



MINISTRY OF FINANCE

# PERSONNEL POLICY LINE AND HR CAPACITY BUILDING IN THE FINNISH GOVERNMENT

Modern Leadership and Capacity Building in Public Sector in Eastern Partnership Countries (PADOS II)

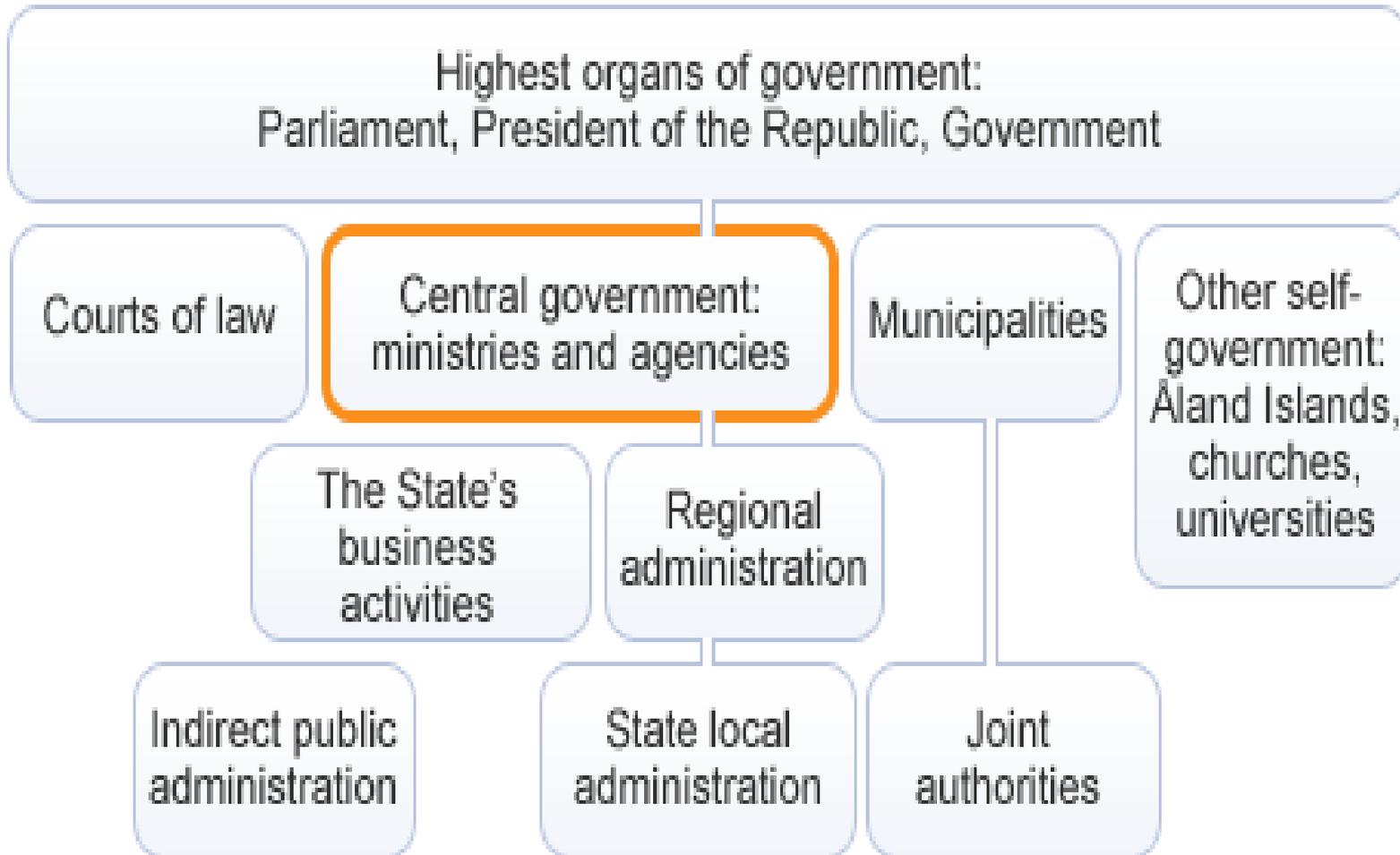
13th of November 2018, Kiev

Financial Councillor Ari Holopainen

Public Governance Department



# PUBLIC ADMINISTRATION IN FINLAND

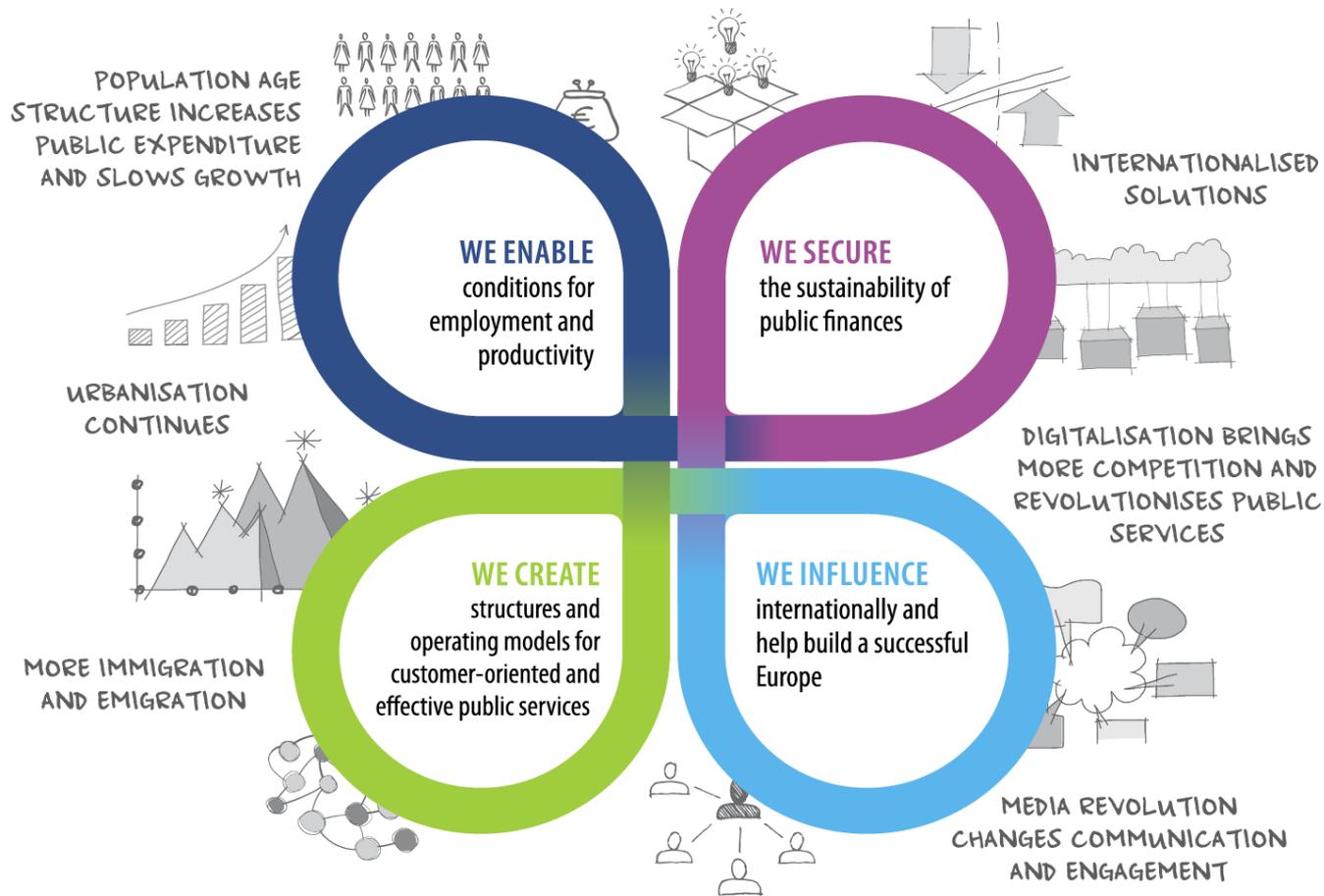


# CENTRAL GOVERNMENT 2018



<b>HIGHEST ORGANS OF THE STATE</b>	Parliament (Eduskunta) Finnish Government (17 ministers, PM Sipilä) President of the Republic of Finland
<b>CENTRAL ADMINISTRATION</b>	Ministries (12) and the Office of the Chancellor of Justice Government agencies (63) and other governmental functions (7)
<b>REGIONAL ADMINISTRATION</b>	Regional State Administrative Agencies (6), State Department of Åland, Centre for Economic Development, Transport and the Environment (15), Legal Aid and Public Guardianship districts (6)
<b>LOCAL ADMINISTRATION</b>	Local Register Offices (9), Employment and Economic Development Offices (15), Police Departments (11), Enforcement Offices (22), Prosecutor's Offices (11)

# THE MINISTRY OF FINANCE SECURES FUTURE PROSPECTS



We work together and collectively

