INNOVATIVE AND FLEXIBLE APPROACHES TO WORKING TIME

CASE STUDIES

HUNGARY

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1 INTRODUCTION

Teleworking has seen a significant rise in recent years, with both freelancers and traditional employees increasingly expecting their employers to offer flexible working arrangements, including partial (hybrid) and full teleworking options (home office, digital nomadism). This shift is driven by a desire for greater work-life balance, as employees can now choose to work from virtually anywhere, whether it's a cozy home office or an inspiring location abroad (Czirók & Nyerges, 2018). This flexibility is particularly attractive to those seeking to experience life in different countries while maintaining their professional responsibilities.

In particular, the IT sector has been notably affected by this trend. As technology and digital platforms become more integral to daily business operations, the ability to work remotely has become a significant advantage for IT professionals, who often have the skills and infrastructure to work effectively from diverse locations. This sector has embraced teleworking not just as a temporary measure but as a strategic approach to enhance employee satisfaction and productivity.

In Hungary, however, the labour market faces persistent challenges, including a severe shortage of skilled workers. Companies across various industries are struggling to attract and retain top talent amidst increasing competition and evolving job expectations. The rise of digitalization and technological advancements further compounds this issue, as businesses require increasingly specialized skills and innovative solutions to stay competitive (Rab, 2022).

The Workation concept, which allows employees to work from a different location temporarily, presents a promising solution to these challenges. By offering employees the opportunity to work remotely from various destinations, Workation can serve as a unique benefit that enhances job attractiveness and employee retention. This flexibility not only helps address the labour shortage by making positions more appealing but also aligns with the evolving expectations of the modern workforce. For companies in Hungary, adopting such innovative teleworking models could be a strategic move to improve their competitive edge, foster employee loyalty, and effectively manage the ongoing talent shortage.

2 HOW THE CASE STUDY EMERGED

For Hungarian IT professionals, the notion of teleworking abroad has evolved from a novel idea to an anticipated benefit, especially given the current critical level of labor shortage in Hungary. The pandemic has accelerated the acceptance of home offices, with many professionals enjoying the flexibility and improved work-life balance it offers. However, this increased flexibility also presents a challenge: with the growing prevalence of remote work opportunities internationally, Hungarian IT professionals are increasingly exploring job prospects beyond their borders. Factors such as competitive salaries, the risk of burnout, and the potential for career advancement in a new environment contribute to this trend. Younger workers, in particular, are drawn to opportunities that offer not just financial rewards but also personal and professional growth.

This trend underscores the urgency for Hungarian companies to develop effective strategies to retain their IT talent. The human factor—such as the sense of belonging and teamwork—may struggle to compete with the higher salaries and benefits available in Western Europe, where remote work is similarly widespread. The global nature of teleworking means that companies need to offer compelling reasons for employees to stay, beyond just financial incentives (Szabó, 2022).

The concept of "workation," a blend of work and vacation, presents a promising solution to this retention challenge. While the idea of working while on holiday might seem counterintuitive at first glance, allowing employees to work from desirable locations—such as picturesque mountains or serene beaches—can bring several benefits. Studies have shown that this approach can enhance motivation, boost job satisfaction, and improve overall productivity. For IT professionals and those in creative fields, the opportunity to work in inspiring environments can be particularly appealing and can foster both innovation and engagement.

As teleworking continues to be redefined by ongoing global trends and the pandemic's long-term impact, its integration into the workplace is becoming irreversible, even in Hungary, albeit at a more gradual pace. The shift from traditional office environments to flexible remote work arrangements is not merely a response to immediate challenges but a strategic adaptation to evolving workforce expectations. As employers and employees navigate this new landscape, innovative solutions like workation could play a crucial role in addressing the dual pressures of talent retention and competitive advantage, ultimately contributing to a more dynamic and resilient workforce.

Deutsche Telekom IT Solutions Hungary, a subsidiary of the Germany-based global telecommunications giant Deutsche Telekom (DTAG), has solidified its position as one of the leading IT employers in the country. With over 5,000 employees, the company plays a pivotal role in Hungary's IT and telecommunications sectors, providing crucial support services across a range of operations, including software development, IT infrastructure management, and system integration.

Since 2015, Deutsche Telekom IT Solutions Hungary has earned the prestigious "Best Employer" award multiple times, underlining its commitment to employee satisfaction and a positive working environment. This recognition reflects not only their competitive compensation packages but also their continuous investment in employee well-being, career development, and work-life balance. Their HR initiatives are designed to cultivate a supportive company culture that

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resonates with the needs of modern employees, particularly in the fast-paced and demanding IT industry.

The company stands as a critical hub for technological innovation and digital transformation within Hungary and across the broader Deutsche Telekom group. It serves both domestic and international markets, offering specialized IT services that drive efficiency and streamline operations for a wide range of clients. This makes Deutsche Telekom IT Solutions Hungary an essential player in the digital economy and a strong advocate for technological advancement. Amid Hungary's ongoing labour shortages, particularly in the IT sector, Deutsche Telekom IT Solutions Hungary has implemented progressive recruitment and retention strategies

3 MEASURES ADOPTED IN MATTER OF WORKING TIME

3.1 Introduction

For the atypical rules on telework to apply, the parties must expressly agree in the employment contract that the employee will be employed on a telework basis. According to the general rules in Section 45(3) of the Labour Code, the parties must specify in the employment contract the place where the employee is to work: if the parties do not specify, the employee's place of work is deemed to be the place where he habitually carries out his work. This provision also applies to an employment contract concluded for the purpose of teleworking. The parties may also stipulate that the place of work is the employee's home or another place other than the employer's place of business, but if they do not stipulate this, the place of work is the place where the employee habitually carries out his work.

