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**SEMINAR ON HUMAN RESOURCES AND TRAINING
SESSION 1**

Strategy-based human resources management in practice – experience of Statistics Finland¹

Submitted by Statistics Finland

I. INTRODUCTION

1. The areas of emphasis in Statistics Finland's strategy are high-quality statistics production, customer-orientation, development of web-based services, improvement of the efficiency and productiveness of activity, continuous development of processes, development of uniform practices throughout the agency, and development of human resources and leadership. The goals are translated into actions in the context of annual planning. The targets for the coming year and the measures describing their attainment are decided in annual performance agreements between the Director General and the statistics departments. At the same time, agreements are made about the resources that the departments will have available.

2. The scope of management by results also extends to matters concerning personnel. Directors of the statistics departments are responsible for the maintenance and development of the competence and wellbeing of personnel in their own departments in line with the agency's policy. A centralised personnel unit is responsible for the development and uniformity of processes related to human resources management throughout the agency, and for personnel

¹ This paper has been prepared at the invitation of the secretariat.

development programmes and information systems. All employees of Statistics Finland have an annual personal appraisal discussion with their own superior. This procedure has a major bearing on the planning of personnel development measures and analyses of achievements.

3. As well as through continuous development, improvements to Statistics Finland's activities are sought through special projects, and strategic development programmes and projects spanning the whole organization. An example of these is the Personnel 2010 programme (ratified in 2003, Figure 1) that is based on the strategic plan of Statistics Finland. The programme sets out the lines and points of emphasis for Statistics Finland's personnel policy for the immediate future. The main elements of this programme relate to competence management, rewarding policy, wellbeing of staff and improvement of management and supervisory work. The paper describes these goals in detail and explains how these targets are met and what kinds of monitoring and follow-up mechanisms are in use.

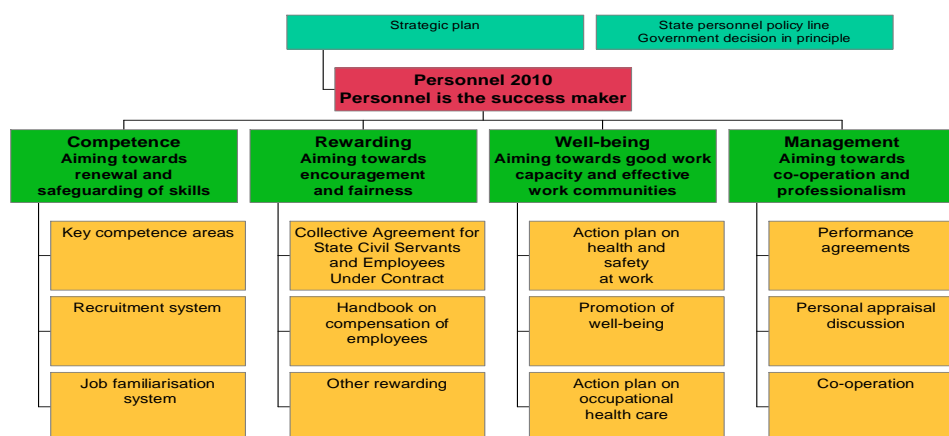


Figure 1. Personnel 2010 programme

II. COMPETENCE DEVELOPMENT - AIMING AT RENEWAL AND SAFEGUARDING OF SKILLS

4. Renewal and safeguarding of skills in areas that are strategically important to Statistics Finland is one of the targets set in the Personnel 2010 programme. Statistics Finland must ensure that its key competences are up-to-date and developed by means of goal-oriented training, challenging job tasks, internal mobility, recruitment of new talent and special expertise, and by supporting personnel's voluntary pursuits of further training. In addition, Statistics Finland must safeguard knowledge transfer and develop methods to serve this purpose.

5. Activities are developed as a learning organization that is capable of managing its processes of knowledge and know-how, that is, generation and processing of knowledge, sharing of innovations and best practices, and learning. Skills requirements vary by task or personnel group. Groups are: statisticians (about 47 per cent of personnel, totalling 1090), interviewers (20 per cent), IT/Automatic Data Processing experts (12 per cent), information service staff (9 per cent), administrative staff (7 per cent) and managers and supervisors (6 per cent). In all, 67 per

cent of the personnel (excluding interviewers) had attained lowest tertiary level or lower university level qualifications. 47 per cent had completed masters degree or doctorate level.

