Country Report

Finland

Client: European Commission

Rotterdam, London, 11 November 2011

Country Report PES PMS

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ECORYS

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Summary

ID	
Country	Finland
Name PES	the Ministry of Employment and the Economy
Name researcher	MC
Additional remarks (e.g. source gaps, problems, challenges)	Country visited

1 Background information

General information PES		Source*
Mission & tasks & targets	The main services for job seekers include job counselling, vocational guidance and career planning, information service on occupations and training, labour market training, vocational rehabilitation and various support services that promote employment. Services for employers include recruitment, training, change security services and some in-depth, chargeable services.	www.tem.fi.
Organisational setup (nr. of central, regional and local offices)	Employment and Economic Development Offices (TE offices) offer services. The Employment and Economic Development Offices have 76 local offices all over Finland.	http://www.mol.fi/mol/en/02_working/01_services/index.jsp.
Human resources (nr. of staff if possible fte's) Please mention the year	3600 in local offices 2011.	
Financial resources (annual budget) Please mention the year	630 M €.	

Institutional context		Source
How closely linked is the PES to relevant governmental body? (deconcentration: is this a part of a ministry, is it a legal form, a separate agency?)	The PES is a part of the Ministry of Employment and the Economy. The Ministry is responsible for the planning, development and implementation of the public employment service. The Ministry drafts legislation on employment services and supports and supervises the Employment- and Traffic- and Environment Centres (ELY-Centres) and through them they support the employment offices in the delivery of services.	Benchmarking, PES Finland, 2008/ http://www.tem.fi/?l=en&s=2305.
How much autonomy is given to regional and local level in PES? (decentralisation: who designs budget, the strategy etc.)	The PES operates with reasonable degree of autonomy at local and regional level in the framework of the allocated resources and legislation and targets. The regional offices are able to set their own performance targets additional to those set at the national level. Nowadays not used very often. **The labour administration operates** on three levels: 1. The Ministry of Employment and the Economy is responsible for legislation, regulatory and political framework, product development and fund allocation in terms of management by results to the regional bodies -15 Employment and Economic Development Centres (TE-centres). The parliament approves the annual budget of the Ministry of	Benchmarking, PES Finland, 2008/ "The contribution of The PES, good practices, 2010. Interviews.

Institutional context		Source
	Employment and the Economy and its main business objectives and targets; 2. TE-centres are in charge of anticipating regional training needs, planning and procuring and monitoring of LMT; *3.* Around 80 local PES offices are responsible for delivering PES services for jobseekers and employers.	
To what degree are services or tasks outsourced to voluntary or private sector? (Privatisation: which services are outsourced and to whom?)	The level of outsourcing is not high. However, all labour market training have been bought from training and educational organisations also job search courses have partly bought from other private and public actors.	

Country information		Source
Sending or receiving country?	Sending country.	Ecorys.
Background information: • % of employment; • % of unemployment; • the main challenges on the labour market.	Employment rate: 67.6% (LFS, 2010); Unemployment rate: 8.4% (LFS, 2010). In November 2011 unemployment was 6.2 % and employment rate was 69.2 %. Employment has been improving during the whole year 2011. The long term unemployment is still a serious problem 24, 5 % of unemployed have been without work over 12 months. The near future of labour market is difficult to anticipate, since the Finnish economy is much depending on the European and global economy.	Eurostat. Interviews.

2 PES performance measurement systems – Design

Purpose		Source
For which purpose was the performance measurement system established and for which level? (check for accountability; management information)	The performance management system is the main tool for the ministry to conduct the functioning of the regional offices and also Local PES offices. The ministry has negotiations with the 15 regions (Ely-centres) and they have negotiation with the local PES offices on their own area.	Interviews.

Indicators		Source
What types of indicators are used to measure performance? (in terms of: inputs, outputs, results, impacts)	In 2011 there were nine target indicators. The indicators were designed to improve the functioning of labour market, to fill vacancies, to improve jobseekers integration to the labour market, to secure the supply of skilled labour, to reduce structural unemployment and to increase customer satisfaction.	Interviews.
Which (sub-) indicators are used for each type? (if there many, please put them in an annex)	Cf. annex. Most relevant are indicators listed under "Annex 2".	Interviews.
Do indicators presuppose causal relationships (input-output; output-results; results-impact)? How?	Indicators do not explicitly presuppose a causal relationship.	Interviews.