The legal definition of telework is that an employee performs his work duties for part or all of his working time at a place other than the employer's place of business (Kozma, 2024). The parties are not obliged to agree in the employment contract, but it is in any case reasonable to agree that the employee is obliged to work all or part of his working time (specifying how much) at the employer's place of business or at another place of his choice. In the absence of such an agreement between the parties, Section 196(3)(c) provides that "the employee shall not work at the employer's place of business for more than one third of the working days in the year in question".

It is also not an obligatory element of the employment contract to regulate the conditions of contact and the method of accounting for expenses. However, the latter obviously does not mean that the parties may not agree on the payment of the expenses incurred by the employee, but it does not exclude that the employee may claim reimbursement of necessary and reasonable expenses incurred in the course of his employment, even in the absence of an express provision in the employment contract, by applying Section 51(2) of the Labour Code accordingly. As regards the method and conditions of contact, a technical description of the way in which the employee can be contacted by his superiors and colleagues during the period in which he is working at a place other than the employer's premises is essential.

It is possible to modify an employment contract for the purpose of teleworking, so it is not necessary for the parties to a typical employment contract to terminate the employment contract and then enter into a new employment contract for the purpose of teleworking. Similarly, it is possible for the parties to modify their existing employment relationship for a fixed period of time for the purpose of teleworking, without affecting the duration of the employment relationship. In practice, there is also a solution where the parties modify the employment contract for a fixed period of time for the purpose of teleworking and agree a separate right of termination for this modification. In other words, either party can "revert" to the rules of a typical employment relationship by giving sufficient notice. In our view, this is acceptable.

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Regarding the teleworker, the employer's right of direction and control may be limited due to the specific nature of the work. In general, the employer's right to give instructions is limited to the definition of the tasks to be performed. In practice, this means assigning the tasks to be performed by the employee, but the employer no longer has the right to give instructions on the manner, organisation, etc., in which the work is to be performed. The parties may agree otherwise, giving the employer full rights of instruction, direction and control.

In the context of the employment relationship, the employer is obliged to provide the means necessary for the performance of the work, in accordance with the provisions of Section 51 of the Labour Code. This provision also applies to telework. However, as in the typical employment relationship, the parties to the atypical employment relationship in question have the possibility to conclude a different agreement. There is therefore no obstacle to an agreement whereby the teleworker uses (and pays for) his own equipment for work or communication.

If the employer provides computer equipment for teleworking, the general rules of the Labour Code apply to the use of this equipment. According to Section 11/A, employees may use the computer equipment provided by the employer for work purposes only for the performance of their work duties, unless the parties agree otherwise. A teleworker may therefore not use the computer equipment provided to him for private purposes, and the employer is entitled to control this. However, it is certainly realistic for the agreement between the employer and the teleworker to allow the employee to use the equipment provided for private purposes, but it is advisable to lay down detailed rules in such cases.

By law, a teleworker is generally allowed to manage their own working hours, considering the specific nature of their tasks. However, there is nothing preventing the employer and employee from agreeing otherwise.

They can easily agree that the employee will follow a fixed schedule, aligning with the standard working hours of the employer or the hours of other employees in the same role.

Taking into account the specific characteristics of telework, the Act on Occupational Health and Safety[1]. lays down special rules on occupational safety and health in Section 86/A, distinguishing between telework with or without the use of computer equipment. Generally, if teleworking is carried out with equipment provided by the employee, the employer must ensure the safe condition of the equipment when carrying out the risk assessment. The worker must ensure that the equipment is maintained in a safe condition. Where teleworking is carried out by means of a computer, the employer is not obliged to assess the suitability of the place chosen by the employee from the point of view of safety and health at work. However, the employer must provide the employee with written information on the rules for safe working conditions that do not endanger health and safety. On the basis of this information, the Act obliges the employee to choose or arrange his place of work on the basis of the conditions set out in this information. Unless otherwise agreed by the parties, the employer has the right to monitor compliance with health and safety at work rules remotely by means of a computer device.

3.2 WORKATION

The term "Workation" combines the words Work and Vacation. It refers to a teleworking scheme which allows employees to work from a different country temporarily. The application for the scheme is initiated by employees, and it enables them to spend more time in a selected destination country.

[1] Act XCIII of 1993 on Occupational Health and Safety.

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The initiative assumes that during workation, employees work for the same quality and duration as if they were teleworking at home or working in the office. However, after the end of working hours they have more opportunities to take advantage of the leisure activities offered by their destination, spend more time with relatives or simply relax and unwind in different circumstances. The total stay abroad is a maximum of 20 working days (= 28 calendar days) in a calendar year. In pilot year the company allows a maximum of four workation request per employee in a year. Regarding duties and work arrangements, working hours, benefits, number of holidays, responsibilities and expectations towards the employee are unchanged during workation.

Eligible are all internal employees regardless of nationality, including leased employee and third country nationals (however, in the case of the latter, they must have insurance, as European Health Insurance Card (EHIC) is not available in their case). Eligible employees must have an employment contract has been in force for at least six months at the start of the workation. Concerning employees with fixed-term contract, the return date is at least one month before the planned expiry of the current employment contract. Not eligible are external workers and trainees. For those who are currently having their probation period, inactive period (like maternity leave), suspension for breaching their work-related duties or dismissal period the Workation application cannot be approved. Approval can be unilaterally withdrawn by the employer if the employee resigns before the start of the workation.

Concerning the expenses, all related costs and organisational tasks are borne by the employee. Employees are entitled to home office reimbursement if they have a telework contract. No additional travel, or health insurance is provided by the employer. It is mandatory to have EHIC and recommended to take out insurance by their own cost. Thus, this scheme is different from posting.

As for available destinations, Workation is possible only within EU, although the USA may be added later to the program. The reason for this restriction lies in taxation issues. Any location of the employee's choice where they can create a healthy working environment (e.g.: hotel, apartment) by providing the necessary tools. The applicable law is Hungarian concerning the rules on teleworking, health and safety and workplace accidents, but not new audit of the workstation is necessary.