III. KEY COMPETENCES AND DEVELOPMENT OF PERSONNEL

6. A Competence Strategy was drawn up in 2001 to support systematic personnel development. The strategy defines the agency's key competences (Figure 2), and tools for the management and development of knowledge.

7. Statistics Finland's key competences describe the skills that are critical to the challenges, strategy and core processes of Statistics Finland. They depict the competence requirements that are made both of Statistics Finland and of individual employees. The competence strategy will be updated this year.

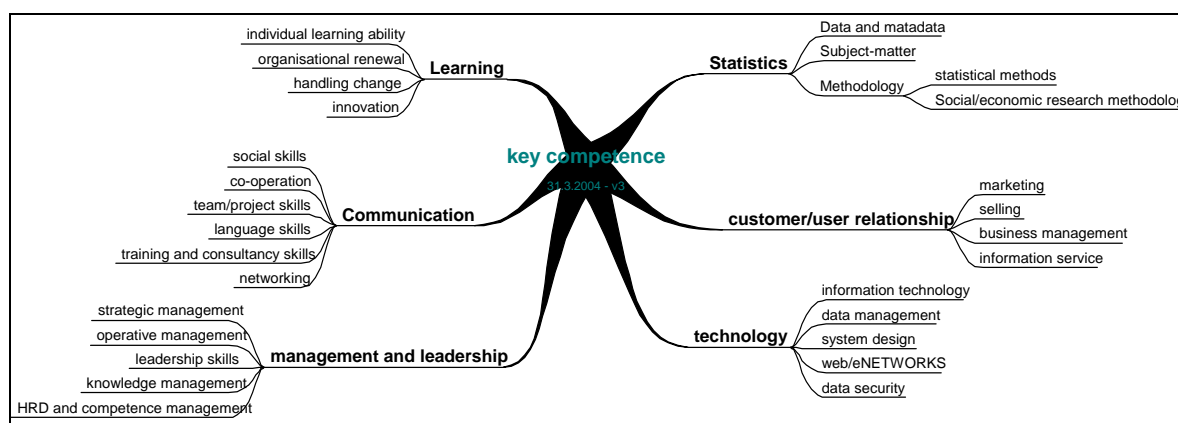


Figure 2. Statistics Finland's strategic capacities and abilities. (Competence strategy)

8. Personnel development plans are drawn up utilising the competence analyses made in each department, and the individual career and training plans agreed during personal appraisals. The plans examine recruitment needs from the competence angle, requirements for course-format personnel training and competence development measures, such as job familiarisation, job rotation, civil servant exchange, mentoring, and group, team and pair working (learning opportunities). The procedure has promoted better planning and helped in identifying competence gaps.

9. The personnel development plans are used in putting together a human resources development plan for the whole agency, detailing training programmes that support Statistics Finland's key competences. Goal-oriented personnel training focuses on statistical skills, leadership skills, skills relating to international tasks, information technology and network know-how, customer management, and quality and project work skills. An in-house training series was arranged in 2004 and 2005 on Statistics Finland's products and services to support diversification of the competence of experts and facilitate serving customers more comprehensively. The personnel may also participate in customer training courses. Web-based

methods are exploited in Statistics Finland's personnel training, whether it be multi-form training or voluntary self-studies.

10. Training programmes and their contents are planned and developed by utilising predictive analyses of target group needs, annual inquiries conducted among the statistics departments, and received feedback on past courses. The training programmes in statistical skills (Figure 3), and leadership and supervisory work are currently under review. The personnel participate widely in training. In 2005, the average attendance in training was 8 working days per staff year. Exclusive of pay during training, expenditure on training accounted for 2.5 per cent of the wage-bill, or EUR 1,057 per staff year in 2005.

