

**UNITED NATIONS STATISTICAL COMMISSION
and ECONOMIC COMMISSION FOR EUROPE
CONFERENCE OF EUROPEAN STATISTICIANS**

UNECE Work Session on Statistical Dissemination and Communication
(Geneva, 13-15 May 2008)

Topic: Managing communication and dissemination

**MANAGEMENT OF STAKEHOLDER RELATIONSHIPS AND COMMUNICATION AT
STATISTICS FINLAND - EXPERIENCES, POSSIBILITIES AND CHALLENGES**

Submitted by Statistics Finland ¹

I INTRODUCTION

1. Statistical offices are typically knowledge-intensive organisations which earn their legitimacy by producing reliable, accurate and timely information necessary for the information users, and by disseminating and communicating this information as efficiently as possible. In order to execute these tasks, the National Statistical Offices have to (a) ensure that the information produced is exploited and utilised, and (b) build strong and active relationships with all the various stakeholders: data providers, methodological co-operators, information end-users, financiers, members of the statistical system - to mention but a few of them. Due to their strategic role, communication and stakeholder relationships are a thing to be managed, to be invested in, and to be co-ordinated and developed. This paper will provide some experiences of stakeholder and communication management and their results at Statistics Finland.

II SOME VIEWS ABOUT ORGANISATIONS, COMMUNICATION AND STAKEHOLDERS

A Knowledge-intensive organisations

2. Knowledge-intensive organisations process what they know into knowledge products and services for their customers. Thus statistical institutes are typical knowledge-intensive organisations: their main product is statistics and the object of their work is data. Data entered into the production process are compiled into statistics that meet international standards and are available to end-users.

3. Knowledge-intensive organisations differ significantly from production organisations. Research results indicate that knowledge workers tend to be quite independent, which challenges the management and leadership, and that stakeholders often have multiple roles and contradictory needs that should be balanced by the management. It has also been stated that a traditional functional organisation and division of labour do not fit a knowledge intensive organisation. *“Neither formal co-ordination mechanisms nor directives work when the level of complexity is very high both within the firm and in the outside environment. In such a case, only human beings are flexible enough to create a fit between the resources of the firm and changes in environment. Every knowledge worker can be a liaison between the environment and other people in the firm”.* (Raimo Nurmi: *Knowledge-intensive firms*)

B. Organisational communication

4. Organisational communication has been approached from a number of different frameworks and models. According to Professor Åberg's model of total communications, communication carries five tasks in an organisation: **supporting** core functions, i.e., production and their distribution to the customers; **profiling**, i.e.,

¹ This paper was prepared by Heli Mikkela (heli.mikkela@stat.fi). *The views expressed in this paper are those of the author and do not necessarily reflect the views of Statistics Finland.*

creation and distribution of a long-term corporate, product, or manager profile; **informing** the internal and external audiences; **socialisation** of individuals into good “organisation citizens”, and finally **informal social interaction**, which is not under the organisation’s direct control. Communication is considered as one of the key factors enabling the achievement of the goals of the organisation. This approach emphasises communication as a resource to be managed, planned and invested in. Communication is also seen as a common asset: it is all over the organisation and an integral part of every employee’s tasks. However, the system of communication and the division of labour within the organisation have to be defined to ensure effective and successful actions and sufficient coherence.

C. Stakeholders

5. According to Freeman “*a stakeholder in an organisation is any group or individual who can affect or be affected by the achievement of the organisation’s objectives*”. Thus stakeholders can have a substantial effect on the operational preconditions, operational environment or target setting of the organisation, and also on the possibilities of achieving the set objectives.

6. The role of active co-operation and communication with stakeholders is acknowledged and emphasised in modern stakeholder and strategic management theories. This applies especially to knowledge-intensive organisations where the continuity of the production processes relies heavily on stakeholders’ image of and attitude towards the organisation. The “buying” decisions, whether they be decisions to participate in a survey, to use the information as a basis for strategic decision making, or to purchase an expert service, are based on the conceptions of the stakeholders and the reputation of the organisation along the lines of “It is not only what we say, it is what the others say about us”. These aspects are also closely connected to corporate communication and its management.

III STRATEGIES AS A BASIS FOR COMMUNICATION, DISSEMINATION AND STAKEHOLDER MANAGEMENT AT STATISTICS FINLAND

7. Statistics Finland compiles statistics describing society and acts as a developer of official statistics together with other public authorities. It promotes the use of statistics and serves the users of statistics by providing a variety of information services, some supplied to order against a charge. Statistics Finland is a Central Government agency under the Ministry of Finance. The activity is steered by the Statistics Finland Act and Decree, the Statistics Act and legal acts of the European Union in the field of statistics. All these, as well as international standards and recommendations like the European Statistics Code of Practice and the decision of the United Nations Statistical Commission on the Fundamental Principles of Official Statistics, underline the importance of stakeholders and information supply.