Concerning the applicable procedural rules, after employees are informed about the terms and conditions of the Workation scheme, they can consult with their supervisors and get their approval. Employees can submit a request to the HR Services Team 30 calendar days prior to the planned Workation. It is followed an assessment by after which detailed feedback and the decision on approval or denial is delivered within 10 calendar days to the employee and manager. In the assessment phase, the HR checks the eligibility and conditions of the Workation, also, it request and individual assessment from the tax advisor partners on taxation and labour law regulations of the selected country. Given the request was approved, the HR and employees agree on and sign a temporary employment contract modification, and employees can start organizing their Workation. Employees must provide the exact address to the HR Services team. Upon their return, employees, upon their return informs manager and HR Services team.

A submitted workation request can be shortened or cancelled anytime by the employee; and also it can be extended at the latest until the request has been processed. Once a workation has been started, it cannot be modified. In the event of any impediment, the immediate manager and HR officer must be informed immediately.

In case of illness, employees must report their case in the usual way to their line manager and your Hungarian family doctor (GP) to claim sick leave/sick pay. Concerning unforeseen obstacles, like broken devices,

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cancelled flight that makes it impossible to work, employees must return immediately to Hungary and continue working on their original schedule If returning is not possible, employees inform their managers immediately and the remaining workation days will be registered as either leave without pay or holiday.

4 IMPACT OF THE MEASURES

DT IT-Solutions took a lead to bring teleworking into the normal workflow after COVID-19. Even before the pandemic, all employees are provided with laptops and the company has had significant experience in managing employees working remotely. Under general work arrangement rules, employees spend one day per week in the office only, which has been considered necessary to keep social relations live among workers. Workation was an initiative from DTAG. The Hungarian branch launched it first on a national level. Based on the highly positive feedback of the pilot, it went live in 2024. The most popular destinations have been Spain, Germany and France. After the six months long pilot project was finished successfully, new destinations were made available in the EEA region (Iceland, Liechtenstein, Norway) and Switzerland.

Although the initiative was given by the Headquarter, it was the local HR Team's responsibility to make the project feasible in Hungary. "*One of the most difficult problems was to find our how the global initiative could be placed in the Hungarian legal environment. Taxation Tissues also gave us a headache, and we also referred the issue to our tax consultants*" (1/7). Although all rules are in line with the Hungarian regulations, it required some creativity to make the project viable: "*There were issues where we have to stretch the rules a bit, most notably in the case of travelling. Even though Workation days are working days and employees Travelling to the location of the Workation does not count as commuting and social insurance rules are therefore not applicable*" (2/7).

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Before the project was launched, the administrative workload of the HR Services Team increased significantly. Interviewees pointed to the growing volume of tasks associated with the approval process, particularly in verifying labour and tax laws for the selected destination countries. Additionally, some participants expressed dissatisfaction with the complexity of the application process. In response to this feedback, the HR Services Team proposed new ideas to streamline and improve the system: "*We proposed simplifying the procedure, for example, instead of three different decision-making levels, we can bring it down to a lower level*" (2/7).

This project reveals to the great need for flexibility at workplaces: "*Although remote work had been available to workers, Workation adds a special value, as it reflects to special real-life situations, it extends the time one can spend on a holiday with the family or can accommodate our employees' needs if their spouses are on a work-related leave or being posted*" (1/7). By the time of the interviews, 27 employees have requested Workation, on an average of nine days. Also, based on the feedback of the participants, this tool adds significant value to the company's benefits and will increase its talent retention potential.

One of the interviewees highlighted a potential challenge related to work efficiency. Management had already expressed concerns about productivity before the Workation program was introduced, specifically questioning the effectiveness of employees spending only one day in the office. These concerns suggest that the reduced physical presence might impact collaboration, supervision, or overall output, raising doubts about how well the program could support the company's performance goals. Thus, the same problem may arise in connection with the Workation program. Moreover, management raised concerns about replacement: when someone is absent from work, such as due to illness, it is more difficult to replace that person with a colleague who is away on Workation.

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Concerning workers' participation, the Workation initiative was originally developed by DTAG, which means that according to German labour law, the local works council approved the program. However, unlike in Germany, works councils in Hungary have significantly weaker rights, most importantly, they do not have co-decision making rights. Nevertheless, works council operates at the Hungarian branch and it was was informed and consulted on the issue according to Hungarian laws.[2]

5 GENERAL EVALUATION AND CONCLUSIONS

Workation enables employees to enjoy the benefits of working remotely while being in a vacation-like environment, allowing them to relax, engage in leisure activities, and spend time with family, promoting overall well-being and mental health. The program allows employees to choose their preferred location within the EU, giving them flexibility to tailor their working environment to their personal preferences, which can boost motivation and satisfaction; therefore, it enhances autonomy and sense of ownership over projects. Offering Workation as a benefit can increase employee loyalty, retention, and morale, as it signals that the company values work-life balance and employee well-being. Moreover, employees have the opportunity to immerse themselves in different cultures and environments, enriching their personal lives and possibly increasing creativity and fresh perspectives when they return to the office.

Concerning eligibility and accessibility, the scheme is open to a wide range of employees, and accessible to majority of the workforce. Exceptions are made with good reasons, like only those are excluded from the program who are either having probation or notice period or subject to disciplinary measures

[2] Section 264(1) and (2) points f), j),and n) of the Labour Code.

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Regarding duration and available destinations, Workation is restricted to a maximum of 20 working days per year and is limited to the EU, restricting the number of potential participants and destination options. However, these limitations are reasonable concerning taxation issues and strive for a healthy balance between flexibility and productivity.