11. By nature, the compilation and development of statistics is group or project work. Cooperative capacity, and interactive and communication skills are elements of professional competence. The work community is a learning environment that offers everybody the opportunity to increase their knowledge and develop their working and cooperative skills. Doing things together is the most important means of transferring knowledge, for knowledge multiplies through sharing. This becomes concretised not only in the statistics departments, units and teams but also in working groups and development projects. Learning and knowledge transfer are also given due consideration when members are selected to working groups and projects. Projects are set up, planned and implemented, as well as monitored and steered according to models given in the Project management databank. Courses on basic skills in project work and on project leadership are provided as personnel training. Knowledge and best practices are also shared in internal networks, such as those of coordinators of official statistics, research liaison persons, website updaters, intranet editors, customer segment teams, quality management network, secretaries of statistics departments, and developers of wellbeing and health and safety at work.

12. Voluntary study, for example for a professional qualification or an academic degree, can be supported with flexible arrangements of working hours and by granting paid or unpaid leaves of absence for studies. The scope and type of support granted for studying depends on the extent to which the studies concerned advance professional skills and improve performance of job tasks and promote exploitation of Statistics Finland's data files or methodological development. Over the 1994-2005 period, support for further studies was granted to 38 members of Statistics Finland's staff.

13. Acquisition of new skills and knowledge is also sustained through close cooperation between Statistics Finland and universities. University researchers and professors act as scientific advisers and consultants in many methodologically demanding development projects. This kind of cooperation also encourages young statistical professionals to pursue careers in research and further university studies.

14. Likewise, development of the personnel's competence is supported by granting leaves of absence or study leaves for the purpose of acquiring work experience at home and abroad. Statistics Finland has annually seconded two to four employees to Eurostat for traineeship periods of five months. This has improved knowledge of the European Statistical System, enhanced professional competence, as well as strengthened and deepened statistical expertise.

Statistics Finland's experts have also participated in the Nordic civil servant exchange programme and in other international personnel exchange and traineeship programmes.

15. Learning through work and sharing of knowledge are also fostered by offering challenging job tasks and encouraging internal mobility. For instance, to support career planning, a career path model is being devised, depicting supervisory and expert career paths and the skills they require. The career path model is intended to enable provision of equal benefits and rewards to those in expert and supervisory positions and to promote internal mobility, both horizontally and vertically. The need for the model arose when some supervisors of the statistics departments moved to posts of experts in the structural re-organization of Statistics Finland in 2005-2006.

IV. RECRUITMENT SYSTEM

16. According to the seniority study made in 2003, an increasing proportion of the personnel will be retiring in the next few years. These will include statistical experts, IT professionals, supervisors and directors. Sufficiency of skilled personnel will be secured with the Human Resources Plan drawn up for the 2007-2011 period, by documented description of the recruitment process, by improving the agency's image as employer and by collaborating with universities and other educational institutes.

17. At Statistics Finland, recruitment is a transparent process based on the agency's recruitment policy and general legislation on civil servants. The process sets out from a qualitative and quantitative analysis of human resources needs in a statistics department, justifying the procurement of personnel from the perspective of the department and from that of Statistics Finland.

18. The skills required from a recruited person in key competences (Figure 2) are determined by current and future tasks. All posts are filled by an open application procedure. The most qualified and suitable applicants on the basis of received written applications are invited to an interview with identical contents for all interviewees. The interviews are conducted by at least two persons from the recruiting department, who represent the sought-for key competences, such as those in certain aspects or areas of statistics. A recruitment expert from the Management Services Department also often attends the interviews. This ensures that the best possible person is recruited, that is, the most suitable applicant with the best skills, taking future competence needs into consideration. When recruiting managers or supervisors, special concern is given to ensure that the applicants possess not only sufficient substance knowledge but also show proven leadership and supervisory skills, as well as the desire to work in a managerial or supervisory position.

19. Personal estimations can be used to support the interviews. The estimations are undertaken by specialist external service providers who are knowledgeable about Statistics Finland's activities and management policy, and the recruitment need involved. Depending on the demands and requirements of the post, the selection is made either by the director of the statistics department concerned or by the Director General upon his/her presentation.