**RELIABILITY    TRANSPARENCY    SOLUTION-ORIENTATION**

# KEY ELEMENTS OF THE FINNISH CIVIL SERVICE SYSTEM (1)



## Open/position system:

- fixed term appointments through open recruitment for each post
- exceptions: Ministry of Foreign Affairs and Military service use career systems

Small cadre of political appointees (4 state secretaries + policy advisers) and special regulations concerning senior civil servants (SCS)

## System is based on legislation

- The Civil Servants Act
- The Act on Collective Bargaining Contracts on Civil Servant Salaries and The Collective Agreement Act
- The Working Hours Act
- The Government Employee Pension Act

# KEY ELEMENTS OF THE FINNISH CIVIL SERVICE SYSTEM (2)



The prime responsibility for HRM and the implementation of common policy lines must be carried out by agencies

- Operating units define their own strategies on the basis of common policy lines and their own operational needs - Operating units recruit and develop their own personnel
- Appointments of the SCSs by the Council of State
- No centralised HR-planning, however, a new development towards more unified state administration

## Public Governance Department of the Ministry of Finance

- Is responsible for general governance policy, administration structures and public management and leadership development
- Is in charge of government general personnel policy (e.g. drafts related legislation and policy decisions)
- Produces personnel data and research services (e.g. personnel costs in state budget)
- Is responsible for steering support functions and shared services

<http://vm.fi/en/governance-policy/corporate-services-for-government>

# KEY ELEMENTS OF THE FINNISH CIVIL SERVICE SYSTEM (3)



## Office for the Government as Employer

- Represents the State as an employer
- Negotiates wage and salary agreements on central level
- Functions in close co-operation with the Public Governance Department

## Collective bargaining on the terms of employment

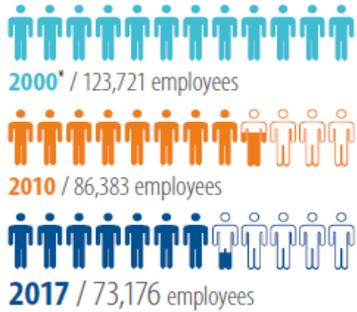
- National level incomes policy agreements (frequently, not between 2010-2013)
- Collective bargaining contracts on civil servant salaries and other terms of employment
- Collective agreements at the central level
- Local union representative -activity is nearly “an institution” (the co-operation system)

## Agreements are also made at the local level

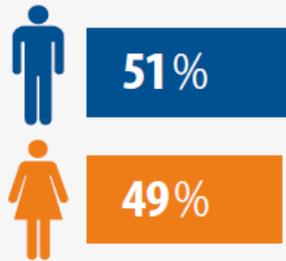
- Room for arrangements based on operational need of agencies
- Goal: joint pay system among the central government, adjusting working hours

