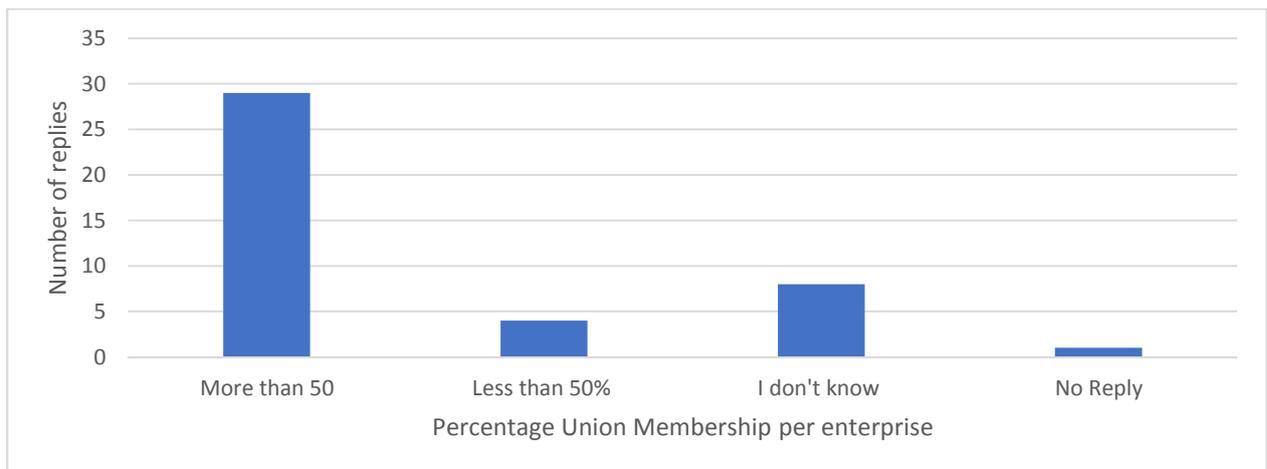


Figure 2.4: Answer to the question on whether working conditions are covered by a collective agreement:

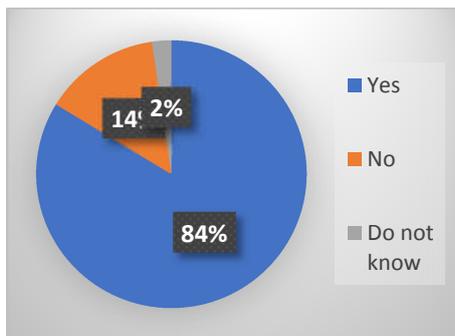


Figure 2.5: Replies to the question on whether the collective agreement in the respondents' enterprises addresses issues related to the digital transformation of the enterprise

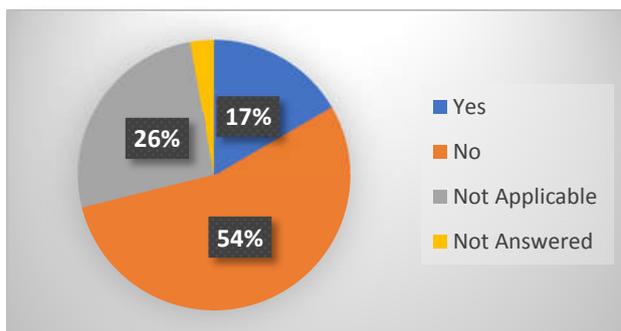


Figure 2.6: For those that answered positively to the question in having a collective agreement in their enterprise, they had to specify which topics it covers:

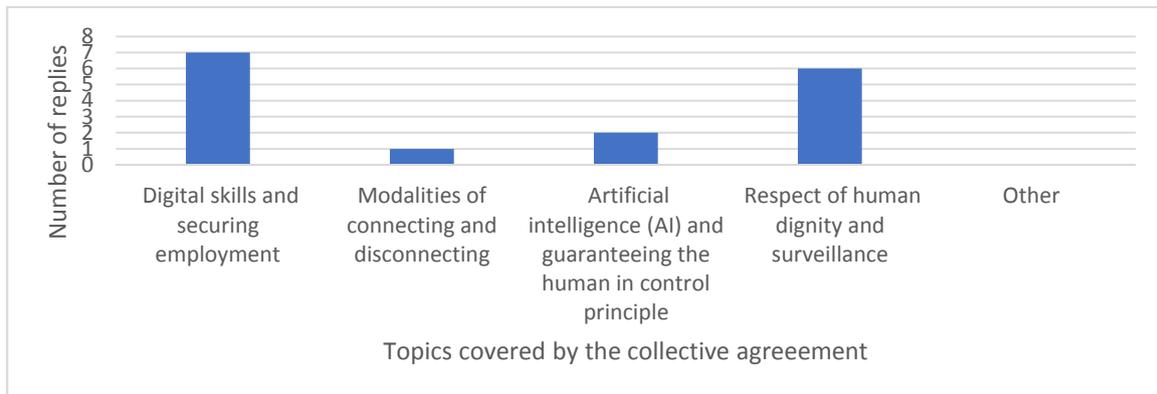


Figure 2.7: Percentage of positive and negative replies to the question asking if the employees are aware whether a digital strategy has been implemented by their employer:

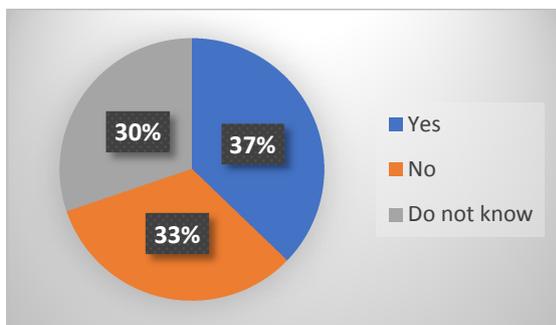


Figure 2.8: Percentage of positive and negative replies to the question asking whether the employer has introduced any new technologies in the past five years:

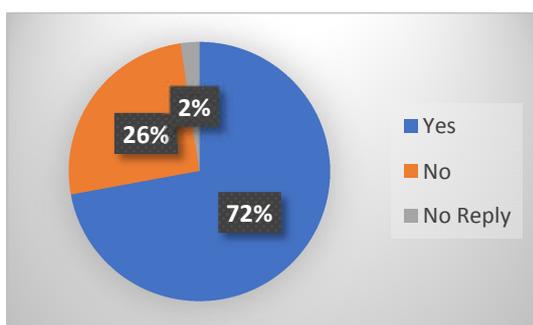


Figure 2.9: Percentage type of new technology introduced in the past 5 years:

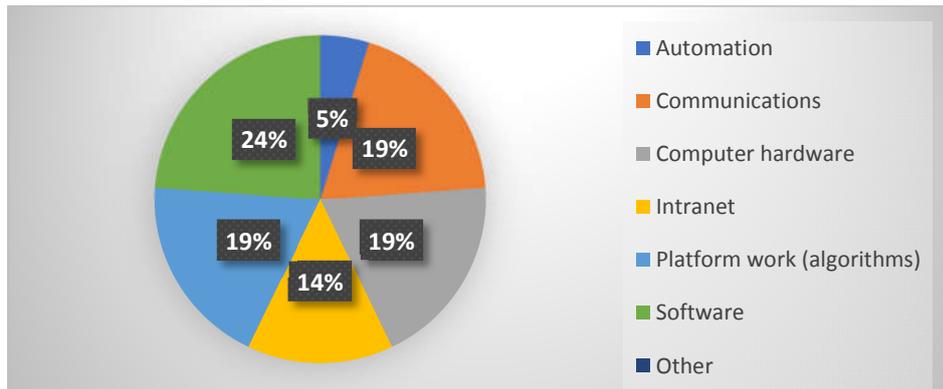


Figure 2.10: Respondents who replied positively to the question whether their employer has implemented a digital strategy, were asked whether it has led to changes in the named categories:

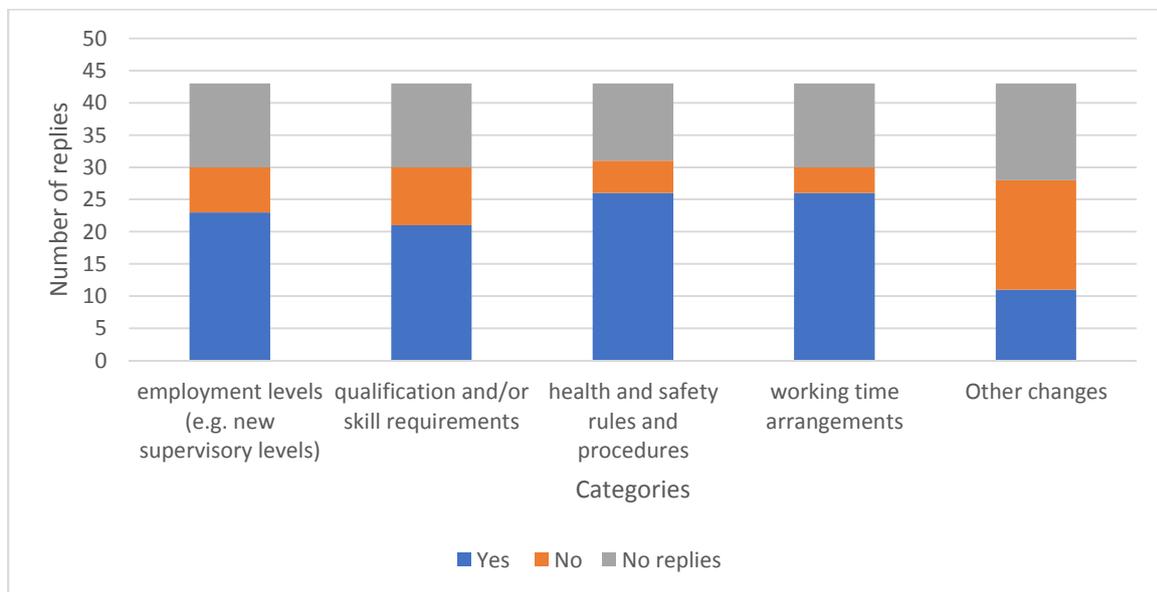


Figure 2.11: Replies to the question asking whether the introduction of new technologies led to the employer to introduce new forms of organisation of work:

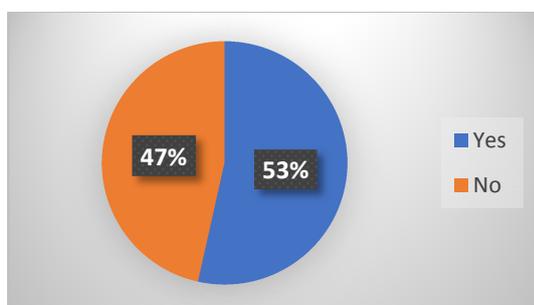


Figure 2.12: Types of organisations of Work introduced for those who replied positively to the question about the introduction of new technology:

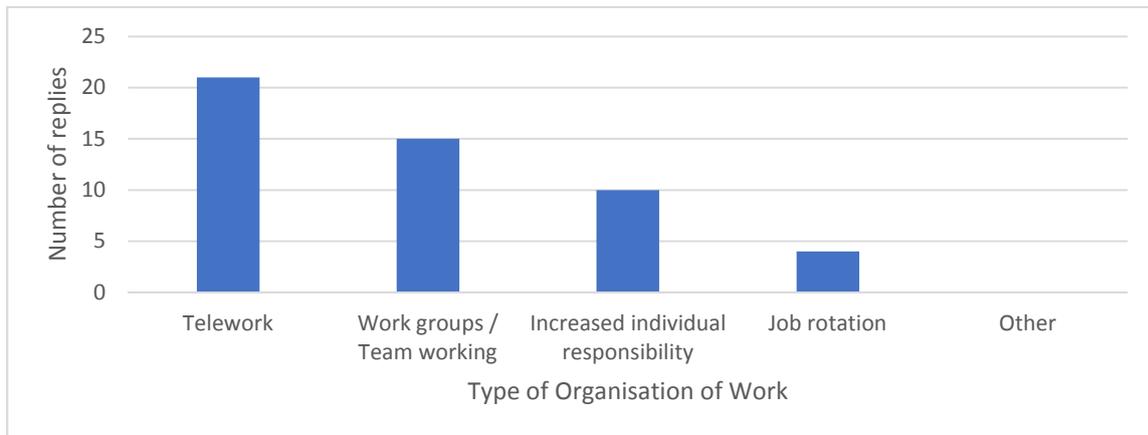


Figure 2.13: Answer to the Employees questionnaire whether the introduction of the new technologies leave a negative impact on the questionnaire respondents:

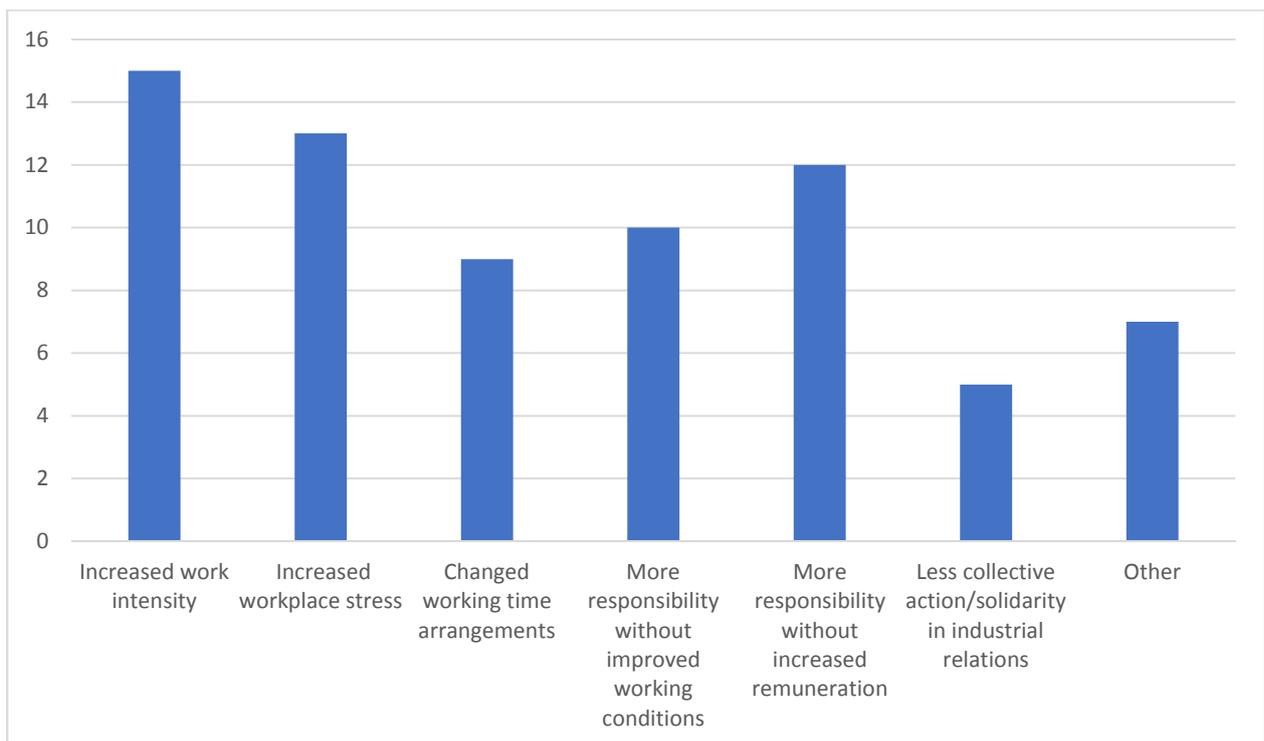


Figure 2.14: Answer to the question whether the employees noticed positive impacts as a result of the new technologies:

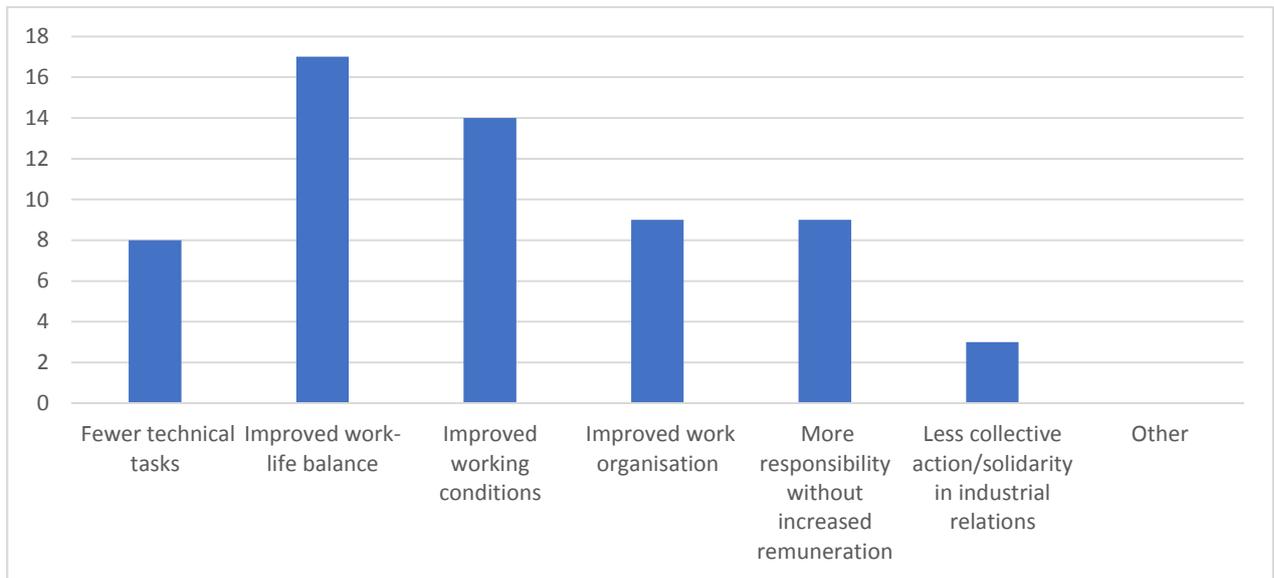


Figure 2.15: Answer to whether there is an enterprise procedure which allows workers to report what kind of training they would like to participate in:

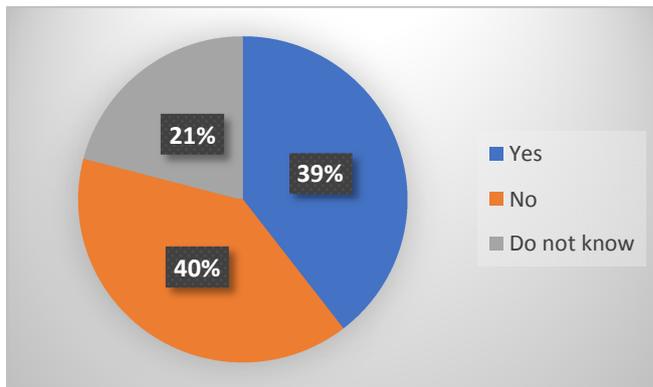


Figure 2.16: Answers to whether the introduction of new technologies or the process of digitalisation at the workplace accompanied with related training:

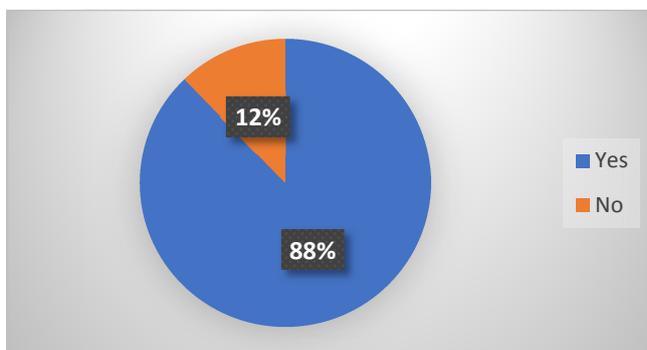


Figure 2.17: Those who answered positively to Figure 2.16, were also asked to assess the quality and the effectiveness of the training:

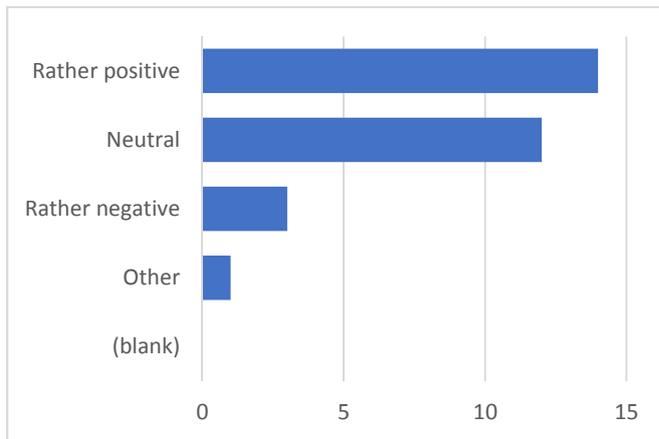


Figure 2.18: Answers to the question whether there is a system at the employees' workplace to recognise informally gained skills, which are not validated by a diploma:

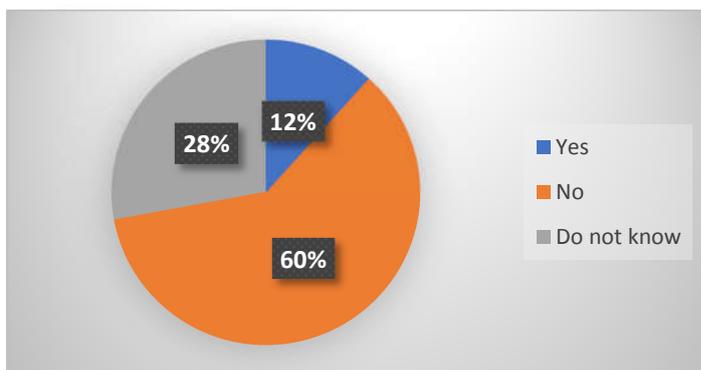


Figure 2.19: The employees were asked to specify which of the following options apply to the enterprise they are working in:

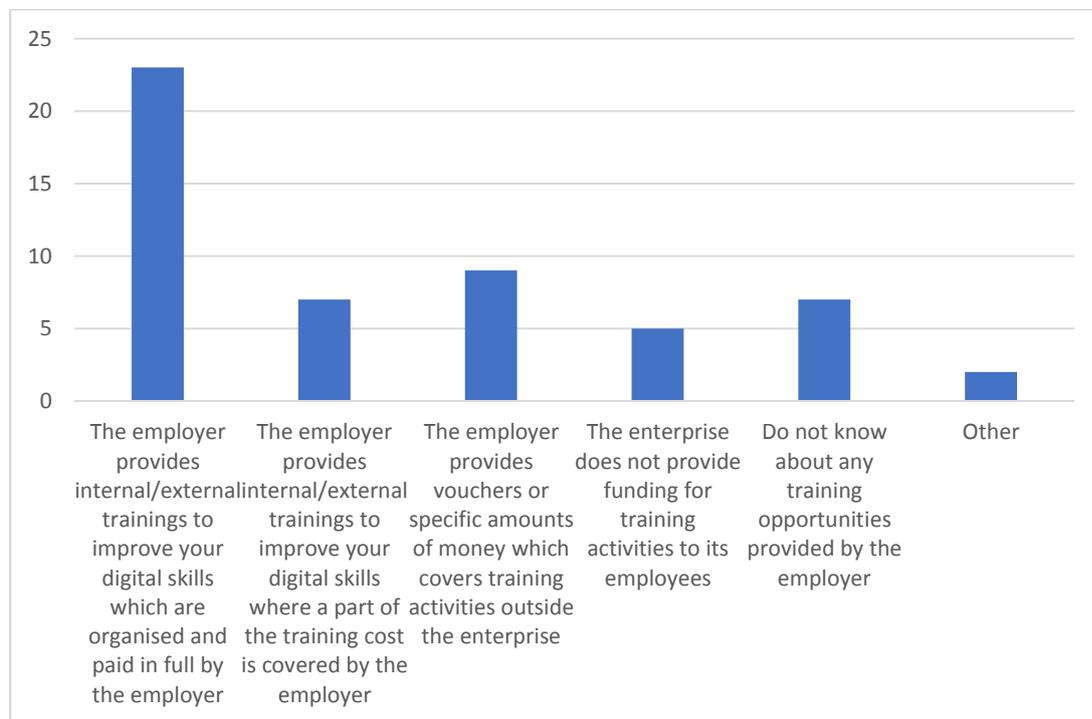


Figure 2.20: Answer to the question on whether there is a system in place to control (monitor, calculate and record) regular working time in the enterprise, including teleworkers/mobile workers (on-site control within the enterprise):

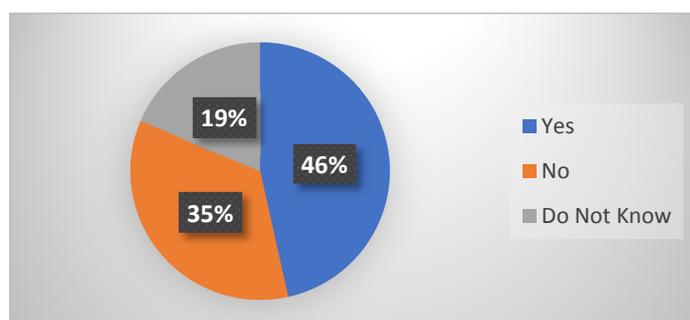


Figure 2.21: Answers by employees who answered no for the previous question and whether they think there should be a system in place:

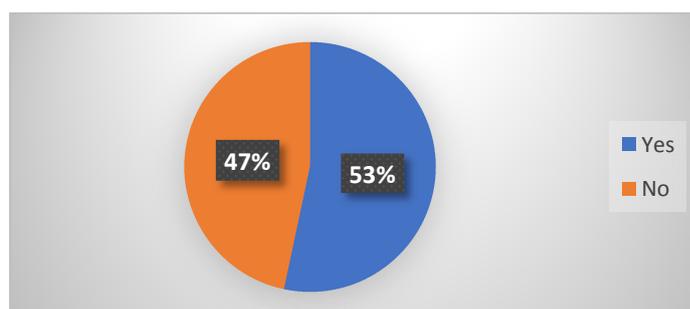


Figure 2.22: Answers to the question where employees were asked to rate the system/procedures for reporting overtime work within the enterprise:

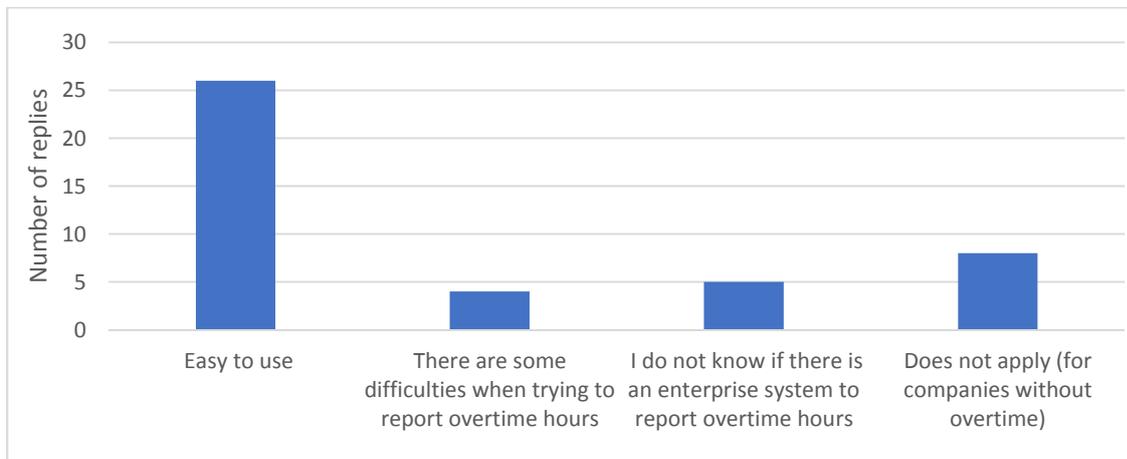


Figure 2.23: Answers to the question on whether working time arrangements (in the light of the “right to disconnect”) discussed with workers within the enterprise:

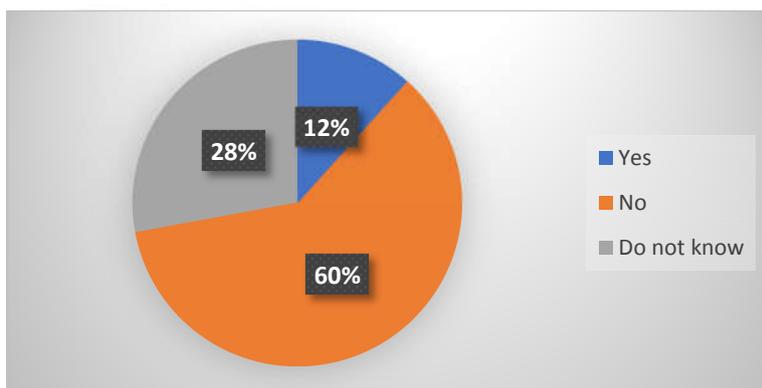


Figure 2.24: Answer to the question on whether there are policies and/or established rules on the use of digital tools for private purposes during working time:

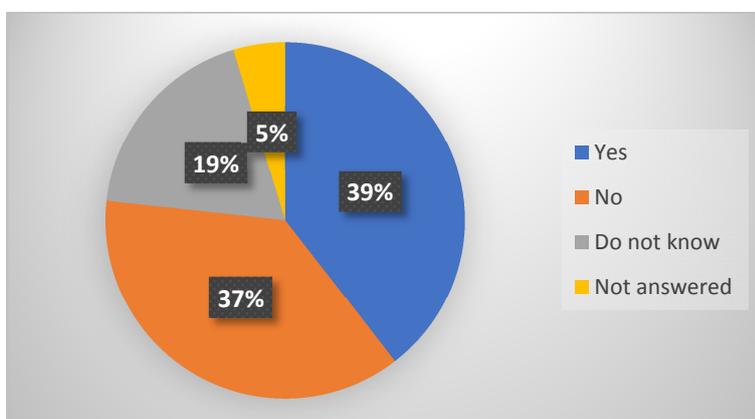


Figure 2.25: Answer to the question on whether there are policies and/or established rules to prevent isolation at work (when teleworking or any other digital solution is applied at work):

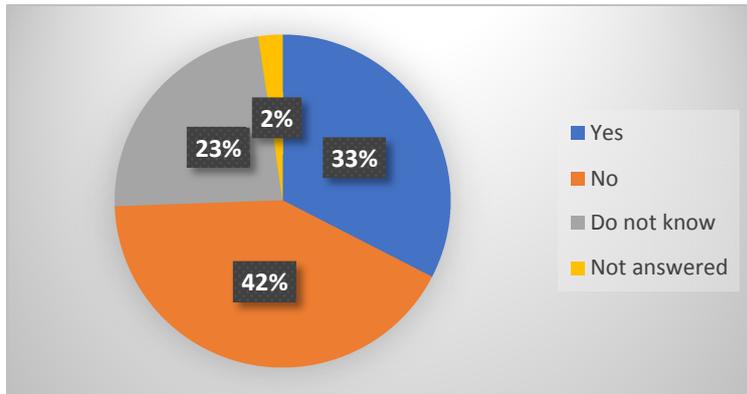


Figure 2.26: Answer to whether the employees know what AI is:

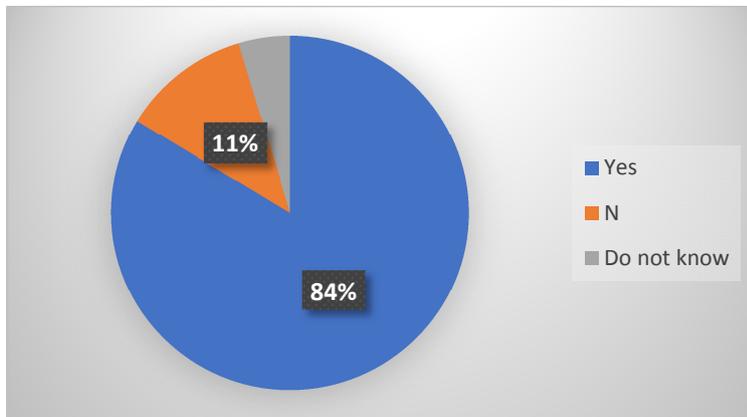


Figure 2.27: Answer to whether AI is used within their respective enterprises:

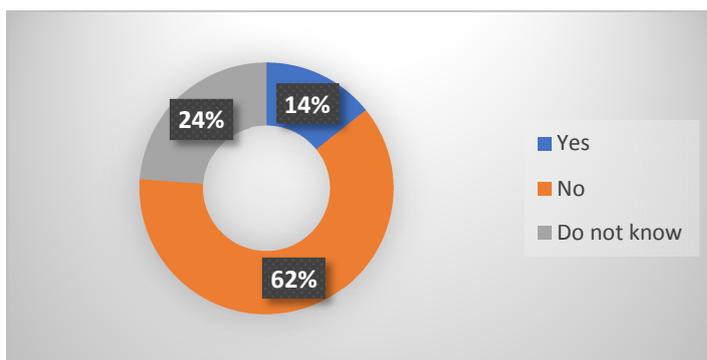


Figure 2.28: The 14% who answered “yes” were also asked to specify what type of AI is used:

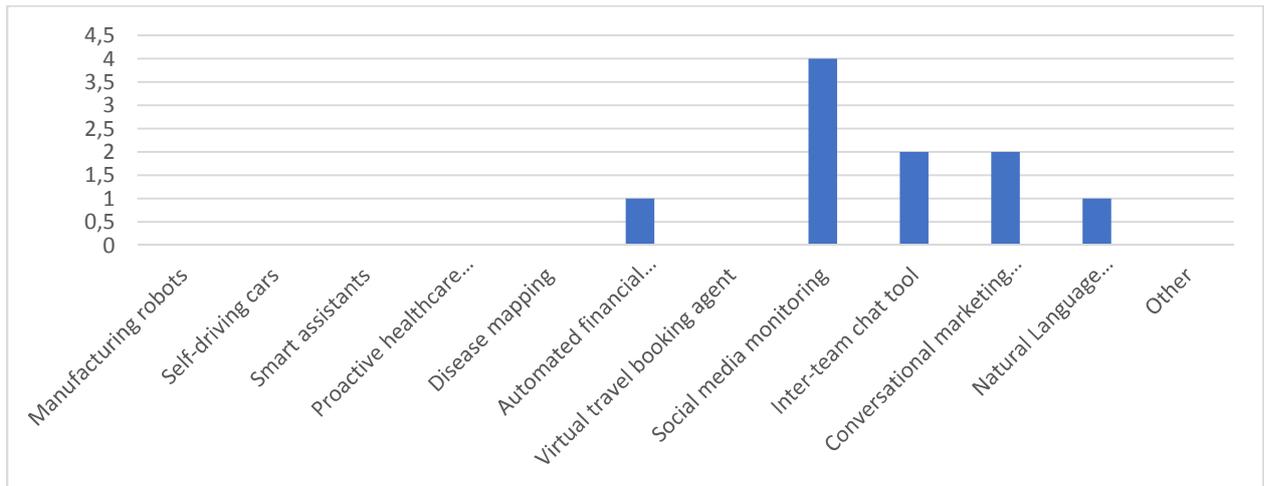


Figure 2.29: In cases where AI is used, employees were asked if it has an impact on their work tasks:

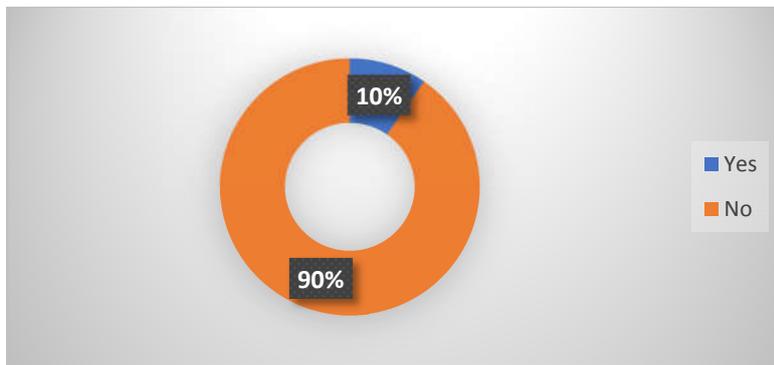


Figure 2.30: Answers by employees on whether their work tasks changed after the introduction of AI:

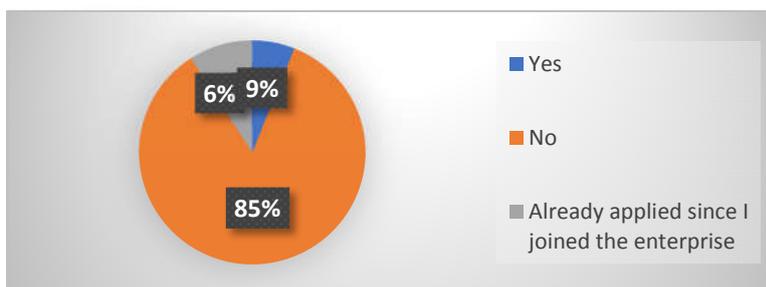


Figure 2.31: Answers to whether the respondents' workplaces have internal occupational, health and safety (OSH) rules, related to AI, guaranteeing that the use of robotics and artificial intelligence applications respect and complying with safety and security control:

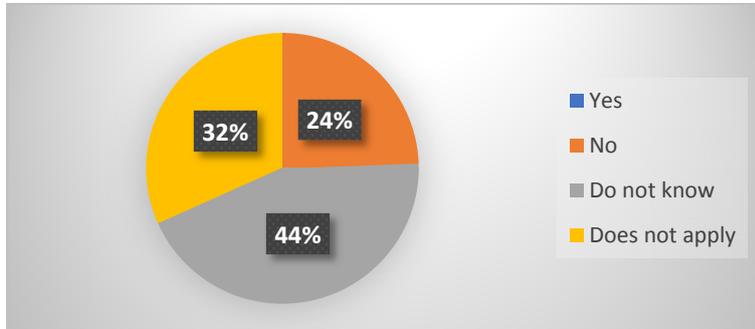


Figure 2.32: Answer to whether their respective workplace has rules on the control of decisions, related to AI (if human in control principle is applied – final decisions are taken by humans and not the AI):

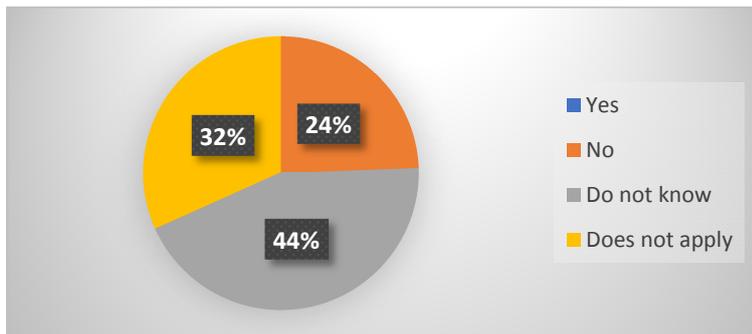


Figure 2.33: Answer to whether the respondents' employer has adopted a policy related to work monitoring via digital tools or AI surveillance systems:

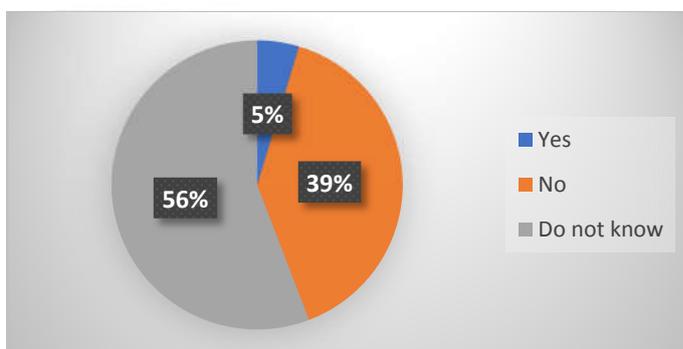


Figure 2.34: Responses to the question asking whether if there is an AI surveillance system or other monitoring system in their enterprise, do they know if there are any measures in place that limit the risk of intrusive monitoring and misuse of personal data:

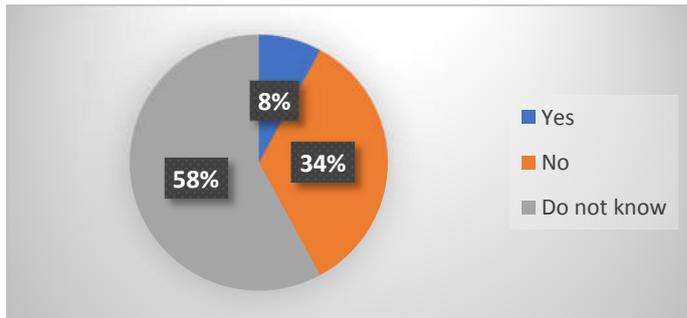


Figure 2.35: Answers to the question on whether the trade unions or other employees' representatives are consulted/informed on issues related to data privacy protection:

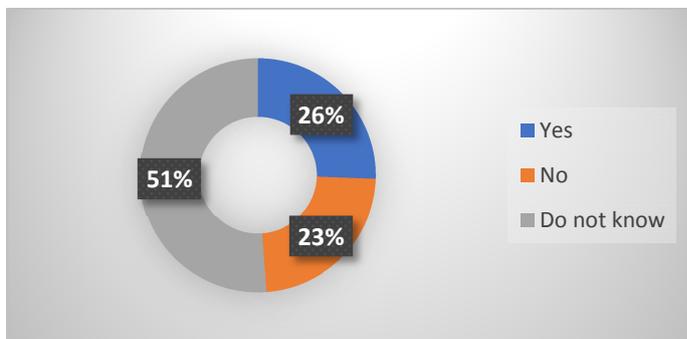
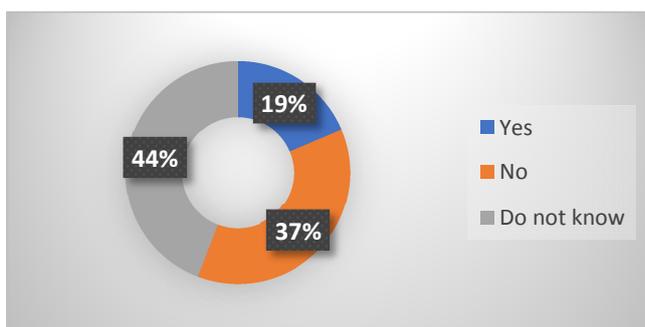


Figure 2.36: Answer to the question on whether the trade unions or other employees' representatives in the enterprise equipped with facilities and (digital) tools, e.g. digital notice boards, to fulfil their duties in a digital working environment:



2. Challenges to social dialogue arising from the digital transformation in the world of work

On the positive side, industrial relations in Malta are generally harmonious and social dialogue takes place at the MCESD, a tripartite institution. Social partners are open to discuss matters of national importance and come up with solutions that are mutually beneficial. Nonetheless, the role of social partners in Malta's industrial relations framework is a consultative one. In the absence of collective bargaining by social partners due to Malta's decentralized system, they can only come up with policy recommendations. Depending on the relevance of the topic, this is either legislated upon by Government, or communicated to members for voluntary action.

Nonetheless, in the context of Malta's size and economy, Maltese social partners are small organisations. Despite all good intention, they often lack the capacity to engage on an extensive range of issues and can only focus resources on selective topics. Priorities change over time and are influenced by both international and local trends.