20. The selection process is documented as a written memorandum containing a brief description of the applicants, the grounds for his/her selection and the decision on appointment. The application documents and the appointment memoranda are public documents, except where an application contains information that may not legally be disclosed. The statement of the personal evaluation consultant and the results from possible psychological tests are only released to the director of the statistics department concerned and to the evaluated applicant.

21. Directors are appointed through a similar process. Then the Director General, who makes appointment decisions concerning managers, also participates in the selection of interviewees and in interviews.

22. Open posts have attracted sufficient applicants. When needed, adequate good skills have been found from outside and Statistics Finland is viewed as an interesting employer. The average number of applications received for any given open post has exceeded 20 during recent years.

23. Trainees, of whom Statistics Finland accommodates 50 or so per year, represent important recruitment potential. These trainees are often at the final stage of their university studies and are given the opportunity to combine their theoretical knowledge with practical statistical work. In turn, Statistics Finland gains new talent in statistical skills and methodology, maintains good relationships with educational institutes and sustains its image as a good employer. As a rule, traineeships are arranged through the trainee programmes of universities.

24. Statistics Finland has separate agreements with a couple of universities whose study programmes include statistical science and methodology. Students preparing their theses at these universities are employed for a fixed period, usually five months. The subjects of their theses are agreed so as to benefit the development of statistics and the activities of the agency. Many of these students have subsequently become permanent employees of Statistics Finland.

25. Internal mobility, in which members of staff switch (permanently or for a fixed time period) between units or departments, creates career advancement opportunities and is an efficient means of transferring knowledge and sharing best practices. Possibilities offered by internal mobility are also studied when recruitment needs are analysed. Targets set on internal mobility are monitored against scorecards. Internal mobility has doubled in five years. Last year, just short of ten per cent of the personnel (excluding interviewees) switched tasks.

26. Information about recruitment is available on Statistics Finland's web site and is disseminated through diverse networks, and at educational institutes and recruitment fairs. Open vacancies are announced, if necessary, in the newspapers.

V. ORIENTATION OF NEWCOMERS

27. New recruits are introduced thoroughly to their job tasks and to the agency's activity. Statistics Finland's job orientation system is comprised of general orientation and introduction of the employing statistics department. General orientation is provided through material available in Statistics Finland's internal network and during special training days arranged for newcomers. In the introduction of the employing department, new recruits are familiarised with the organization, activities of their specific department and with their own job tasks. Those

responsible for this part of orientation are the new recruit's supervisor and a work trainer/tutor appointed by him or her for the newcomer. The trainers' work is supported with intranet pages on job orientation. The new recruit's participation in his/her own familiarisation is encouraged with a familiarisation plan that the newcomer draws up together with his/her supervisor.

28. Besides job orientation, as of 2006, all new recruits will participate in the training programme in statistical skills, which is divided into a basic part and a specialised, or advanced, part (Figure 3). The aim is that as many of the present staff as possible also complete the programme. The trainers include best experts from Statistics Finland and lecturers from outside the agency. The aims are transfer of knowledge from experienced employees to their juniors, increase of internal mobility within the agency and learning by doing.

