

New forms of employment

Job sharing, Slovenia

Case study 39: Policy analysis

Job sharing was introduced to Slovenia in 2010 as a new form of flexible work organisation, aimed at improving job opportunities for unemployed people and facilitating the employment of people with disabilities. However, employers have opposed its introduction due to the potentially higher labour costs involved in employing more than one employee for a single job.

Introduction

In legal terms, job sharing is a relatively new form of flexible work organisation in Slovenian organisations. While the Employment Relationship Act has no specific provisions on job sharing, it does not impose any limitations on this form of employment. Consequently, ‘unofficial’ job sharing has been used for a long time by Slovenian organisations (both public and private), predominantly to adapt to different legal obligations that allow employees to work part time (for example, after maternity leave, parental leave, partial retirement or in the case of a certain degree of disability attested by the Invalidation Committee of the Institute for Pension and Disability Insurance).

While job sharing was officially introduced to Slovenian legislation in 2010, its more widespread use is still not possible due to explicit opposition from the employers’ organisations. To a large extent, this opposition stems from the higher labour costs (at least double the cost for commuting, meals and so on) arising from employing more people to carry out one job. According to the Employment Relationship Act (Article 130), the employer must reimburse employees for meals during work and for commuting to and from work.

Background and objectives of job sharing

In practice, the classic form of job sharing usually means two employees working part time in one job. Job sharing appeared in Slovenian legislation for the first time in 2010 when the new Labour Market Regulation Act was adopted. It came into force in January 2011. Articles 29, 31 and 102 set out provisions for job sharing in the labour market.

The initiative to introduce job sharing (based on the experience of Scandinavian countries) through the Labour Market Regulation Act came from a number of different actors in the Slovenian labour market. The most influential groups were the trade unions and youth organisations, with the assistance of the Ministry of Labour, Family, Social Affairs and Equal Opportunities (MoLFSA) and the Chamber of Commerce and Industry of Slovenia. Even the employers’ representatives eventually agreed with the introduction of the measure and the adoption process was relatively smooth.

The introduction of job sharing into legislation was a compromise between opposition to its more widespread introduction and the desire to increase employment opportunities for certain groups of the unemployed. The introduction of job sharing as part of the country’s active labour market policy (ALMP) measures under the Labour Regulation Act meets two objectives.

- Firstly, it is listed as one of the five groups of ALMP measures (named ‘substitution in the workplace and job sharing’) in the new classification of ALMP groupings, starting from 1 January 2012. (The other four groups are: training and education; incentives for employment; creation of new jobs; and incentives for self-employment). The implementation of ‘substitution in the workplace and job sharing’ measures was scheduled to start in 2014, due to the economic crisis and related financial constraints in financing ALMP measures. As the level of unemployment rose in Slovenia between 2012 and 2014, short-term measures that could bring quicker results and reduce the unemployment rate have been prioritised. The share of funds for this group of measures (first set at €2.3 million and then reduced to €0.25 million or 0.24% of the total budget for all ALMP measures in 2014) in 2014 shows that ‘substitution in the workplace and job sharing’ are given low priority. This probably means that Slovenian policymakers do not expect it will impact greatly on the current labour market situation. The funds allocated are to be used to implement the ‘Mentorship for youth’ programme – ‘set B: Implementation of mentorship for young people’ through job sharing. The purpose of this programme is to transfer knowledge and experience between the generations to help enhance the employability and competitiveness of young and older workers.
- Secondly, job sharing has been introduced as a concrete measure to improve the employment opportunities of people who are unemployed. Here, it is part of a scheme that subsidises partial replacement of an employee with an unemployed person. This measure could be classified as part of the fourth group of ALMP measures intended to promote employment and social inclusion and to improve the skills of vulnerable groups of unemployed people.

In the second half of 2013, the Slovenian Human Resources Development and Scholarship Fund published a public tender for the ‘Mentorship for youth’ scheme (see above). The tender offered a mentorship scheme for unemployed youth under the age of 30 in two sets: the first set subsidised full-time employment for one year, and the second subsidised part-time employment for one year. The funds for public tender have been provided by the Ministry of Labour, Family, Social Affairs and Equal Opportunities (MDDSZ) and the European Social Fund (ESF).

The main objectives of the measure are to:

- increase employment opportunities for particular target groups (especially young people and older people, with the latter taking on the role of mentors);
- increase employability through closer contact with the labour market;
- promote more effective age management in Slovenian organisations.