Targets		Source
Do targets exists, i.e. are indicators quantified? For who are targets set (central office, local offices, individual employees)?	Yes, targets are ultimately set for local PES offices.	Interviews.
Are targets SMART?	Yes, Quantitative targets are set for most indicators.	Interviews.

Tools		Source
Does the PES PMS includes a Data Warehouse (DWH) and to which other administrations is this DWH linked?	Yes, it includes monthly statistical follow up data available for the whole organisation.	Interviews. www.PES-Benchmarking.eu.
Is a tool (e.g. Balanced Scorecard) for presenting management information available?	Yes, Prism of performance and balanced score card.	www.PES-Benchmarking.eu.

Quality assurance		Source
Is quality of client satisfaction measured? How and frequency?	Feedback on customer satisfaction from the employers and job seekers is carried out annually by phone carried out by an independent research institute. It is also a functional performance target.	Interviews.

Management and support		Source
What are the main data sources of the PMS?	Administrative data of the Employment Service (all data concerning jobseekers, vacancies, active programmes), surveys among employers, customer satisfaction surveys among PES clients. Data from the Finnish Statistical office.	Interviews.
How is data collected and updated?	The data used in the PMS is register-based. It is collected from the PES offices when jobseekers are registered or employers notified a vacancy. Statistical system is a part of ICT customer service system and it includes also information on services and measures used in the service process. The data is entered in the register at the PES offices and once a month transferred to the statistical department of the PES. For some indicators, data is collected outside the system, which is mostly done by Statistic Finland.	Interviews.
Who has access to the data generated by the PMS?	Staff in the whole organisation. The results are also delivered to the social partners and other partners, other ministries	

Tagging customers		Source
Are customers willing to work abroad or willing to hire foreigners especially tagged in the system?	No.	Interviews. Ecorys Websurvey.

Tracking customers		Source
Is contact maintained with clients to ascertain the results of activity/support provided? For example, are any follow-up surveys undertaken?	Generally there is no contact once support has finished. There is some follow up on how many are still unemployed 3 months after the activity. Some clients inform the PES by themselves of their employment activities after support.	Interviews.

Influence PES resources on PMS		Source
In which ways and to what extent is the PES PMS influenced by the PES resources, business models and national priorities?	The PES is currently under a reform and the reorganisation of the PES does affect the PMS. The number of local PES offices will be reduced from 80 to 15. (one independent administrative office in each region) The new service model will be based on three service lines.	Interviews.

3 PES performance measurement systems - Use

Performance management areas		Source
Is performance measurement being use for the operational, tactical or strategic level? By whom?	Both for strategic and operational purposes, it is a management tool for the ministry and also for regional offices. At the local level it has been used to follow up performance the whole office or some unit but it has not been used at an advisor –level.	Interviews.
At which level (s) of the organisation is performance management practiced?	See above.	Interviews.
In which management areas (Human resources, Financial resources, Quality management, and Strategy development) are the findings of performance measurement used?	PMS is used for strategy development (developing labour market policy), monitoring, and also for budget allocation (based on the unemployment rates in a region). It is also used for the ministry to asses the performance of the PES offices.	Interviews.

PES mission and target setting		Source
Please describe the target-setting process: actors involved, frequency, etc.	The state budget forms the basis for the target at national level. The ministry asks the regions to set their initiative target proposals (based on national target level). Subsequently, the ministry will assess the regional proposals based on the national targets, based on the regional labour market situation and employment trend etc. The final target will be decided during the negotiation process) PES regional authorities negotiate on targets with the local PES offices. The regional offices or local PES offices can reject the target. (not very common) The PES offices have same indicators, but different targets in accordance with their local economic situation.	Interviews.

Benchmarking		Source
Are sub national PES offices benchmarked?	Yes, on the basis of contextual indicators.	Interviews.

Rewards		Source
Is target-realisation rewarded? How?	At the local level. If a local office reaches the target the whole staff will be paid certain % of the yearly salary (not used at the regional level).	Interviews.