A potential pitfall is related to employee responsibility for costs: all travel, accommodation, and insurance expenses are borne by the employee, which may deter some employees, especially those on lower incomes or with less financial flexibility. Especially the company provides no additional travel or health insurance, leaving employees to bear the responsibility for ensuring proper coverage and potentially adding extra costs and risks during their workation. Once the Workation starts, modifications are not allowed, which could be restrictive in the event of unforeseen changes or circumstances, which may also increase the costs on the employees' side. Additionally, any major disruptions require immediate return to Hungary, potentially cutting the workation shorter than expected.

Although the project entails administrative complexity, it mostly increases the tasks of the HR department and the application procedure on the employees' side is fairly streamlined. Moreover, the increased workload mostly occurs due to differences in tax laws and labour regulations between countries, which can create administrative and legal hurdles, particularly for third-country nationals or employees traveling to countries with more complex tax systems. Financial transparency and accountability require stringent assessment. Despite the above reasons, the approval process involves consultations, eligibility checks, and tax and labour law assessments, which can make the process time-consuming and complex for both the company and the employee.

In conclusion, while the Workation scheme provides significant benefits in terms of employee satisfaction, flexibility, and work-life balance, it comes with notable challenges, including financial burden on employees and

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administrative complexities. Overall, the program features reasonable risk-sharing between the parties, and gives great potential to enrich the talent retention portfolio of the employer.

The fact that the Hungarian works council was informed and consulted indicates that employees were involved in the decision-making process to some extent, aligning with the basic requirements of Hungarian labour law. This promotes transparency and communication within the company. However, unlike in Germany, where works councils have co-decision rights, Hungarian works councils have much weaker influence. This could limit the extent to which employees can actively shape the program in Hungary, potentially leading to dissatisfaction or a lack of employee buy-in. Moreover, the consultation of the Hungarian works council may not have the same impact as co-decision rights in Germany. This difference might result in less employee-driven customization of the Workation program in Hungary, which could lead to challenges in addressing local employee needs or concerns.

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1 INTRODUCTION

The demand for flexible working arrangements has significantly increased in the wake of the pandemic. However, under Hungarian law, the options for offering greater flexibility—whether through remote work or reduced working hours—remain relatively constrained. This creates a challenge for both employers and employees as they navigate the evolving landscape of work-life balance and productivity. The following two case studies explore innovative remote work solutions that attempt to address this challenge by balancing the need for employee flexibility with employers' goals to maintain or even enhance productivity and efficiency. Following international examples, several Hungarian companies tried to introduce a four-day working week, which was seen as one of the most promising new breakthroughs in flexibility, but these attempts were unsuccessful and unsustainable. The two selected companies are trying to find alternative ways of combining employer-scheduled working hours and working from home in order to maintain a work-life balance. These examples highlight creative approaches that seek to bridge the gap between legal limitations and the modern workforce's expectations.

The four-day working week was introduced by Deutsche Telekom Hungary, the first of the multinational's Hungarian sites, on a pilot basis. The innovation was introduced because, in the years prior to the project, there had been a high turnover of customer service jobs, which could increase further in jobs requiring special skills, such as IT. These jobs can now be done from home almost anywhere, and an increasing number of Hungarian IT workers are taking jobs abroad, making it more difficult to retain these colleagues. The introduction of a four-day week would have been a big step in this direction.

The telecoms company tested the four-day week with 152 employees between July and October 2022, receiving positive feedback at first, and

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then rolled it out to 300 employees from February. However, long-term surveys showed that the model was not effective for everyone. The trial period ran from July to October 2022, during which time members of the selected groups were paid the same, had to work four days a week, eight hours a day, their working hours were officially reduced from 40 to 32 hours, and the extra day off was added to the weekend, either Monday or Friday, while for those working a continuous schedule, it was added to one of the weekly days off.

The pilot was followed by another experiment, this time with 300 employees, in which Telekom set a target of 100/90/100, i.e. to achieve 100 per cent of the original performance in four days, 90 per cent of the original working time, i.e. 36 hours, in the long term, with full pay. The four groups were deliberately chosen so that two were made up of people who worked regular hours (customer service and technical troubleshooting) and two were made up of people who worked more informal hours on a task basis (technology sales support and SAP support). This was done to ensure that the results were representative of the performance of people in both types of job. In February 2024, the company ended the four-day work week test programme with a short press release stating that "the four-day model is not uniformly applicable to all employees and most of them could not work effectively in this model due to the nature of their work or life situation".

2 HOW THE CASE STUDY EMERGED

The two cases studies emerged as good practices for remote work options as alternatives to rather unsustainable pilot projects launched by Hungarian branches of large multinational companies in the service sector.

DHL

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DHL was selected for this case study on hybrid work environments due to its distinguished record in employee engagement and organizational excellence. Recognized as a Top Employer Global for the tenth consecutive year, DHL has consistently demonstrated its ability to cultivate supportive and dynamic workplaces. DHL's global success in integrating flexible work arrangements while sustaining top-tier employee satisfaction and productivity makes it an ideal subject for studying the implementation of hybrid work models. As a leader in logistics, DHL navigates the complexities of managing a geographically dispersed workforce, setting a benchmark for companies transitioning to hybrid work environments.

Schneider Electric

Schneider Electric Zrt. is based in Hungary, with the head office in Budapest. It operates in the Architectural, Engineering, and Related Services industry. Schneider Electric Zrt. was incorporated on April 16, 1990. It currently has a total number of 1,283 (2024) employees. Schneider Electric's long-standing presence in Hungary since 1991 has made it a key player in both the local and international markets. The company has four factories in Zalaegerszeg, Gyöngyös, and Kunszentmiklós, as well as its regional logistics centre in Szigetszentmiklós, which serves over 20 countries in Central and Eastern Europe. In addition to its manufacturing and logistics operations, Schneider Electric also maintains a Business, Sales, and Customer Service Centre in Budapest, along with the European headquarters of its Energy and Sustainability Service Centre, and a global finance and procurement services centre. The company's strong financial performance underscores Schneider Electric's ability to innovate and expand, making it a compelling example of how large-scale organizations can successfully implement hybrid work models while driving growth and maintaining operational efficiency across multiple sectors. Schneider Electric has been awarded for multiple times due to its worker-friendly and flexible environment.