The last objective is particularly important, since activity rates among older people in the Slovenian population are low. Measures such as mentorship schemes through job sharing between older, more experienced workers and younger unemployed people could be beneficial for all actors in the Slovenian labour market. For older employees, such schemes represent an opportunity to prolong their working life (active ageing), facilitate softer transition to retirement, and encourage transfer of knowledge and experience to younger workers. For younger unemployed people, these schemes provide an opportunity to make a faster transition to employment and gain important experience while working with the older workers. Job sharing also gives younger workers an opportunity to prove themselves in the eyes of employers and to secure more stable employment.

Characteristics of job sharing

As outlined above, job sharing has limited scope in the current legislation. The only legal document that mentions job sharing is the Labour Market Regulation Act, which defines job sharing as part of the active labour market policies targeting predominantly unemployed people. The use of job sharing for workers who are already employed is not defined at all (although it is not forbidden). Neither the Labour Market Regulation Act nor any other act specifies how the employer should design job sharing, how many employees should share one job or the specific proportion of a job each job sharer should have. As there

is no specific legislation on job sharing, the common provisions set out in the Employment Relationship Act (which applies to all employees in the Slovenian labour market) apply also to job sharers.

The only specific definition of job sharing is found in a publication for employers produced by the Employment Service of Slovenia (ESS), 'Self-employment and other forms of employment'. In this publication, job sharing is defined as 'a special form of part-time work, in which usually two or more employees are engaged to do the work which would otherwise be performed by a full-time employee. The working week can be divided in different ways, depending on the needs of employees and employers. Both employees assume the responsibility and share the salary, annual leave and other benefits in proportion to the number of working hours carried out by each of them' (ESS, 2011, p. 8). It should be pointed out that job sharing is considered more as a way to organise workers in a specific company to do existing work rather than a specific form of employment (with a specific employment contract).

Nevertheless, in practice, job sharing has been 'unofficially' used for a long time by Slovenian organisations (both public and private), predominantly to meet different legal obligations that allow employees to work part time (for example, after maternity leave, parental leave, partial retirement or where a certain degree of disability has been proven by the Invalidity Committee of the Institute for Pension and Disability Insurance).

Job sharing particularly facilitates the employment of people with a certain degree of disability. The Pension and Disability Insurance Act (Article 63) determines that people belonging to category III of disability are not able to work full time, but can do part-time work for at least four hours a day. This category also includes people whose ability to work is reduced to less than 50% or insured people who can still work full time, but who are not able to work at the workplace provided by the employer. In these cases, the employer is obliged to organise work in such a way as to allow the affected people to work part time. Consequently, in this case, job sharing by two or, in rare cases, more people is an effective form of employment.

The Employment Relationship Act-1 (Article 67), the Pension and Disability Insurance Act and regulations on health insurance or parental leave give employees sharing part-time jobs (as all other part-time workers) the same pro rata social security rights and benefits as those working full time.

Where job sharing is newly introduced for people who are unemployed as part of the active labour market measures, the number of contracts for job sharing is centrally administered and monitored by the Slovenian Human Resources Development and Scholarship Fund. For these measures, in 2014 MDDSZ allocated €2.99 million for the youth mentorship scheme for two years (of this, €0.43 million was allocated to 'set B: Implementation of mentorship for young people with job sharing' for 2014 and 2015). The funds are provided from the ESF (85%) and the Slovenian state budget (15%).

In order to be selected for the youth mentorship scheme, employers have to meet certain criteria as follows.

- They must be legal persons in civil law (thus excluding legal entities in the public sector) or people performing an independent professional activity (as entrepreneurs); also, at the time of application, they have to be registered to do business in the Republic of Slovenia.
- They must not be in receivership, bankrupt or in liquidation proceedings.
- They must have settled all outstanding taxes, fees and other mandatory charges, in accordance with national legislation.
- They must not have violated the provisions of contracts entered into under the programmes co-financed by the ESF.
- They must not have reduced the number of employees in the last 12 months prior to the submission of the tender application, with the exception of permissible reasons; also, they must not have hired new staff to replace employees whose employment relationship has been terminated for other reasons.
- They have to ensure that they are not and will not receive funding from other public sources for eligible costs (prohibition of double financing).