# GOVERNMENT PERSONNEL 2017

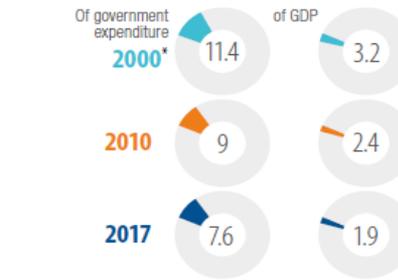
## NUMBER OF PERSONNEL 2000–2017



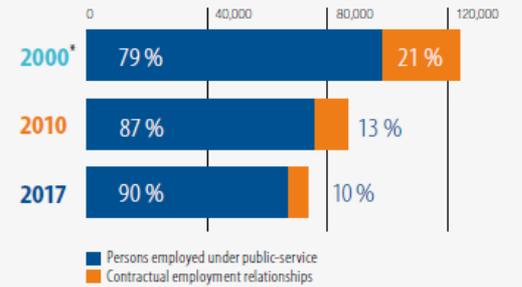
## GENDER RATIO 2017



## LABOUR COSTS AS A PERCENTAGE OF CENTRAL GOVERNMENT EXPENDITURE AND GDP 2000–2017, %



## PERSONS EMPLOYED UNDER PUBLIC-SERVICE OR CONTRACTUAL EMPLOYMENT RELATIONSHIPS, 2000–2017, %



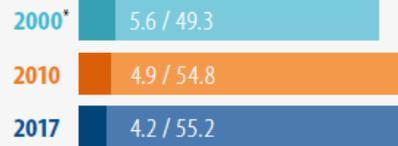
## SHARE OF wage earners and public sector employees



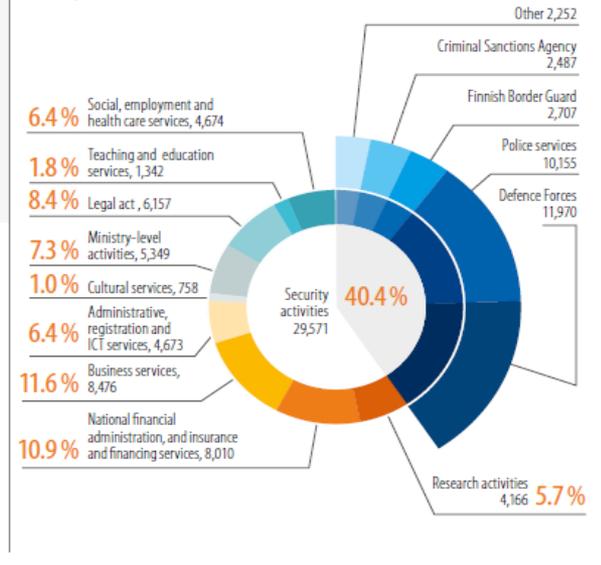
## STATE AGENCIES STREERED BY THE MINISTRIES (performance agreements), 2017