A. Networked and co-operative by nature

8. The activity of Statistics Finland is networked and co-operative by nature (Figure 1). Wide use of statistics in society, high numbers of enterprises and citizens responding to statistical surveys and dependence of statistics production on data gathered and produced by other actors in society intertwine Statistics Finland firmly with society.

9. Networking and co-operation with stakeholders produces proactive analyses of future information needs in society, nurtures partnerships, and spreads knowledge about Statistics Finland’s products, services, aims and operating principles. Co-operation also promotes the use of statistics in society and profiles Statistics Finland as a knowledge-intensive organisation. It ensures that the needs of the users and suppliers of data are taken into consideration when statistics are revised. Wide participation in the management of relationships with partners and stakeholders also increases the personnel’s competence.

B. Strategy is based on the continuous dialogue with different stakeholders and on knowledge of the operating environment

10. The strategic outlines and operating principles of Statistics Finland are based on the dialogue with stakeholders. Broad, regular and systematic co-operation with domestic and international stakeholders is the central tool for identifying the needs and expectations of external stakeholders. This also includes annual high-

level meetings with strategic stakeholder groups as continuous interaction on the operational level. Information about the operating environment is also obtained with corporate image surveys, customer satisfaction surveys, customer feedback and media monitoring, and with a Strategic Intelligence System tailored to Statistics Finland's needs. Stakeholder expectations and views are also gained via co-operative projects, steering and working groups, seminars, and co-operative networks. The drafting of the strategy for economic statistics in 2007 serves as a good example of this kind of co-operation; the stakeholders were engaged in the process with seminars, user surveys and continuous communication and interaction.

11. According to the operational strategy updated in 2007, Statistics Finland aims to maintain its reputation as a reliable data producer trusted internationally and nationally and known for its expertise and reliable statistics. This is to be achieved by engaging in purposeful and systematic co-operation with national and international stakeholders, and by increasing the visibility of statistics and improving their serviceability. Measures to ensure the high quality of basic data and statistical methods will also be continued, as will the development of methods simplifying the provision of data and the lowering of the data supply burden.

12. Good service for data users is to be realised by consistent production of statistics that meet the needs of national and international users, and with continuous evaluation and reviewing of the supply of statistics against the needs of data users and changes in the operating environment. The comparability and combinability of statistics is to be increased in order to improve their quality and the customer service. The service selection is to be clarified and continuously reviewed against user needs and technical development. The usability and accessibility of statistical data as a self-service will be further developed, and the special services for e.g. researchers and other user groups will be improved.

C. Communication strategy

13. The operational strategy has been supplemented by a number of strategic and operational guidelines. One of them, the communication strategy (2003), includes the basic guidelines for external and internal communication, and specifies the strategic goals related to corporate image and service capacity. The operational aims include, e.g., broadening and diversifying the Internet-services and increasing communication about the activities and significance of Statistics Finland. Figure 2 presents the target profile derived from the strategic goals of Statistics Finland and from the prerequisites for its legitimacy. - In practice these targets are achieved by, e.g., active co-operation with the media, other information users, and other relevant stakeholders.

14. The communication principles and targets are in accordance with the general principles and guidelines for the communication of governmental organisations in Finland, introduced by the Office of the Council of State in 2002. They emphasise openness, timeliness and reliability, as well as target-orientation and the role of communication as a management tool.

IV COMMUNICATION, DISSEMINATION AND STAKEHOLDER CO-OPERATION - EXAMPLES

A. Co-ordination of official statistics benefits productivity and efficiency

15. Statistics Finland co-ordinates the national statistical service comprised of a total of 20 organisations. The aim is to provide efficient statistical services and statistics production that are of high quality, function consistently and meet the needs of information users. As a result of the co-operation and co-ordination, the production of statistics has become more centralised, divisions of responsibilities have been clarified and, in particular, overlaps in collections of data from municipalities have been removed.

16. An important part of the co-operation are the high-level annual meetings between Statistics Finland and other statistical authorities. In practical level the co-operation takes place within the network of contact persons and in the Advisory Committee of Official Statistics of Finland (OSF). Among other things, it has defined the system of OSF, and specified the quality criteria and recommendations for uniform practices concerning quality descriptions and publishing. In the coming years, its work will concentrate on the promotion of relevance, usability, quality and accessibility of the official statistics and statistical services, as well as on building and strengthening the quality brand of the OSF. For example, a national Internet portal for all OSF statistics is currently under construction.

