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## CHANGE MANAGEMENT AND CHANGE SECURITY IN CENTRAL GOVERNMENT

### 1 GENERAL

On 26 January 2012, the Government made a resolution on the status of central government personnel in organisational restructurings. The Ministry of Finance has prepared instructions for the application of the resolution. In terms of its main content, the resolution is similar to the resolution made in 2006. The 2006 resolution has been updated, however, and some items perceived through experience to be beneficial have been included.

This decision relates to the implementation of the above-mentioned Government resolution. The decision presents measures, procedures and services relating to changes in personnel requirements that support and guide central government agencies in managing changes and arranging the change security of personnel. In addition, the decision includes other support measures that are available in an organisational restructuring.

Restructurings require operating units to display strong leadership and effective human resources planning. Responsibility for implementing change lies with the relevant agency and its supervising ministry. The employer has a duty to support the placement of individuals that are left without working tasks in new tasks, either in the central government or in the service of another employer.

### 2 NEW MEASURES SUPPORTING CHANGES IN PERSONNEL REQUIREMENTS

#### 2.1 Redundancy compensation

Placement in new tasks is always the preferred option. If new tasks in the service of the same agency or another employer are not found within a reasonable time applying the

procedure described in the Government resolution (see Section 4.1 below), the employer must prepare a plan for necessary measures, including measures leading to redundancy. One means is redundancy compensation, the payment of which requires the permission of the Ministry of Finance.

At its discretion, the Ministry of Finance may, pursuant of Section 5(2)(3) of the Public Servants' Collective Bargaining Act, give to agencies permission on a case-by-case basis to pay redundancy compensation. An agency may submit a proposal to the Ministry of Finance to receive such permission. Redundancy compensation is paid from the agency's appropriations. As the employer, the agency decides on a case-by-case basis whether it will offer redundancy compensation to all of its public servants who are subject to a restructuring or only to some of them. A public servant has no subjective right to compensation.

A public servant who agrees to voluntary redundancy may be granted as redundancy compensation at most a sum corresponding to the individual's salary for the period of notice plus a sum corresponding to six months' salary. The maximum amount of compensation is 12 months' salary. The amount of compensation is scaled based on length of service, as follows:

<b>Government service</b>	<b>Compensation</b>	<b>Period of notice</b>	<b>Total</b>
at least 12 years	6 months	6 months	= 12 months
over 8 years – up to 12 years	5 months	4 months	= 9 months
at least 4 years – up to 8 years	4 months	2 months	= 6 months
at least 2 years – up to 4 years	4 months	1 months	= 5 months

The Ministry of Finance may grant an agency permission to pay redundancy compensation if the working tasks mentioned in the agency's application are being discontinued. In its application, the agency must state how many public servants are affected by the application. The Ministry of Finance may grant the right to pay compensation at most to the number of people mentioned in the application. If individuals refuse new working tasks assigned to them or a new job in their commuting area, they cannot be paid redundancy compensation.

A prerequisite of the granting of redundancy compensation is that agency tasks are being discontinued or moved to another area, so that they are no longer in the same commuting area. Compensation may be granted even if a public servant's duties have not yet been discontinued or the consultation procedure has not yet ended.

A prerequisite of the granting of redundancy compensation in all cases is that the individual in question has worked in government service for at least two years.

## **2.2 Government Human Resources Services Unit**

The Government Human Resources Services Unit, established in 2008 for the use of central government agencies and other operating units, will continue its activities. The unit operates in connection with the State Treasury. The unit serves and supports the management and supervisors of agencies and other operating units in the management and implementation of human resources changes, in the placement in work of personnel affected by changes, and in training and other activities aimed at implementing change security. The goal is for the personnel impacts of various change situations to be implemented even more quickly and effectively both from an agency and a personnel

perspective. The purpose is to enhance and improve the management of human resources adjustment situations and the central government's supply of labour.

### **2.3 Human resources coordinators**

In the event of restructurings, ministries and agencies must nominate a human resources coordinator, whose task is to support management and to participate as an expert in restructuring projects.

Administrative branch human resources coordinators nominated by ministries operate in the cooperation network of the Government Human Resources Services Unit. As a network, the administrative branch human resources coordinators and the Government Human Resources Services Unit develop mobility and relocation in accordance with the principles of the central government's human resources management principles. This work also includes monitoring the number of redeployed personnel.

Each administrative branch human resources coordinator leads and coordinates human resources coordinator activity in his/her own administrative branch.

Agencies nominate their own human resources coordinators to support particularly the mobility and redeployment of personnel as well as to coordinate the practical preparation and implementation of personnel support measures. The Government Human Resources Services Unit provides information on the general tasks and role of the human resources coordinators. In addition, agencies specify the tasks of their own human resources coordinators.