## LABOUR COSTS OF CENTRAL GOVERNMENT EXPENDITURE\*\* 2000–2017, mrd. euro



## GOVERNMENT PERSONNEL BY TYPE OF AGENCY 2017, %

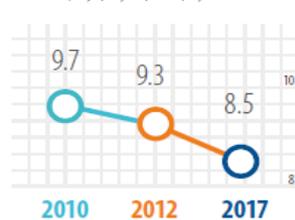


## WELLBEING AT WORK 2010–2017

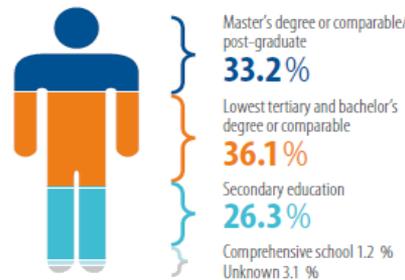


## SICK LEAVE

2010–2017, days per year per employee



## EDUCATION level and range of duties, 2017

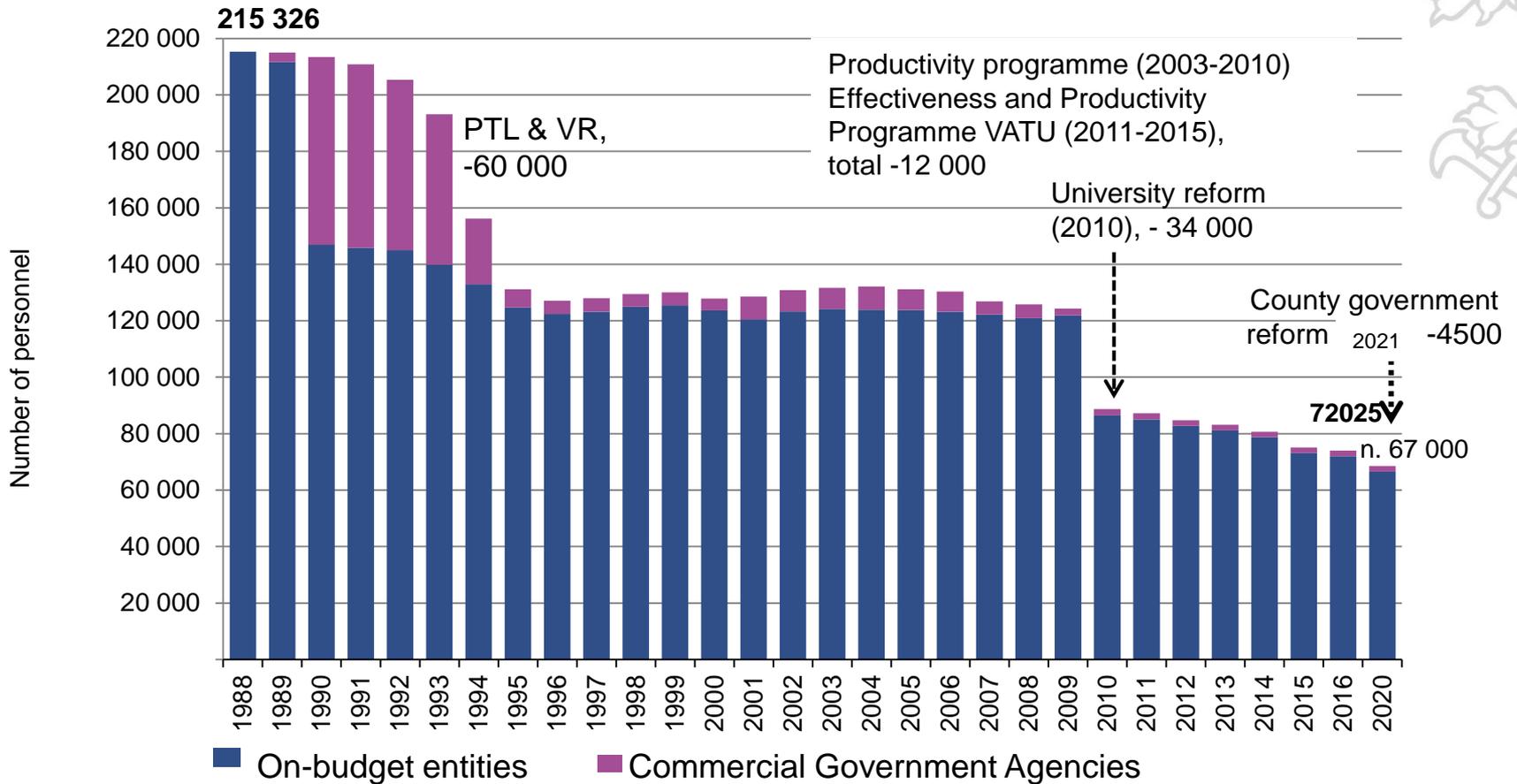


\* The figures for 2000 include universities, so they cannot be compared directly with the figures for other years.  
\*\* Inflation-adjusted to correspond to the 2017 price level.