B. Fruitful co-operation with register authorities and data suppliers

17. Co-operation with register authorities improves the accessibility of data and the quality of statistics. The objective in the collaboration with data suppliers is to keep the data supply burden reasonable. The co-operation gives data suppliers an opportunity to influence when and how data collections are revised and to adapt their own systems to ease the data supply burden. A continuously growing share of data is collected electronically. In 2005, an Internet service containing descriptions of all ongoing data collections and links to the related electronic questionnaires was opened. Systematic collaboration with stakeholder groups and data suppliers, continuous methodological development work, training survey interviewers and statistics Finland's good corporate image have resulted in low non-response rates in sample surveys.

18. Working and steering groups of statistical production and its development also provide a good example of beneficial mutual co-operation. For example, in a common working group the representatives of economic and business life and those of Statistics Finland have since the beginning of 1990's have regularly discussed current topics of interest.

C. Accessibility, visibility and utilisation of statistics

19. Availability of reliable and sufficiently exhaustive statistics is fundamental to a democratic society. Statistical information is needed in political and social decision-making, in the business world and in scientific research. Ordinary people need statistics to form a picture of society and their living conditions, monitor their circumstances and participate in decision-making. These different information users are reached either directly or indirectly through mass media or other partners and stakeholders.

20. In recent years, Statistics Finland has systematically increased the accessibility and usability of its statistics. The practice for releasing statistical data was revised in 2004 when releasing was expanded to systematically cover all statistics production and the volume of releases grew 2.5-fold. Now new statistical data are made public on Statistics Finland's website in around 700 statistical releases per year. The Release Calendars for the following year, composed and updated electronically directly from the Operational Guidance and Planning System, are made public annually in December. The punctuality of publishing relative to schedules is monitored with release deviations. The Internet services were reviewed at the same time and uniform homepages were designed for different statistics. The work continues with development of usability of the services, and renewal of the electronic publishing procedures - publications and databases - both technically and with respect to accessibility and information contents.

21. In 2007 new guidelines for managing revisions and errors in statistical releases and publications were introduced. They highlight openness, clarity and fast reactions in all the error situations, as well as proactive measures and active co-operation and communication with the stakeholders in case of revisions. For example, in the case of major revisions to statistics the importance of continuous communication with strategic stakeholders throughout the revision procedure is emphasised. The guidelines were compiled in accordance with the international guidelines and recommendations, and are available on Statistics Finland's intranet. The management of errors and revisions are also monitored continuously.

D. Customer relations management and development

22. In 2003, customer relations management was identified as a strategic development area. Thus far, customer segments (central government, enterprises, local government, research and educational institutions) and strategic and key customers have been defined, a handbook has been produced for key account managers and an information system has been built for the management of customer relations. The results have proved to be quite positive; currently the measures taken are being evaluated in order to further develop the actions in the future.

V LEGITIMACY AS A SOCIAL ASSET

23. Organisations earn their legitimacy by meeting their mission and by fulfilling the needs of the stakeholders. The question is whether the stakeholders acknowledge the legitimacy. This is very closely intertwined with the concepts of reputation, trust, and corporate image.

24. The importance of legitimacy is clearly shown in the mission, values and basic operational principles of Statistics Finland: Our task is to provide the society - those who need the information - with reliable statistical data. This legitimacy formed of the accessibility, quality and use of the statistics compiled by Statistics Finland is continuously evaluated both nationally and internationally. Corporate image surveys reflect the perceptions of the users of statistics. Direct feedback and views about Statistics Finland and its products and services reflect the views of the customers and other data users. Eurostat regularly evaluates the quality of its Member States in statistics production.

25. Corporate image and customer satisfaction surveys indicate that public knowledge about Statistics Finland as well as the agency's image as a producer of impartial and reliable statistics have remained strong. Statistics Finland is one of the best known organisations within Finnish general government, and over 80 percent of Finnish citizens consider its statistics always or usually reliable. Respondents to the customer satisfaction surveys are quite pleased with the service they receive.

26. According to a recent study on Finnish governmental organisations, a group of especially faithful, content stakeholders - so called faith holders - has been identified. They form an important social asset of the organisations, and can act as a "reputation shield" in crisis situations. The identification of these faith holders might be one strategic stakeholder management issue also for a statistical institute. Faith holders can prove invaluable in cases where, e.g., the media raises a question about the reliability of statistics. In this kind of situation, faith holders often speak up for the organisation.