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3 MEASURES ADOPTED IN MATTER OF WORKING TIME

The case studies explore the challenges and legal considerations associated with implementing flexible working arrangements, particularly focusing on homeworking and a four-day workweek within Hungarian labour law. It highlights the conflict between existing regulations on working hours and rest periods, and recent EU rulings that emphasize the need to maintain both daily and weekly rest periods, regardless of work schedule adjustments.

3.1 Introduction

The primary challenge with home working is its current lack of regulation. The term "home office" was only introduced into Hungarian law in March 2020, prompted by the legal requirements of the COVID-19 emergency. Although the now-repealed Government Decree 47/2020[1] allowed employers to unilaterally order employees to work from home or telework, this move was significant as it acknowledged "home office" as a distinct legal concept, even in the absence of detailed legislation.

Despite this recognition, the Labour Code and other legislation do not explicitly outline the rules for home working. However, it's generally accepted that the general provisions of the Labour Code should apply. Specifically, Section 51(1) mandates that employers must provide the necessary conditions for employment, while Section 51(2) requires employers to reimburse employees for reasonable expenses incurred while working. These rules raise important questions for home working. For example, who is responsible for the additional costs associated with working from home, such as increased electricity, water, and heating expenses? While these costs are clearly related to the work being done, and thus fall under the employer's obligations, the Labour Code does not

[1] Government Decree 47/2020. (III. 18.).

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explicitly address how these should be managed. Moreover, it would be challenging in practice to accurately calculate and prove the exact additional expenses incurred by employees due to home working. This lack of clarity highlights the need for more detailed regulations to address the evolving nature of work environments (Kozma, 2024).

Section 52(1) outlines the primary obligations of employees, including the requirement to be present at the designated workplace, ready and fit for work, and to be available to the employer during working hours. Employees must perform their duties personally, with the expected level of competence and care, adhere to all relevant rules, regulations, and instructions, and cooperate with colleagues. While these obligations might seem straightforward, they become nuanced in the context of home office. For instance, the requirement to be "present" at the workplace might seem irrelevant in a home office setup since the employee typically chooses the work location (Kárpáti, 2022). However, this does not negate the employee's responsibility to be available and in a fit state to work at the start of their scheduled working hours, just as they would be in a traditional office environment. Unless an alternative arrangement is made, the home office does not alter the standard work schedule, and the employee must be ready to work at the designated time.

Regarding the obligation to follow instructions, it's important to note that homeworking does not diminish the employer's authority to direct the work. The employer still retains the right to decide what tasks are performed, how they are executed, and to what standard. This is a key distinction from telework, where the nature of the work might allow for greater autonomy. In the case of homeworking, while the employee may choose the location, all other aspects of the employment relationship—such as work hours and responsibilities—remain unchanged and governed by the employment contract. Thus, working from home should not be seen as fundamentally altering the employment relationship but rather as a shift in the location of work. All core obligations and

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expectations, both from the employer and employee, remain intact, ensuring that the structure and discipline of traditional employment are maintained even in a home office setup (Fodor & Tóth, 2021).

Section 96(1) of the Labour Code stipulates that the employer is responsible for determining the organization of working time, including the working time schedule. However, paragraph (2) allows the employer to delegate the right to organize working time to the employee in writing, particularly in cases where the nature of the work allows for independent organization (informal working time). This flexibility means that even if the employee can perform certain duties at specific times due to the nature of the work, it doesn't alter the informal nature of their working hours, because the context of a home office, the employer's right to set working hours remains unchanged. The parties may agree that the employee not only chooses where to work but also when to work. However, in the absence of such an agreement, the employee is still expected to adhere to a fixed schedule. This means that, as previously mentioned, working from home does not grant an employee with a standard working schedule the freedom to unilaterally decide to shift their work hours to different times of the day—such as handling personal errands during the day and working late at night. Unless otherwise agreed, the employee must be available and working during the designated hours (e.g., 8 AM to 4 PM).

This raises important questions about the consequences if an employee fails to comply with these obligations. For instance, could non-compliance lead to immediate termination of employment, or would a written warning or the revocation of homeworking privileges be a more appropriate response? These issues are still awaiting clarification in case law. However, given the increasing prevalence of homeworking, it is likely that such situations will become more common and will require careful consideration. In the light of the above stated, the way employees perceive home office could lead to various instances where the boundaries of these obligations are tested. Employers and employees alike will need to navigate these challenges carefully to maintain productivity and adherence to the agreed-upon terms of employment, even within the flexible framework that homeworking provides.

In recent times, many employers have adopted homeworking as a necessary measure, primarily to prevent the spread of viruses. Given this context, it's understandable that they may be reluctant to alter the existing work schedule during the home office period. Essentially, employers are looking to change the location of work while expecting employees to maintain their usual productivity and routines. However, this approach does not align with the traditional purpose of a home office. Historically, the concept of a home office is perceived as a special privilege by both employers and employees (Kárpáti, 2022). This perception stems from the fact that employees often associate homeworking with greater autonomy, believing that they can choose when during the day to complete their tasks, as long as the work is finished on time.

Beyond the choice of work location, one of the key challenges in implementing flexible working arrangements lies in the organization of working time. According to Article 6 of Directive 2003/88/EC, the maximum weekly working time, including overtime, should not exceed 48 hours over any seven-day period. The standard 40-hour workweek is thus in compliance with this directive, as it does not prescribe a fixed daily working time. Furthermore, Article 13 of the same directive encourages Member States and workers to maintain flexibility in determining work schedules. This flexibility is especially emphasized in Directive 2019/1152, which highlights the need to adapt working time patterns to meet economic demands. Article 13 of Directive 2003/88/EC states that employers must consider the general principle of adapting work to the worker when organizing work according to a particular pattern. This includes avoiding monotonous and rigid work schedules, taking into account the nature of the tasks, and ensuring that safety and health

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requirements are met, particularly with regard to breaks between work periods (Nemessányi, 2023).