# GOVERNMENT PERSONNEL BY TYPE OF AGENCY 2016



# TRENDS IN NUMBER OF STATE PERSONNEL IN FINLAND 1988-2020



# PUBLIC MANAGEMENT REFORMS AND HRM DEVELOPMENT IN CONTEXT

PARLIAMENT - GOVERNMENT - MINISTRIES

## PUBLIC MANAGEMENT REFORMS

Personnel policy becomes a part of governance

MINISTRY OF FINANCE

Agencies are responsible for their own HRM – consortium approach

VISION

"Good governance  
and the state as an  
employer in 2025"

## CHANGES IN OPERATING ENVIRONMENT

MINISTRIES - AGENCIES

INTEREST GROUPS (EU, OECD, citizens, media, other)

2000

2010

2020

# GOOD GOVERNANCE AND THE STATE AS AN EMPLOYER 2025



The Government is run like an consortium

65 000 civil servants make the most efficient administration among the OECD

The employer guarantees flexibility in functions and equal treatment of personnel

Every civil servant has a meaningful work

**STRUCTURES AND DIGITAL WORK AND SERVICE PROCESSES SUPPORT EFFECTIVENESS**

**PERSONNEL IS A JOINT AND DEVELOPING RESOURCE**

The Gov. is a one workplace and people move flexibly

Digital work and service processes make the work sensible

**MANAGERS ARE BRAVE AND ACCOUNTABLE**

**GOVERNMENT IS AN UNITARY AND COMPETITIVE EMPLOYER**

The Gov. is a forerunner as an employer

Civil servants are both at the service of the Gov. and citizens

Public management has a strong basis of values

Cost and quality control secure jobs and national success

**MINISTRY OF FINANCE SECURES THE FUTURE**

# GOVERNMENTS FOR THE FUTURE – FATAL QUESTIONS

- Are we at a turning point?
- How to manage wicked problems: everything is interlinked, issues are more complex
- How to maintain the trust of people - trust is a strategic resource
- How to open up inward looking Governments?
- We are better in making decisions than changes?
- Are we prepared to look at the whole system (political and administrative)?
- New approaches to economic challenges and thinking
- What comes after the New Public Management -culture - what is valuable, what is not
- How to create an evidence based decision making culture and a strong knowledge infrastructure?



# CHARACTERISTICS OF PUBLIC MANAGEMENT



- Management in wide and complex operating environment
- The importance of structures and rule of law
- The importance of continuity and legal protection of citizens
- Management in political - administrative environment
- The role of civil servants promoting general interest in society
- Openness and publicity principle

# PERSONNEL IS A JOINT AND DEVELOPING RESOURCE

- **Skills and competencies of personnel are flexibly used across the government administration**
- **The legal status, rights and responsibilities of civil servants support the management of functions**
- **Joint HRM processes and tools strengthen the performance of agencies**  
(shared services on HR-administration, training and development, e.g. management training programmes, e-learning system and contents).