VI FUTURE CHALLENGES

27. In Statistics Finland's co-operation with stakeholders, communication and dissemination have been acknowledged as strategic tools and key elements in the advocacy of statistics. They are not a separate function but an integral part of each knowledge workers' duties. The challenge is how to develop the competencies of the staff, and how to provide sufficient and adequate co-ordination, internal guidelines and support to facilitate these actions and to ensure coherency and a solid enough appearance of the organisation.

28. Evaluation and measuring instruments for the effects of communication and co-operation are currently being developed. Another current issue is how to better and more extensively monitor the needs, expectations and experiences of the stakeholders. The aim is to try to reach also the "non-paying users" more extensively as previously, and to anchor the various surveys to a common framework, e.g., the code of practice and its perspectives.

29. Our common aim is to promote the use of statistical information in the society. This is closely related to the issue of statistical literacy, which can be supported by providing, e.g., learning material, courses and user support, but we as communication professionals are also in a key position in this respect. Do we support statistical literacy when presenting, popularising and publishing statistical information, when planning and developing new ways to disseminate and communicate? This refers to the concept of high-quality statistical communication, and to recognition of the optimal arena for communication and dissemination. These goals can only be achieved by listening very closely to the needs of the information end users, continuous co-operation and interaction between statistical and communication professionals, and identification of potential co-operative partners and their role in communication and dissemination. *"Knowledge in the right hands truly is power. It is raw material to be processed to higher level of knowledge in order to create added value for the customer. Raimo Nurmi: Knowledge-intensive firms"*

FIGURES

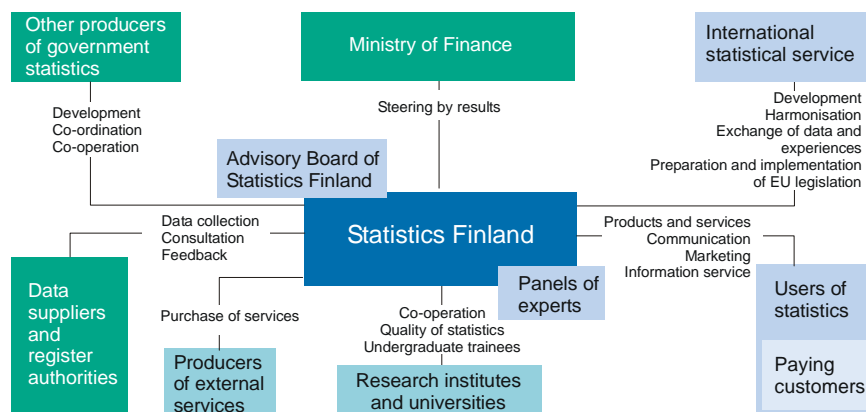


Figure 1. The external stakeholders of Statistics Finland.

| | |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reliable | <ul style="list-style-type: none"> Impartial and independent High-quality data files Knowledgeable staff |
| Capable of continuous renewal | <ul style="list-style-type: none"> Developer of official statistics Strengthens own competence Actively international |
| Efficient service provider | <ul style="list-style-type: none"> Considers customers' needs Data available quickly and easily Developer of products and services |

Figure 2. Target profile of Statistics Finland.

LITERATURE

- Donaldson, Thomas ja Preston, Lee E. 1995. The stakeholder theory of the corporation: Concepts, evidence and implications. *Academy of Management Review* 1995: 65–91.
- European Statistics Code of Practice. 2005. <http://ec.europa.eu/eurostat/quality>.
- Freeman, R. Edward. 1984. *Strategic management. A stakeholder approach*. Pitman Publishing Inc., Marshfield, Massachusetts.
- Juholin, Elisa. 1999. Paradise lost or regained? The meanings and perceptions of organisational communication of 1990's in Finnish work organisations. *Inforviestintä*. Helsinki.
- Luoma-aho, Vilma. 2005. Faith-holders as social capital of Finnish Public Organisations. *Jyväskylä Studies in Humanities* 42. Jyväskylä.
- Nurmi, Raimo. 1998. Knowledge-intensive firms. *Business Horizons*, May-June 1998, 26–32.
- Näsi, J. 1995. What is stakeholder thinking? A snapshot of a social theory of a firm. – In J. Näsi (ed.). 1995. *Understanding stakeholder thinking*. Jyväskylä: LSR-Julkaisut.
- Smythe, John, Dorward, Colette ja Reback, Jerome. 1992. *Corporate reputation. Managing the new strategic asset*. Century Business, London.
- Ylärinta, Maritta. 2006. *Between two worlds - stakeholder management in a knowledgeintensive government organisation*. Publications of the Turku School of Economics. Series A-7:2006.
- Statistics Finland's Operational strategy, Annula Reports, Communication strategy and other documents (see, e.g, <http://www.stat.fi/org/>)