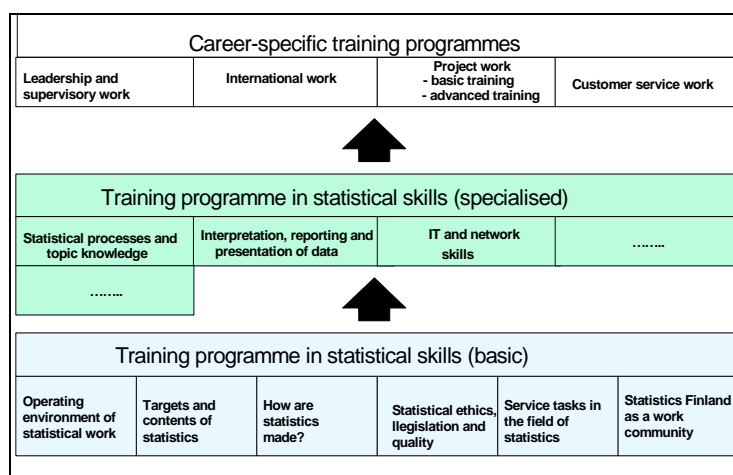


Figure 3. Training programme in statistical skills

VI. REWARDING - AIMING TOWARDS ENCOURAGEMENT AND FAIRNESS

29. Fair and encouraging rewarding forms part of the agency's management policy. It is based on the State's general personnel and pay policy and on Statistics Finland's own operative targets. Rewarding is both material (pay, pay supplements, one-off bonuses) and immaterial (non-monetary awards and acknowledgements). Rewarding is linked with the giving and receiving of feedback for productive work. Feedback is also given as part of the daily work and activity of the work community. Overall feedback on the activity of the previous period is given in annual personal appraisal discussions.

30. The current pay system of Statistics Finland was introduced in 1998. Pay is scaled according to the competence requirements of work, which are determined by the demands imposed by it on its performer and its relative value compared to other job tasks and results from activity (fairness). Pay is also dependent on the work performance and qualifications of an individual (encouragement). A better performance at the same competence requirement level must result in higher remuneration. So-called researcher's supplement is paid to persons who have improved their competence during employment by completing academic degrees at the

licentiate or doctorate level.

31. The principles governing the application of the remuneration system have been specified and are openly available to everybody in the Handbook on compensation of employees. Managers and supervisors are responsible for ensuring that the remuneration system is applied and functions efficiently. The competence requirements of a task are assessed when a new task is being defined or when essential changes are being made to an existing one. Competence requirement assessments are made in the statistics departments by a working group led by the director of the department. Personal work performances are assessed annually in personal appraisal discussions between supervisors and subordinates.

32. Statistics Finland's pay system and pay policy are monitored and developed by a working group comprised of representatives of the agency and the trade organizations of its employees.

VII. WELLBEING - AIMING TOWARDS GOOD WORK CAPACITY AND EFFECTIVE WORK COMMUNITIES

33. Supervisory work is decisive to the productiveness of activities and to balanced development of the personnel's wellbeing. The management and supervisors are responsible for building the preconditions and structures for activities. Their task is to create working conditions that maintain and nurture the physical and mental work capacity of people.

34. Approximately 92 per cent of Statistics Finland's personnel have permanent employment contracts. Security of employment now and in future helps in reconciling work and family life, and thereby maintains and promotes coping and wellbeing at work. Work can be organised through flexible hours and leaves of absence. The personnel are committed to their work, for the exit turnover has stayed low. Around 35 per cent of the personnel have been at the service of Statistics Finland for over 24 years (average number of years of service in 2005 was 16.2), so abundant experience-based knowledge has accumulated through the years.

35. Efficient measures on health and safety at work require cooperation. The responsibility for their implementation is dispersed among all members of the work community, but with varying contents. Statistics Finland has a two-year Action plan on health and safety at work, which is a general plan conforming with the Finnish Occupational Safety and Health Act for the management of health and safety matters at work. The Action plan is put into practice by annually drawn up implementation plans, which comprise an action plan on occupational safety, an action plan on occupational health care, and performance agreements.

36. Statistics Finland gives strong support to the maintenance of the physical wellbeing of its personnel by providing physical exercise services coordinated by an exercise instructor, such as exercises during breaks from work, lunch-time exercise groups, gym instruction, personal training, and compilation of fitness programmes and monitoring of progress in them. Projects on wellbeing are prepared by diverse working groups, such as those on wellbeing at work and on rehabilitation and ergonomics. Physical exercise and leisure activities are also coordinated by the personnel's own cultural and sports club.

37. The personnel are entitled to preventive occupational health care and medical care for an illness paid for by the employer and offered by an external provider of occupational health care

services. Apart from medical care, occupational health care also includes workplace inspections, health check-ups of new recruits and periodic, voluntary check-ups of employees over the age of 40, and recommendations for rehabilitation and physical exercise for diverse employee groups according to their special needs.