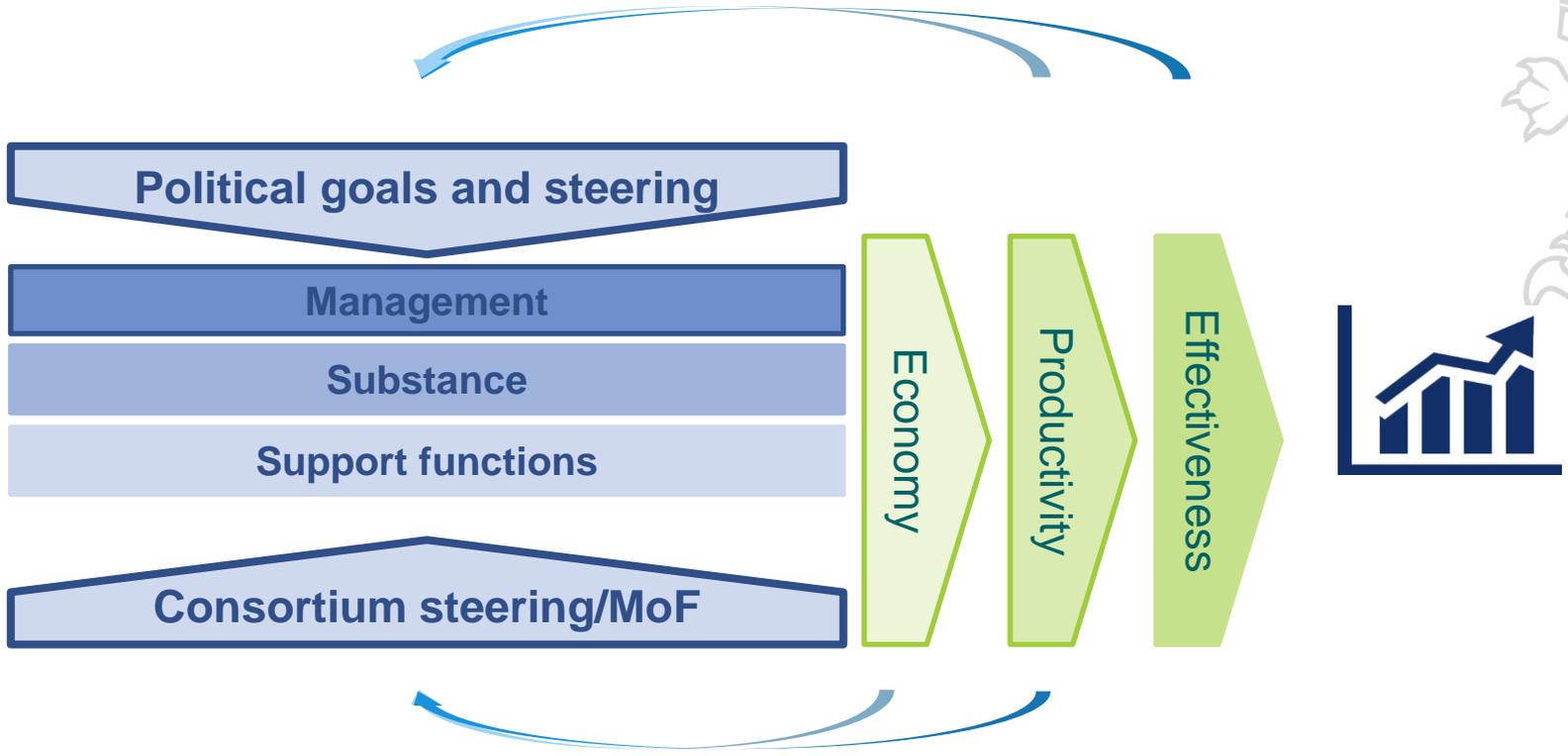


# GOVERNMENT IS AN UNITARY AND COMPETITIVE EMPLOYER



- **Employer policy is based on the future anticipation**
- **Human resources development and career development of civil servants are organised**
- **Payment and pay systems encourage civil servants to be mobile**

# KNOWLEDGE AND INFORMATION MANAGEMENT FRAMEWORK



**kieku**  
IT-solution for  
financial and HR  
administration

**Tahti** Työnantajan  
henkilöstötieto  
Personnel database  
for the employer

**VMBaro**  
Valtion henkilöstötutkimus  
Personnel survey

**VALTIOLLE.fi**  
Make a difference - jobs that count!  
eRecruitment service

**Visma M2**  
For travelling

14.11.2018

# CIVI SERVICE ETHICS



## Ethics infrastructure consist of:

- Control (legislation, accountability, public scrutiny)
- Guidance (leadship, codes, professional socialisation)
- Coordination (public service conditions, coordinating body)