These directives underline the importance of flexibility in both work location and scheduling. While many employers have adopted homeworking as a temporary or forced solution, the broader intention behind such arrangements is to create a work environment that is more adaptable to the needs of both the business and the employee. Balancing these needs requires careful consideration of how work is organized and ensuring that employees have the autonomy they associate with homeworking, without compromising on productivity or compliance with legal requirements.

However, the current provisions of the Labour Code present challenges to implementing a four-day workweek. According to Section 92(1) of the Labour Code, the standard full daily working time is set at eight hours per day. Under Section 92(4), shorter working hours are permitted only if specified by an employment regulation or agreed upon by the parties involved. Furthermore, collective agreements can only deviate from this standard in ways that are more favourable to the employee. This means that adopting a four-day workweek would necessitate a formal adjustment to the established working time regulations (Csorba, 2021).

In addition to working time rules, rest period regulations also pose potential obstacles to redistributing workdays into a four-day workweek. Two specific types of rest periods are particularly relevant: the break during the workday and the rest period between two working days. Chronologically, the first issue to consider is the break during the workday, often referred to as the inter-work break. Article 4 of Directive 2003/88/EC mandates that if an employee's working time exceeds six hours, they must be given a break. This directive encourages the parties involved in collective agreements and social partners to determine the specifics, with national legislation serving as the ultimate regulatory framework (Rab, 2022).

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Within the context of Hungarian labour law, the provision for breaks during a workday exceeding six hours is well established, typically covering a mandatory lunch period. However, in the case of a four-day workweek, where daily working hours might extend beyond the usual eight hours to accommodate the compressed schedule, the law requires two breaks. These breaks cumulatively extend the working time by forty-five minutes. The challenge lies in reconciling these mandatory rest periods with a compressed work schedule, as the need for longer breaks could potentially undermine the efficiency gains sought through a four-day workweek. Adjusting both working time and rest period regulations would therefore be crucial to successfully implementing a four-day workweek while ensuring compliance with existing labour laws and maintaining employee well-being.

The minimum duration of the daily rest period under Hungarian labour law is set at 11 consecutive hours per day, which aligns with Article 3 of Directive 2003/88/EC. This directive, incorporated into the Labour Code, mandates a minimum of 11 hours of uninterrupted rest within a 24-hour period, ensuring that workers have adequate time to recover between workdays. This requirement applies equally to both standard eight-hour workdays and extended working hours, such as those that might occur in a compressed workweek scenario. However, a significant ruling from the Court of Justice of the European Union (CJEU) in the case involving MÁV-START[2], a Hungarian railway company, has brought additional clarity—and restrictions—to the application of these rest period rules. The CJEU's interpretation of Articles 3 and 5 of Directive 2003/88/EC, as read in conjunction with Article 31(2) of the Charter of Fundamental Rights of the European Union, reinforces the importance of separating daily and weekly rest periods. The CJEU ruled that:

[2] Case C-477/21, *IH v MÁV-START Vasúti Személyszállító Zrt.*, EU:C:2023:140.

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- The daily rest period mandated by Article 3 of Directive 2003/88/EC is distinct and must be added to the weekly rest period provided under Article 5 of the same directive. This means that the daily rest period cannot be included as part of the weekly rest period, effectively extending the overall rest time required for workers.
- If national legislation grants a weekly rest period exceeding 35 consecutive hours, employees must still be provided with the daily rest period in addition to the weekly rest period. This interpretation emphasizes the need for both types of rest to be fully respected.
- When a worker is granted a weekly rest period, they are also entitled to a daily rest period immediately before the start of that weekly rest period.

These rulings have practical implications for the organization of flexible working arrangements. The CJEU's decision effectively restricts employers' ability to compress or manipulate rest periods in favour of more flexible schedules, reinforcing the need to adhere strictly to both daily and weekly rest requirements. For employers looking to implement non-traditional work schedules, such as a four-day workweek, this case underscores the necessity of carefully structuring work and rest periods to ensure full compliance with EU labour directives. This judgment serves as a critical reminder that while flexibility in work arrangements is increasingly sought after, it must not come at the expense of workers' rights to adequate rest, as these are fundamental protections enshrined in both EU law and national labour regulations.

3.2 Remote Work Solutions at DHL Budapest Command Centre

DHL's Budapest Command Centre (BCC), responsible for a range of shared services like logistics, accounting, global trade compliance, and global business services, has positioned itself as a leader in Hungary by pioneering remote work initiatives tailored to modern employment needs. While such hybrid work models are more common across Europe, BCC stands out as one of the first in Hungary to implement flexible, scalable work arrangements for its entirely white-collar workforce.

The drive towards flexibility at BCC began during the COVID-19 pandemic when the company introduced a hybrid work structure that allowed employees to work remotely for three days a week, with two days reserved for office presence. What sets this model apart is its built-in flexibility: employees can choose one of their office days according to their preferences, with the other day set by the employer. This 80-20 remote-to-office split offers a refreshing balance between autonomy and structured collaboration, which is still considered novel in the Hungarian business landscape.

In addition to the hybrid model available to the wider workforce, BCC has introduced a more advanced flexible working arrangement for its management team. Managers are granted full autonomy over their working hours, allowing them to tailor their schedules according to personal preferences or business needs.

Additionally, in a progressive move to support employee well-being, the company allows certain groups to apply for 100% remote work based on personal circumstances such as long commutes, childcare, or eldercare responsibilities. This policy ensures that employees facing significant personal burdens can remain engaged and productive without being tied to the office.