4 EURES

Information about EURES		Source
General information about EURES (number fte's, cooperation with PES)	There are 30 EURES advisors working at the local level. Most of them work part-time, however a number of advisors are full- time. There are also regional offices; however there are no EURES advisors at the regional level. There are two EURES line managers per area. There is also some coordination in the ministry and some assisting personnel. All EURES advisors have assistants because the regions are large. EURES is quite separate from other parts of the PES. However the PES is trying to integrate more EURES activities into the local level PES. One of the main barriers is that most line managers have little experience with EURES. EURES is therefore preoccupied with raising awareness among PES staff. There is no EURES coordinator at the moment.	Interviews.
Most important stages and tools	Targets groups: jobseekers and employers, colleagues and also other stakeholders. Channels include face to face meetings, emails and phone calls. Also lectures on EURES, participating in job fairs in Finland and abroad. Employers visits, meetings. Not all Employers are yet aware of the existence of EURES services.	Interviews.
Assessment of the tools: what works well and why and what needs some improvement	Employer visits seem to work well, especially when such visits are organised via peers (employers organisations and individual employers). For jobseekers the website and the associated information material seems to work well, under the condition that that it is concrete. The website could nevertheless be improved, but time is lacking to do so. Aside from the website, face to face meetings remain important. These constitute a kind of validation of the information from the website. Also lectures are very good because they can focus on multiple topics simultaneously.	Interviews.
Which factors facilitate or hinder cross-national placement of individuals by EURES. Describe short their impact	The main barriers include language (Finnish language), employer attitudes, as well as high/ unrealistic expectations of both employers and job seekers; for successful recruitment not only a job but also job for the spouses and school for children is necessary.	Interviews.

Information about EURES		Source
	Among the facilitating factors is the fact that many employers seem to be prepared to hire employees from abroad.	
Opinion on the current way/form of reporting in the EA Monthly reports? What works well what does not	It is currently not possible to track how many people have been placed. There is only some anecdotal information about some individuals. The report is primarily based on quantitative data, while EURES also collect more qualitative information. Some questions are too detailed (the number of contacts). The report also focuses more on the employers than the jobseekers.	Interviews.
alternative ways for measuring the performance of EURES (describe shortly)	An alternative could be the measurement of the number of interviews per vacancy, instead of number of placements or number of employer contacts. There is no other national monitoring system.	Interviews.
What other data is available for measuring the performance of EURES (other than that included in the monthly reports)?	No data.	Interviews.
In your opinion, what are (or could be) the best indicators for measuring the impact of EURES on geographical mobility?	It is very difficult because a migration decision may take sometimes years. It also seems to contradict the "free" movement of workers if clients have to report back to the PES. The best source for the information about the placement would come from the employers but its complicated to obtain as it is burden for them to report back.	Interviews.

5 Geographical labour mobility

5.1 Design

Specific to geographical mobility		Source
Is the performance of geographical mobility activities other than EURES assessed?	No, neither on internal mobility.	Interviews.
Do indicators related to geographical mobility activity exist within the PES performance measurement system?	No.	Interviews.
Are targets in place?	No.	Interviews.
Does the PES collect any (other) data on geographical mobility activity (i.e. which is not included in the performance measurement system)?	Data exists on EU and EEA immigrants and emigrants (Fins) with unemployment benefits. Twice a year surveys on "areal economy views" are being held. In these surveys, employers are asked whether they are willing to hire people abroad. A change of address of job seekers is mentioned in the PES registration, but no follow-up activity. In the vacancy registration there is information if the vacancy stems from abroad, but it is only known who filled it if it is filled by a job seeker registered at PES.	Interviews.
Does the PES also monitor geographical labour mobility on the basis of data provided by another organisation (e.g. statistical office)? Which indicators are used?	No.	Interviews.
Where in the PES is data collected and processed?	*Data on unemployment benefits for foreigners and abroad is collected by the insurance institute.*	Interviews.
How is quality of service/client satisfaction related to geographical labour mobility activities measured?	No.	Interviews.
Is contact maintained with clients to ascertain the results of services related to geographical labour mobility provided? For example, are any follow-up surveys undertaken?	No.	Interviews.

5.2 Use

Specific to geographical mobility		Source
At what organisational level (strategic, operational, etc.) and frequency is the effectiveness of services related geographical mobility monitored?	No.	Interviews.
Is monitoring information or data used to inform future activity/resource allocation?	No.	Interviews.
Are good practices identified and shared? By whom?	No.	Interviews.
Where and when is information on geographical mobility and associated activity used? Is it shared with cross-border/trans-national partners?	No. The information on mobility with unemployment subsidy is available, but not used as it only concerns a very small selection of the migrants.	Interviews.