- They must be capable of pre-financing and have the technical capacity to carry out mentoring.

Furthermore, eligibility for a specified number of mentorships is based on the number of people employed as follows.

- An employer with fewer than 10 full-time employees can receive funds for one new employee.
- An employer with 11 to 20 full-time employees can take on a maximum of two new employees.
- An employer with at least 21 full-time employees can take on a maximum of three new employees.

Employers may submit multiple bids on public invitation. The successful tenderer is required to assign a qualified mentor to each new employee for one year.

According to the trade union representative, employers are poorly informed about the tender. The Slovenian Human Resources Development and Scholarship Fund has contacted them asking for help to promote the mentorship scheme.

Regarding future plans, MDDSZ is preparing a new operational programme for the development of human resources for 2014 to 2020; thus, new measures that use job sharing to help different target groups are still possible. Nonetheless, more concrete decisions are pending due to the rapidly changing labour market situation and the relatively long duration of procedures.

There is no specific regulation for job sharing in the public sector. On the other hand, some recently adopted acts, such as the Fiscal Balance Act, directly affect employment opportunities in the public sector and have indirect influence on job sharing. For example, the Fiscal Balance Act has reduced or even eliminated certain employees' rights, such as reducing salaries by 8%, reducing funds designated for annual leave, meals and commuting, and freezing promotions to a higher salary grade and higher title. In addition, the Act has made new employment in the public sector more difficult: for example, regardless of the constant lack of personnel in medicine, medical institutions have to acquire direct approval from the Ministry of Health before employing a new member of staff. In such circumstances, job sharing becomes an even more important employment form for medical institutions, as they have to use it to manage their workforce more efficiently, including employees with disabilities.

Outcomes and effectiveness

Macro level

When it comes to 'classic' usage of job sharing, there are no official data on its use in Slovenian organisations. Data from the Cranfield Network on International Human Resource Management (Cranet) for Slovenia show that, in 2004, 31.4% of organisations employing 200 or more employees used job sharing as a flexible form of employment. In 2008, this share dropped to 29.3%. The 2008 data also show that a higher share of large organisations in public services (39%) used job sharing compared with those in private sector services (23.1%) or industry and agriculture (25.8%) (Cranet, 2004, 2008).

Since none of the new job sharing measures had been implemented at the time of drafting this report, their outcomes and effectiveness cannot be assessed. According to the trade union representative, job sharing has great potential for the Slovenian labour market, especially if implemented soundly and widely. It could become an important stepping stone towards full-time employment for disadvantaged groups. In addition, job sharing could be an excellent investment in terms of knowledge reproduction. However, if job sharing is used only as an active labour market policy measure, it could be less beneficial, since it will require strong employer commitment, effective work organisation and high-quality mentoring.

Micro level

Working conditions for job sharers can differ widely depending on the specific organisation, sector and position. However, within an establishment, a job-sharer's working conditions should be the same as those of any other part-time or full-time employee in similar positions in that establishment. On the other hand, as the case study conducted at the University Medical Centre Ljubljana (case study 38 of this

project) suggests, it could be deduced that in some circumstances job sharers with disabilities experience additional stress by trying to meet the same standards (proportionally) as other employees and fear that they will be perceived as a burden to their non-disabled colleagues (Eurofound, 2015).

Positive outcomes and the effectiveness of job sharing may be higher in medium-sized and large companies which can afford to invest more in their own knowledge production. According to the trade union representative, smaller companies are more concerned with their survival and often concede that they do not have the resources for more elaborate organisational changes. This means that many smaller companies do not have their own human resources (HR) department and in many cases are dependent on an external provider of HR management services. Introducing job sharing would also mean a greater need for the coordination of work. Furthermore, the University Medical Centre Ljubljana case study shows that different work organisation forms and requirements increase the stress faced by the heads of units in the organisation. This is particularly the case when the heads of units are forced to combine employees with different levels of disabilities and this places various limitations on the tasks that the job sharers can perform. In some cases, employees with higher limitations are transferred to other units with easier tasks, but in other cases such transfers are not possible. Even bigger organisational problems occur when a full-time employee transfers to a part-time job sharing arrangement (due to disability) and it is not possible to employ another person due to the restrictions imposed by the annual plan and the Fiscal Balance Act, which specifically targets the public sector.