3.3 Flexible Working Time Arrangements at Schneider Electric Hungary

Schneider Electric embraced flexible working arrangements during the COVID-19 pandemic, like many global companies, and this marked a significant shift in their approach to remote work. Initially introduced as a response to the crisis, these flexible work options quickly gained widespread acceptance among both employees and management. Encouraged by the positive feedback and results, the company's global

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headquarters granted full autonomy to local branches, allowing them to tailor remote work solutions to their specific operational needs. As a result, remote work has now become a permanent feature of Schneider Electric's workplace culture in Hungary, seamlessly integrated into the company's post-pandemic operations.

Under the new flexible working policy, Schneider Electric employees typically spend two days working remotely from any location within Hungary, with the remaining three days spent in the office. This balance provides employees with a much-appreciated level of autonomy, allowing them to choose the location of their remote work within Hungary while still maintaining a strong connection to their office teams. The decision to limit remote work to within Hungary stems from important considerations regarding occupational health and safety, as well as taxation laws, ensuring the company remains compliant with local regulations.

Employees also enjoy considerable flexibility in determining which office days suit them best. Schneider Electric's branch managers are responsible for coordinating office schedules to maximize team efficiency and ensure that collaboration is not hindered by staggered office attendance. To further enhance this arrangement, Fridays have become unofficially "meeting-free," allowing employees to structure their office presence and remote work hours more comfortably while maintaining high productivity levels.

Schneider Electric has also launched a new pilot program to further expand its flexible working options through the introduction of a sabbatical leave policy. Under this program, employees who have been with the company for at least three years can apply for a sabbatical ranging from three to six months. The program offers employees the chance to step away from their work duties, recharge, pursue personal projects, or focus on family matters.

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One notable aspect of this program is the co-sponsorship model, where employees contribute to the financial feasibility of their sabbaticals. Half of the costs are covered by Schneider Electric, while employees save the other half in a "salary bank" over time. This savings model empowers employees to take longer breaks without severely impacting their financial stability, reinforcing the company's commitment to fostering work-life balance and personal growth.

Schneider Electric has long been recognized for its innovative internal bonus system known as "Step Up," a peer-to-peer recognition program that allows employees to reward one another for exceptional performance by assigning bonus points. These points can then be redeemed for various work-related benefits, adding an element of empowerment and positive reinforcement to the company's internal culture. Recently, the "Step Up" program has been expanded to offer even greater flexibility and benefits for employees. One of the most popular additions is the option for employees to exchange their accumulated bonus points for extra paid vacation days. This new feature not only boosts morale but also gives employees more control over their time off, further enhancing their work-life balance.

4 IMPACT OF THE MEASURES

Concerning the home office project at DHL, the biggest challenge was to ensure a healthy and safe working environment. "*We started exploring the occupational health and safety measures during COVID-19, and the most ensuring is that we ask employees to take pictures of the workstations. However, it also means that remote work option is only available from the employees' homes.*" (6/7). Despite this restriction, employee satisfaction surveys show that DHL staff is highly satisfied with the option, which provides significantly more flexibility for employees compared to other competitors in the logistics industry.

"*Another restriction is that the home office is only available to white-collar workers, which is understandable, as warehouse workers cannot perform their duties from home.*" (6/7). This constraint may bring up some tension between blue- and white-collar workers, the former being represented by a trade union, however, white-collar workers are not unionised at BCC. "*We have a collective agreement at DHL, which provides for teleworking for certain positions, but at BCC we do not have any union members at our workforce, and we apply our own home office regulations to employees.*[3] *This home office measure works better for us, we trust our employees and so far, it has not brought up severe efficiency issues.*" (6/7). Apparently, a high level of employee commitment is key to efficient operations and helps overcome the initial uncertainties concerning flexible arrangements: "*We do not have a strict core and periphery time arrangement for office hours either, mutual trust is important and our flexible working time arrangement works well. Home office highly enhances employee commitment. Ever since the pandemic forced us to provide more adaptable individual working time arrangements, we keep working on even more flexible solutions*." (6/7). Concerning the 100% home office option, the interviews show that about 50% of the applicants are male: "*The need for more family-friendly arrangements have grown after the adoption of the Directive*.[4]" (6/7).

Regarding the case of Schneider electric, data show that the company was lagging behind in terms of employer branding: "*We were well known in our professional circles, but we wanted to improve our external visibility. We needed to recruit hundreds of new people, mainly engineers and*

[3] According to Hungarian legislation, a collective agreement is universally applicable to all employees employed by the employer, regardless of their union membership. On the other hand, it is possible to apply different regulations to employees based on their jobs. DHL's collective agreement is confidential.

[4] Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU. The Directive was transposed to Hungarian law with a significant delay, in December 2022.

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economists. But the big thing is that, in addition to finding new employees, another important task of HR is to retain existing employees. We do this very well, with a high retention rate of people who have been with us for several years." (7/7). Building on industry experiences, it was obvious that the company faces the hardship of labour shortage in recruitment and talent retention: "*I think it is very important to have a team, the opportunity to do meaningful, value-added work, and a flexible working environment. Our white-collar workers, including management, can work from virtually anywhere when they are not in the office, and they can allocate their tasks differently than they would on office days. This provides ample flexibility and supports a healthy work-life balance*." (7/7).

Based on the interviews, it is quit obvious that remote working, although it is not primarily related to working time, gives autonomy to employees in task allocation, thus, serves as a flexibility measure too: "*What I find is that everyone has now developed a sense of the conditions in which they can work most effectively. For some it is the office, for others it is the home environment. For those who like the home office and want to organise their family life to minimise the commute between home and work, the increase in overheads will not lead to a return to daily commuting. If it does, we're delighted, because we've always been known for a good workplace community, which is best built on face-to-face interaction*." (7/7).