Maltese social partners require better support to increase capacity for a stronger engagement and contribution to national policy making. The European Social Fund (ESF+) can play a role in this respect. In a document published in 2021 for consultation⁴⁶ by the Maltese Government, the ESF+ programme is being earmarked to support the capacity building of partners to strengthen social dialogue and their contribution towards the formulation of national social, education and employment policies. However, it was indicated that a budget of Eur1 million would be allocated for social partners, civil society, voluntary organisations, workers' and employers' organisations over a 7-year period. In view of the capacity issues mentioned above, this amount is clearly inadequate and should be revised. Business organisations have conveyed this concern in their feedback to Government.

Introduction

The below observations are presented in four different sections corresponding to the four pillars: (1) Digital Skills and securing Employment, (2) Modalities of connecting and disconnecting, (3) Artificial Intelligence and guaranteeing the human in control principle and (4) Respect of human dignity and surveillance on the conclusions obtained from the Maltese respondents. The conclusions drawn, take into account the analysis of results conducted in the case of both the employers and the employees. All of the comments below are a note on the gaps identified and which pose challenges to the social dialogue.

⁴⁶ [Public Consultation Document 26 July 2021.pdf \(gov.mt\)](#) p.53

Disclaimer: With reference to social partners opinions cited in this report, the national social partners were invited by the affiliated entity, the Malta Business Bureau, to provide their views on the four topics addressed in the European Social Partners Framework Agreement on Digitalisation. Feedback was received from: (i) The Malta Chamber of Commerce, Enterprise and Industry; (ii) The Malta Chamber of SMEs; and (iii) The General Workers Union.

It is important to bear in mind that these conclusions are drawn from an analysis of the responses received from thirty-six employers and forty-three employees and that some of the respondents did not answer all of the questions asked.

Another noteworthy element is Malta's decentralised system of industrial relations and that membership with an employer or trade union organisation is voluntary. In fact, only close to a third of the employer respondents confirmed that their enterprise had trade union representation. Challenges relating to social dialogue must also be viewed in this national context. Furthermore, as a general conclusion, where collective bargaining at company level exists, it results that the topics addressed in the autonomous framework agreement are currently not prioritised.

Digital Skills and Securing Employment

Results showed that only half of the respondents have implemented a digital strategy. Having a defined digital strategy is crucial especially given that the majority of enterprises have confirmed that they introduced new technologies in the past five years. Social dialogue needs to keep abreast of the technological advancement and adoption within enterprises. Failure to keep up with the new advancements, newly introduced technologies might impact the competitiveness of enterprises with a consequence on job security, and also on work organisation in general.

Half of both employers and employees' respondents, confirmed that the introduction of new technologies led to new forms of production systems and / or changes to organisation of work. Of those respondents that confirmed that there were changes to the work organisation and production systems as a result of the application of new technology, employers stated that this has led to increased workplace innovation whereas employees reported increase team working as well as increased individual responsibility.

On the other hand, Maltese employees reported increased work intensity, increase in workplace stress, and more responsibility without increase in remuneration as the main negative effects as a result of the inclusion of new technology. Contrasting to these answers, the employers reported that the adaptive work organisation within the enterprise was mainly increase in telework and increased teamwork.

A slight discrepancy in communication between employees and employers was noted in the case of having a say to which training they can participate in. Whilst a large percentage of the employers confirmed that the process of digitalisation is accompanied by related training, less than half of the employees reported that they are able to report what kind of training they would like to participate in. Having said this, it was confirmed by both sides that the introduction of new technology was accompanied by the appropriate training.

The fact that informally gained skills are commonly not recognised by employers both in the case of employers and employees can be another point to consider. The more skills workers have, the easier it would be for them to adapt to changes. Productivity and economic performance can also be affected by workers who are less likely to be incentivised to gain more skills especially when informally gained.

In a question that was unique to the employers on the reliance of enterprises on digital skills in the next five years there was a mixed result with half claiming it will increase and half it will decrease.

Admittedly, this was rather a surprising outcome considering the increasing importance of digitalisation.

In conclusion as a reflection on the challenges for social dialogue based on the response received for this section, the greatest weakness identified is the low number of respondents confirming that their enterprise has a digital strategy. The second is that there appears to be a lack of dialogue around the training that is provided. Without a digital strategy, it is more difficult to start off a social dialogue given that elements for negotiation and exchange are not clearly defined. Adaptation to new technologies necessitates the need of adaptation within the organisation. In the case of offering adequate training, it is also evident that communication needs to be facilitated between the employers and employees in making sure that there is a common understanding on the skills required by the company and employees expectations on how they will benefit from the training provided both in pecuniary and non-pecuniary benefits. Policies need to be adaptive in terms of supporting productivity and economic performance as well as employees' expectations.

Modalities of Connecting and Disconnecting

Both the employers and employees' respondents confirmed that it is commonplace to have a system in place which monitors, controls and records regular working time. Given that the subsequent answers resulted in a fifty-fifty split with the employees not sure whether they would prefer having such a system and employers claiming that they prefer not to micromanage their staff, there seems to be a discrepancy between the two sides. More effective dialogue might be warranted in this case between the employees and employers.

The analysis of results showed that more than half of the respondents in both the case of the employers and employees, there is no structured dialogue on the right to disconnect.

Another mixed result arises from the number of respondents that confirm the existence of policies or established rules on the use of digital tools for private purposes during working hours. A similar significant difference in the answers received was noted between the high number of enterprises who claim that they do have policies to prevent isolation at work and the employees who say that these are not found within their enterprise. These issues therefore merit further reflection that could also be addressed through social dialogue.

In conclusion, as a reflection on the challenges for social dialogue based on the response received for this section, one calls for more management practices, where the nature of operations allow, of measuring output beyond working hours. Considering increased awareness on the delineation between work and private life in recent years, the issue of modalities of connecting and disconnecting should be given more weight in social dialogue to ensure that the wellbeing of employees is taken into consideration.

Nonetheless, this discussion must be complemented by the issue of excessive use of digital tools by individuals outside working hours and its impact on mental wellness as well as on productivity. It is evident that more consultation is required on these points and social dialogue can play an important role in facilitating the discussion and to provide solutions.

Artificial Intelligence (AI) and guaranteeing the human in Control Principle

Artificial Intelligence and guaranteeing the human in control principle does not seem to have much awareness among the respondents and scores low in the priority list of issues that could be

addressed through social dialogue. While it is acknowledged that AI has merits, its use, or awareness as to where it is applied was limited among respondents.

The privacy of employees was put into question considering that less than 50% of the responding employees were able to confirm that the implementation of AI in their enterprise complies with the existent General Data Protection Regulation (GDPR). This is not to say that enterprises are not compliant. It is likely to be a question of communication. Moreover, most employees claimed that their work tasks are not impacted by AI systems. Given the increasing use of such systems at the workplace, it is possible that more awareness is required in this area.

The point on whether there are any occupational health and safety regulations (OSH) within the workplace related to AI is also significant within this discussion given that the respondents were not able to confirm that compliance and respect to these safety and security controls were adhered to or respected.

Similarly, a lack of conversation and knowledge seems to be predominant in most enterprises among both employees and employers when it comes to the “human in control principle”.