## Observation:

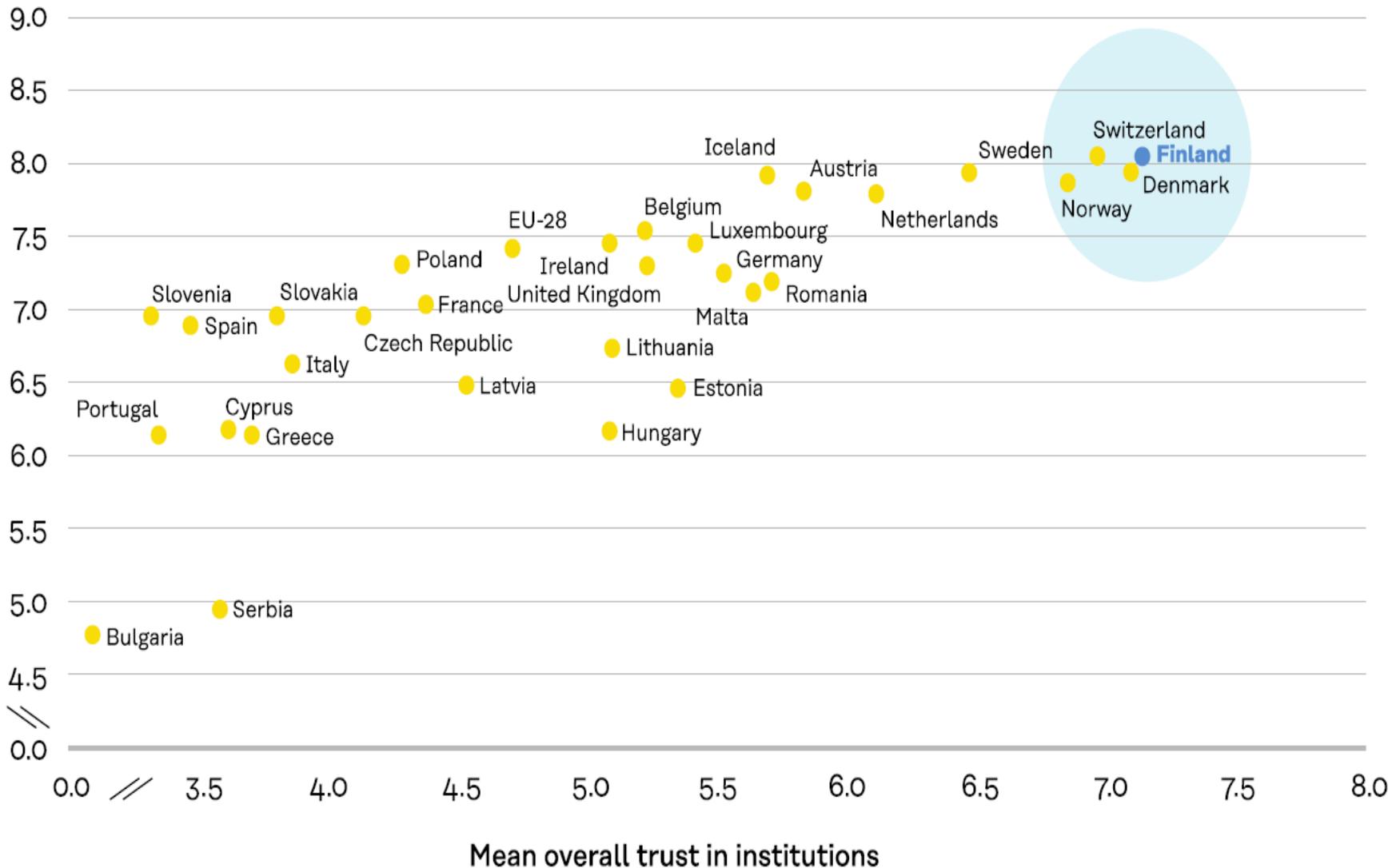
- The role of managers is important (exemplary leadership)
- From compliance towards integrity (internal control)
- Strong administrative culture is needed (ethics education, transparency)

## Commission on state administration ethics in Finland:

- To review current post-employment regulations
- To identify and resolve interest conflict situations
- Any other ethics-related matters

*"There is no single trick available."*

# TRUST IN INSTITUTIONS - OWN WELL BEING 2013



(\*) Overall trust in institutions is the average of the three institutions (political system, legal system, police)

***”A well-functioning public administration is a national success factor.”***

*The Finnish Government 2001*

***THANK YOU!***