Although the idea of a four-day workweek gained popularity after the pandemic, it soon proved to fall short not only in meeting legal requirements but also in fulfilling employee expectations: "*We have not considered introducing a four-day work week. Telekom was very transparent about the pilot project, and we all learned a lot from their example. The biggest disadvantage of a four-day week is that, although Fridays are free, employees cannot squeeze all their business into that day. And if there are family events, school activities or birthdays on working days, they cannot attend them because they are still working on the same*

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day. We believe in individual flexibility and that's what we're trying to achieve with our home office project." (7/7).

5 GENERAL EVALUATION AND CONCLUSIONS

Both DHL and Schneider Electric have taken significant strides towards implementing flexible working arrangements that cater to the evolving demands of their workforce, particularly in the wake of the COVID-19 pandemic. These initiatives not only respond to employee expectations for greater flexibility but also aim to sustain productivity, foster employee engagement, and improve talent retention in a competitive labour market.

DHL's Budapest Command Centre (BCC) has effectively implemented a hybrid work model that demonstrates flexibility and adaptability, making it a strong case for successful post-pandemic work reforms. The arrangement of three home office days and two office days per week strikes a balance between remote work and the need for in-person collaboration, particularly in shared services like logistics and accounting. This hybrid model has given employees the autonomy to organize their workdays, allowing them to choose one of the office days while the company determines the other, ensuring a level of coordination.

DHL's flexibility extends to certain employee groups, where 100% home office arrangements can be granted based on personal circumstances such as commuting difficulties or family obligations. This approach reflects a high degree of sensitivity towards individual needs, which has been key to maintaining a satisfied and productive workforce. Furthermore, the flexibility in task allocation for white-collar workers and management has enhanced work-life balance, contributing to overall job satisfaction.

One area for potential improvement, however, lies in refining the management of remote work processes, ensuring that operational

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efficiency and team cohesion are maintained across the hybrid model. While flexibility is valued, careful coordination between in-office and remote staff remains crucial to avoid any disruptions in workflow and communication.

In a country where remote work practices are still evolving, DHL's BCC has taken a bold step towards modernizing workplace flexibility and fostering a more adaptive and resilient work culture. These innovations reflect DHL's forward-looking approach to workplace dynamics, positioning it as a trendsetter in Hungary's ongoing digital and organizational transformation. For select groups of employees facing unique challenges—such as long commutes, childcare, or eldercare responsibilities—BCC offers the opportunity for 100% remote work. This is particularly progressive in the Hungarian context, where full-time teleworking is still relatively uncommon. Employees can apply for this scheme if they can demonstrate that being physically present in the office would impose a disproportionate burden on their personal lives.

Schneider Electric has embraced remote work options and flexible scheduling as an integral part of its post-pandemic operating model. The company's implementation of two home office days and three office days per week allows employees to choose their working environment while adhering to legal and safety requirements. Schneider Electric has also shown thoughtful flexibility in ensuring that Fridays are free from team meetings, giving employees more autonomy in planning their office days and minimizing disruptions to their personal lives.

In addition to flexible work schedules, Schneider Electric has introduced innovative measures such as the sabbatical program, a unique offering that enables employees to take a three to six-month break every three years. This program, co-sponsored by the employees through a "salary bank," demonstrates Schneider Electric's commitment to supporting employee well-being and addressing issues like burnout. It also highlights the company's forward-thinking approach to long-term employee engagement and retention.

Another standout initiative is the "Step Up" program, which allows employees to convert peer-given bonus points into work-related benefits, including extra paid vacation days. This gamified system of rewarding performance fosters a positive work culture while offering tangible incentives for employees to excel in their roles.

However, one challenge Schneider Electric may face is ensuring that these flexible work arrangements and unique programs are accessible and beneficial to all employees across different levels and roles. Coordination between remote and in-office work still requires careful planning to ensure that organizational goals are met without compromising employee flexibility.

Both DHL and Schneider Electric have embraced the future of work by implementing flexible work arrangements that cater to the needs of their workforce while maintaining operational effectiveness. DHL's hybrid model has enabled a smooth transition into a new era of work, emphasizing autonomy, work-life balance, and inclusivity for those with specific personal needs. Schneider Electric, on the other hand, has taken flexibility a step further by introducing innovative sabbatical and reward programs that not only promote productivity but also enhance employee satisfaction and well-being. While both companies have made significant progress, continuous evaluation and fine-tuning will be necessary to optimize these programs, ensuring that they remain beneficial to both employees and the organization. Their commitment to flexibility, innovation, and employee engagement sets a strong example for other companies navigating the challenges of the modern workplace.

One notable aspect of the implementation of flexible work schemes at both DHL and Schneider Electric in Hungary is the limited involvement of trade unions and works councils. Unlike in other European countries where industrial relations are robust and trade unions have a strong presence in negotiating work arrangements, Hungary's industrial relations landscape is relatively weak. Hungarian trade unions have historically struggled with low membership, limited bargaining power, and minimal influence over decision-making processes at the corporate level. Consequently, the introduction of flexible work schemes at DHL and Schneider Electric was largely driven by corporate strategies rather than collective bargaining or worker representation.

At DHL, for instance, while the works council was informed about the hybrid work model, it did not play an active role in shaping the policies. Similarly, at Schneider Electric, the rollout of remote work options and innovative programs like the sabbatical and "Step Up" schemes occurred without significant input from worker representatives. The absence of co-decision-making rights, which are prevalent in countries like Germany, further weakened the influence of works councils in Hungary. This highlights a broader issue in Hungarian industrial relations, where employers often unilaterally implement policies related to working conditions, leaving trade unions and works councils in a consultative or advisory role at best.

This lack of involvement reflects the overall weakened state of industrial relations in Hungary, where the influence of labour organizations on corporate decisions is minimal. Despite this, both DHL and Schneider Electric have implemented flexible work arrangements that generally align with employee preferences, indicating that corporate-driven strategies can be effective in meeting workforce demands. However, the absence of strong worker representation also raises questions about long-term sustainability and whether employee interests will continue to be adequately protected as these programs evolve.

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