Annex

Used sources

Annual report Ministry of Labour Finland, 2006.

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"The contribution of The Public Employment Services To Flexicurity" - Compendium of Good practices, 2010.

Arnkil R, (2008) 'Finnish Public Employment Service Reform: The Network Model', In: Di Domenico, G. & Spattini, S. (eds) New European Approaches to Long Term Unemployment – What Role for Public Employment Services and What Market for Private Stakeholders? The Netherlands: Wolters Kluwer. Law & Business.

Interviews:

- Mr Petri Syvänen, LMP-database representant of Finland;
- Mr Räisänen, substance orientation and knowledge of our policies+ EMCO working group;
- Laura Perheentupa, EURES Manager;
- Tina Sundqvist, Eures advisor.

List of indicators

Q4. Which indicators are regularly monitored in your management information system, e.g. average unemployment spell? (Please list all indicators and indicate to which task listed in Question Q2 it is linked):

1. number of young unemployed who get new opportunities in the form of training, retraining, work experience, a job or other employability measure within 6 months of unemployment (linked Q2.1);
2. number of unemployed over 25 years who get new opportunities in the form of training, retraining, work experience, a job or other employability measure within 12 months of unemployment (linked Q2.2);
3. number of long-term registered unemployed who participate in an active measure (training, retraining, work experience or other employability measure) (linked Q2.3);
4. number of the unemployed in the active labour market policy programmes (linked Q2.4);
5. Outflow in to employment within 3 month after finishing of ALM measures:
   a. after vocational training;
   b. after supported placement: subsidized placement, supported obtainment of working skills, public works (linked Q2.5).
6. Outflow in to employment within 6 month after finishing of ALM measures:
   a. after vocational training;
   b. after supported placement: subsidized placement, supported obtainment of working skills, public works (linked Q2.5).
7. vacancies filled including vacancies created by LAMP (linked Q2.6 (source: benchmarking PES Finland, 2008).

Annual performance targets for the labour administration set in the budget 2006 referred to indicators on the:

- minimum numbers of jobs to be filled;
- average number of days that jobs subsequently filled were open;

List of indicators

- percentage of those participating in labour market training who had found employment two months after the training;
- maximum percentage of those unemployed three months after vocational labour policy adult education; and
- maximum percentage of those unemployed three months after subsidized employment (Salimen and Vitala, 2006).

(….) Performance targets for the TE-Centres and employment offices for 2008 carried the main objective of improving the viability of the labour market and the availability of the workforce. Among these targets were indicators referring to the:

- maximum period for which jobs are vacant;
- minimum proportion of jobs filled through the job-matching service;
- minimum proportion of labour market entries within three months of vocational training and employment subsidy (PES Monitor, 2009).

Among the headline performance indicators for 2009, against which the different LAFOS offices have individual targets, are a:

- percentage figure which the proportion of unemployment periods exceeding three months must not exceed; and
- minimum percentage of job seekers achieving employment following completion of some accredited training or subsidised work (Nio, 2006).

Source: benchmarking PES Finland, 2008.

Annex 2 *The list of the results indicators sent by laura.perheentupa@tem.fi" This is list for the monitoring for budgetary system, for the central government level. Some of those have also some targets for the local offices:*

- *number of employers having faced recruitment difficulties;*
- *number of the unemployed among those less than 25 years of age;*
- *flow to over a three month period of unemployment among those less than 25 years of age;*
- *flow to over a three month period of unemployment;*
- *percentage of persons in the company being employed through subsidised placement;*
- *number of those having difficulty in being recruited;*
- *share of those having participated in labour market training but remain unemployed three months after the training has ended;*
- *share of those that remain unemployed three months after having had subsidised placement;*
- *number of newly established companies;*
- *level of use of the CV-net;*
- *share of those having begun search for job via the internet (www.mol.fi).*

Flowto refers to an indicator based on the number of unemployment periods exceeding the duration of three months (either all unemployment periods or those for young people only). It is expressed as a percent of all started unemployment periods on the time period in question (e.g. within a year), here again separately for young people.

E.g. in the first half of year 2011, total number of new unemployment periods was 422,668 and 127,014 unemployment periods exceeded 3 months duration. So this indicator gets the value of 30. 1 %. For young people the respective figures were 106,018 started periods and 17,536 exceeding 3 months duration and the indicator value is 16.5 %.

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