From the interviews and available data, it is not possible to discern whether factors such as working conditions, stress levels, access to training and fringe benefits are different for job sharers when compared with standard part-time work arrangements.

According to the law, job sharing employees have the same rights as full-time employees. This is especially important for employees with partial disabilities. The case study conducted at the University Medical Centre of Ljubljana (case study 38 of this project) revealed that job sharers in general were satisfied with all aspects of their job sharing arrangements, except for the salaries. Reduced working hours translate into smaller salaries, and since the interviewed personnel were earning only minimum wages, it was difficult for them to make ends meet every month (Eurofound, 2015).

Strengths and weaknesses of job sharing

Since the new measures promoting job sharing have yet to be implemented, there is little knowledge about their strengths and weaknesses so far. However, based on the existing experience of the 'classic' job sharing schemes and expectations of the interviewed actors, we can identify the following strengths and weaknesses.

Strengths

- Job sharing is a person/family friendly form of employment for those needing to reconcile family and working life.
- For people with disabilities, job sharing provides an opportunity to stay in the labour market and to build their social capital and self-esteem.
- Job sharing can facilitate age management.
- It allows for better transfer of knowledge and sharing of experience between the generations.
- Job sharing has the potential to change employers' mindset about the role of older people in the labour market.
- It promotes greater social inclusion of different groups of unemployed people.

Weaknesses

- Job sharing results in higher labour costs (due to the employers' obligation to reimburse commuting and meals costs for all employees).
- Job sharing creates a greater administrative and organisational burden (see also 'Micro level' section above).
- It could lead to a possible increase in the working poor among job sharing workers.

Transferability

Since job sharing schemes are still very new in Slovenia, there should be more interest in acquiring additional information on good practice in this field from other countries, rather than transferring Slovenia's experience.

Commentary

Job sharing as a flexible type of work arrangement has not been well received by most Slovenian employers. This opposition due in part to the potentially higher labour costs that employing more than one employee for one job entails. Consequently, job sharing in Slovenia is used in only two situations.

The first is where the employer has a legal obligation to allow employees to work part time (for example, after maternity leave, parental leave, partial retirement or where a member of staff has a certain degree of disability proven by the Invalidity Committee of the Institute for Pension and Disability Insurance) and there is also a need to fill the remaining proportion of the job.

The second instance of job sharing occurs when someone is hired who qualifies for an active labour market policy measure subsidy because they belong to a particular target group among the unemployed. The relatively small funds allocated to this type of situation reflect the rather low priority given to this measure by the Slovenian government.

Job sharing schemes can bring a lot of positive developments to the labour market. They address the issue of high unemployment rates, particularly among specific target groups, facilitate knowledge transfer between different generations, and promote age management and active ageing practices, which are very important to the Slovenian labour market.

Successful implementation of job sharing at micro level depends heavily on the management structure of the employer and especially its HR department. The managers and HR specialists have to present this work arrangement as a long-term opportunity to improve knowledge transfer in the organisation, and they also have to put in place the organisational framework that will make job sharing possible. Furthermore, the mentorship schemes are largely dependent on the quality of mentors selected by the employer and management in the organisation. If the quality of mentoring is low, it is likely that the goal will not be achieved. Thus, the employer must think carefully about whom they appoint as mentor, how resources and time will be allocated to maximise performance, and how to ensure that the burden on mentors is reasonable.

In terms of social dialogue between the social partners, there is an agreement to promote good practice and to build a support structure aimed at better informing employers about the alternative ways of organising the workforce. At the system level, there is a need for additional financial resources, including specific funding for the promotion of such schemes. Most importantly, it is necessary to ensure that people who enter a job sharing measure do not stay in this work arrangement forever. This would be difficult to achieve for particular groups of employees for whom such a work arrangement offers the only opportunity to stay active (for example, people with disabilities); however, for those who are able to work fully, job sharing should not represent a dead-end option.

Information sources

Websites

Zveza Delovnih Invalidov Slovenije (ZDIS) [Association of Disabled Workers of Slovenia]: <http://www.sklad-kadri.si/>

Employment Service of Slovenia (ZRSZ): <http://www.ess.gov.si/>

Ministry of Labour, Family, Social Affairs and Equal Opportunities (MDDSZ): <http://www.mddsz.gov.si/>

Slovene Human Resources Development and Scholarship Fund: <http://www.sklad-kadri.si/>

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