In conclusion, as a reflection on the challenges for social dialogue based on the response received for this section, one calls for more awareness and transparency on the use or application of AI systems at the workplace. AI contributes to higher economic performance of enterprises and the over time this will be increasingly incorporated to improve operational efficiency. Nonetheless, the human in control principle needs to be taken more into consideration to ensure the physical as well as the digital wellbeing of workers. Enterprises and employers' representatives should aim for a higher understanding of the AI systems that are in place at the workplace and any related risks to their application. More consultation, training and addressing the issue in collective bargaining would be suitable in this case.

Respect of Human Dignity and Monitoring

The fourth topic addressed in the autonomous framework agreement is the least which has awareness among enterprises and employees. The creation of company policies that include more consultation with employees on limiting the risk of intrusive monitoring or misuse of personal data would clearly improve the current situation.

Data privacy and protection needs to be prioritised. Less than half of the enterprises confirmed that trade unions or employees' representation are consulted on issues related to data privacy protection, which indicates an area that could benefit from more social dialogue.

3. Recommendations for Social Partners and Collective Bargaining with a view to Implementing the Framework Agreement

4.1 Level of Awareness on Digitalisation Issues

The comparative analysis of the feedback received from the interviews held with Maltese cross-sectoral social partners as well as from companies and employees' representatives shows that in broad terms there is good awareness of digitalization and the challenges and opportunities it brings for the competitiveness of companies as well as work organisation.

The most visible topic and the one that all participants can clearly relate to is that of Digital Skills. There is a good understanding that the demand for digital skills will increase in the future and while the education sector plays a crucial role to prepare workers for the needs of industry, there is also the aspect of training existing employees to ensure that their skills are up to date with the requirements of the companies. Many companies provide training for their employees and this is also an important topic addressed in collective bargaining.

As seen in the conclusions in the previous chapter, modalities of connecting and disconnecting is also a topic that has considerable awareness among respondents but not sufficient activity or discussion has been reported among respondents. Most companies have systems in place to record working time but there was also feedback by some companies stating that they trust in their own employees to manage time correctly. While this kind of flexibility cannot be applied to all sectors, where it is possible, it is clearly the working culture that will shape the future. This topic is also not yet a mainstream topic to be addressed in collective bargaining.

With respect to artificial intelligence, most respondents are aware of what it is and what programmes it can be applied to, but few knew whether it was being used in their workplace. As for internal OSH rules related to AI guaranteeing that the use of robotics and artificial intelligence applications are respecting and complying with safety and security control, the response affirming this was very low.

Finally, it is evident that the topic of surveillance is the least visible among respondents with the actions described limited to the use of CCTV systems. Consultation or information about their use is limited. Very few confirmed awareness of work monitoring via digital tools. There was however mention of discussions between employer and trade unions on issues related to data privacy protection.

Based on the information gathered from the interviews and surveys it can be concluded that the topics addressed in the EU autonomous framework agreement on digitalisation are all considered important, but at different levels. It is evident that more awareness is required on certain issues which are not as mainstream as others.

4.2 Malta's Decentralisation System of Social Dialogue

The decentralised nature of the Maltese industrial relations system presents the biggest challenge for social dialogue because employers cross-sectoral social partners do not participate directly in collective bargaining at company level to be able to engage on topics included in the autonomous

framework agreement on digitalisation. Nonetheless, they retain an important role to drive the debate on the national agenda and to promote the issues within their membership, particularly those that do not have trade union coverage. On the other hand, trade unions can engage directly with the management of companies in which they are represented in order to address the topics in collective bargaining negotiations.

4.3 Recommendations

Prioritising discussion on the National Agenda

The four topics addressed in the autonomous framework agreement are not time bound because they are consistently evolving. Embracing the change in digitalisation at the workplace is critical for a competitive labour market and for economic resilience in the medium to long term.

Given its importance, the social partners have a responsibility to steer this discussion persistently on the national agenda. It would be useful if the national social partners follow the European model of social dialogue by establishing a work programme on topics of common interest on which they could pursue discussions bilaterally in a more coherent way.

Elevate discussion to Malta Council for Economic and Social Dialogue (MCESD)

Once establishing common positions on relevant topics supported with agreed joint proposals, the social partners are invited to engage in discussions with the National Government through the formal national body established for tripartite social dialogue, the MCESD. Here, one could present the joint proposals to Government and discuss an implementation plan, assign responsibilities to relevant stakeholders and ensure the allocation of necessary resources.

Joint Actions

The social partners can also act independently and speak with one voice on common issues by drawing up joint policy recommendations, promotional campaigns and organise other awareness raising events for their respective members.

European Social Fund

Maltese national social partners are small organisations with very limited resources. They need external resources to support this mission. For this, social partners should explore opportunities of EU funding, particularly the European Social Fund, which has dedicated budgets for capacity building and social dialogue. Social partners should look into partnering each other in the implementation of projects that would have an impact on the topics addressed by the autonomous framework agreement on digitalisation.

Strengthen cooperation between Social Partners and Educational Institutions and Training Providers

Educational institutions and training providers play an important role in the provision of digital skills that is required by the labour market. Currently Malta is increasingly dependant on the import of labour particularly in digitally driven sectors. Cooperation between social partners and educational institutions on a bilateral level already exists. One should explore if tripartite cooperation in specific areas relating to re-skilling and up-skilling concerning the digital transformation of the workplace adds value and yields better results.

Strengthen cooperation between Social Partners and the National Authority for Occupational Health and Safety (OHSA)

Studies show that issues such as the increased use of digital tools and the delineation between work and private life is impacting the mental wellbeing of workers. Based on the outcomes of the first national event as part of the TransFormWork project, while there are different views on how the issue of modalities of connecting and disconnecting can be addressed through legislative means, there are other practical solutions on which social partners can cooperate. This includes for instance promoting good management and HR practices in creating a corporate culture to disconnect from work outside office hours, including self-discipline by workers that choose an ever-connected work-based lifestyle with adverse impact on their wellbeing. There needs to also be awareness and coaching for employees to invest their leisure time in activities that do not depend on the use of digital tools. Cooperation with Malta's OHSA could be beneficial in this area.

Address Risks of Technology on Human Activity

It is commonly accepted by the social partners that technology has a positive impact on enterprises and makes certain human tasks easier. There is however little awareness on how and when artificial intelligence is being used as well as on the data it gathers and how its shared. Given the decentralisation of Malta's industrial relations system, in this case, management and workers representatives should engage more systematically in creating communication lines based on transparency regarding the use of AI or surveillance systems at the workplace as well as when these apply in remote working setups. This information however should be limited to non-commercial data and systems.

Gather Data

Data gathered from the second phase of this national report indicated that the issues raised in the EU autonomous framework agreement are not sufficiently addressed in social dialogue. Given the common understanding by employer organisations and trade unions on the importance of addressing these issues due to an ongoing process of digitalization at workplaces, it is important that similar follow-up actions are undertaken and to have dedicated tools to measure and understand the uptake of discussion, negotiations, and transparent communication on the relevant topics among management and employees within enterprises. This information is key for social partners to evaluate on how to continuously improve social dialogue.

Promote the EU Autonomous Framework Agreement on Digitalisation

Keep the EU autonomous framework agreement on digitalisation as a reference point beyond the TransFormWork project. The TransFormWork project is doing a great service in supporting the implementation of the EU autonomous framework agreement on digitalisation through awareness raising among employers and employees and promoting debates among the Maltese cross-sectoral social partners about the key 4 topics. This will continue throughout the lifetime of the project. But the engagement should not end with the project in March 2023. Social partners are encouraged to continue prioritising these topics and champion the causes through constructive engagement.

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