38. Statistics Finland also has a long history in concerted efforts to improve mental wellbeing at work. The first action plan to improve coping at work was drawn up in the 1990s, and at the turn of the millennium this was then refined into a set of intranet pages under the heading “Lifesaver”, forming an operative model and databank for mental wellbeing. Its purpose is to assist in solving at an early stage problem situations arising at work on different topics. The Lifesaver has since been expanded to a set of pages entitled “Port of wellbeing at work”, which contains all guidelines, plans and monitoring measures relating to wellbeing at work. In 2005, Statistics Finland received an honorary mention for excellent and enduring work on improvement of wellbeing at work in the State administration’s competition on the subject.

VIII. LEADERSHIP - AIMING TOWARDS COOPERATION AND PROFESSIONALISM

39. Since the turn of the millennium, Statistics Finland has been systematically developing leadership and supervisory work towards cooperation and professionalism. In 2003, the Director General launched a project on the development of leadership and supervisory work, which defined the tasks, roles, responsibilities and mandates relative to supervisory work and its competence model. Based on proposals made, measures aimed at improvement of leadership and supervisory work were initiated in 2005.

40. The focus in the development has been on people management, especially supervisory work within a unit and improvement of preconditions for it. The following measures were implemented in 2005:

- (a) organization of departments into units was reviewed to better match the requirements of professional supervisory work and two departments were reorganised completely;
- (b) the document “Management policy at Statistics Finland – Together towards a common goal”, supporting uniform management culture was ratified;
- (c) responsibilities of supervisors were clarified and their power of decision in personnel matters was increased in rules of procedure;
- (d) criteria and guidelines were specified for evaluating supervisors’ personal work performances;
- (e) supervisors’ skills were evaluated with 360-degree analyses;
- (f) supervisors attended personal sparring events;
- (g) practice of joint meetings of managers and supervisors was started;
- (h) coaching programme for supervisory work was started.

41. The coaching programme for supervisory work will continue in 2006. The first version of a manual on supervisory work was published on the intranet in March 2006 to support supervisors in their work and to consolidate uniform practices. Evaluations of supervisory work will be made from time to time with 360-degree analyses and with the annual personnel surveys. Results from the development efforts will be evaluated at the turn of year 2006-2007, when decisions will also be made about further measures.

42. Managing is cooperative. The personnel are given the opportunity to use their expertise to develop their work in line with the set goals. Managing also entails giving the personnel the possibility to access public information and to participate in public debate on work, working conditions and management. For this reason, separate goals have been set for interaction, information flow and communication: regular meetings must be held at the department and unit levels to discuss matters relating to cooperation, work contents and development. Additionally, units are to perform annual self-evaluations to maintain and improve the quality of their activity and processes.

IX. MONITORING OF THE PERSONNEL 2010 PROGRAMME

43. A scorecard of personnel strategy has been drawn up to support monitoring of the Personnel 2010 programme. It contains the twenty key actual and predictive measures derived from the personnel strategy, together with their target levels, and time series describing development. The target levels are set by the agency's Management Group, which also makes regular analyses of development and decisions about measures.

44. The agency's annual report contains a summary about personnel matters. A human resource account is appended to the annual report and describes activities in the reviewed year with abundant quantitative measures and qualitative accounts by the areas of emphasis set in the Personnel 2010 programme. The source data derive from the personnel management's extensive information systems.

45. The personnel's job satisfaction and views are measured with a web-based Personnel Survey, which has been conducted annually since 1998. The survey contains questions from the common job satisfaction barometer of central government agencies and supplementary questions compiled at Statistics Finland. As well as Statistics Finland, the barometer is also utilised by other organizations of State administration, so it generates useful comparison data on development in central government in general. The results from the Personnel Survey are analysed extensively both at the level of the whole agency and in its departments. The results are utilised in the development of activities and setting of new targets.

X. IN CONCLUSION

46. The Personnel 2010 programme with its areas of emphasis has proven to function well as a strategic policy outline for Statistics Finland's human resources management. The programme has been used systematically as a basis in the planning and implementation of diverse measures concerning the personnel. Information obtained through monitoring and the performance measures with their target levels have also proved to be good solutions for evaluation and further development of human resources management.

47. The timeliness and efficiency of the programme is scrutinised continuously and revisions will be made to it as necessary.

XI. REFERENCES

Personnel 2010 programme

Management policy at Statistics Finland - Together towards a common goal

XII. ACKNOWLEDGEMENTS

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