It is important to take the responsibilities and tasks of ministries' and agencies' human resources coordinators into consideration in determining the scope of their working tasks.

To ensure efficient flow of information between the Government Human Resources Services Unit and human resources coordinators, ministries and agencies must notify the Government Human Resources Services Unit of their human resources coordinators' contact information.

## **3 CENTRAL GOVERNMENT HELI SYSTEM**

The resolution made by the Government on 26 January 2012 (Section 2.1) states: "When new personnel are recruited for central government in the period 2012–2015, selection of personnel will be initiated by reviewing whether personnel released due to restructuring are available within central government. Ministries are responsible for ensuring in their administrative branch that such reviews are undertaken." In addition, each agency is responsible for conducting its own review. Agencies must specify an individual responsible for undertaking such reviews.

Central government utilises an electronic recruitment tool, Heli, which is intended to facilitate the management of the recruitment process as well as to bring central government jobs within the reach of job seekers in a centralised, new way. Heli is also intended to promote internal mobility within the central government and to assist in the redeployment of personnel in organizational restructurings. The above-mentioned reviews should be implemented using the Heli system before vacant positions are advertised publicly. With the aid of the system, operating units can also, for example, communicate efficiently about vacant positions. Information about the system can be found at the address [www.valtiolle.fi](http://www.valtiolle.fi).

## 4 OTHER AVAILABLE HUMAN RESOURCES MEASURES

### 4.1 Assisting personnel in finding new tasks

According to the Government resolution, the central government, as an employer, shall support the activity of personnel in finding new jobs. In a restructuring, employees shall also be required to display a readiness to change and an active attitude to transfer to new tasks or to find a new job.

Safeguarding the continuity of employment in central government is promoted by the readiness of personnel to transfer to a new unit or to a new job in their commuting area. An effort will be made to find for individuals similar or corresponding jobs that are available in an appropriate operating unit or in some other central government operating unit in the same commuting area.

Individuals affected by restructuring will be given the means to help them monitor vacant positions in central government. Monitoring should take place on a daily basis, because individual positions are announced within the central government only seven days before they are announced publicly. Individuals should also monitor positions announced in the public job market. Agencies are responsible for ensuring that all individuals affected by restructuring know their rights and obligations in finding a new job and that they have the means and reasonable time for seeking jobs.

Agencies may also acquire information about positions that become available and communicate such information to job seekers. Ministries are responsible in particular for the redeployment of personnel in their own administrative branch. Redeployment in new duties is always the preferred option.

### 4.2 Position transfers

Positions may be transferred to another agency or to another administrative branch by virtue of the Public Servants Act (750/1994) and the State Budget Act (423/1988).

The Public Servants Act has been amended from the beginning of 2012. Provisions on the status of public servants within central government during organisational restructurings and transfers of business have been added to the Act (Sections 5a–5e, 1548/2011). The new provisions should be taken into account when planning personnel arrangements in restructurings.

A regulation relating to Ministry of Finance position transfers includes detailed procedures to the preparation of position transfers (Ministry of Finance Personnel and Governance Policy Department regulation [Transfer of Human Resources from One Administrative Branch to Another / Henkilöstövoimavarojen siirtäminen hallinnonalta toiselle](#)). Through transfers of human resources, resources may be transferred during a financial year without budgetary procedures. By human resources is meant both the positions and the appropriations necessary for paying the salaries and other expenses of personnel. The relevant ministry decides on the transfer of human resources within an administrative branch (from one agency to another).

In transfers of human resources between administrative branches, the decision on the transfer of a position is made by the Ministry of Finance, unless the transfer in question involves a change of the mandates of ministries referred to in Section 11 of the Government Act. Decisions relating to change of mandate are made by Government plenary sessions on the proposal of the Prime Minister's Office.

### 4.3 Transfer to the service of another employer

Pursuant of Section 20 of the Public Servants Act, a public servant may, with his/her consent, be transferred for a fixed period to work in another agency or in the service of another employer, if the transfer promotes the continuation of the service relationship or employment. The other employer may be the central government, local government (e.g. the different cities of the Helsinki Metropolitan Area) or the private sector. Contracts may be entered into with a private employer in which an agency is responsible for an individual's salary expenses for one year and the private employer undertakes in turn to employ the individual for a continuation period of a minimum of one year. A premise of such agreements must be that the receiving employer is responsible for at least half of the salary costs of the employment period in question. Arrangements for the payment of salary expenses payable by the central government shall be agreed separately between the relevant agency and the receiving employer. The aim is that through fixed-term employment the individual would receive a permanent job in the service of the new employer. The agency and the new employer shall nominate contact persons whose task is to handle current issues that arise from the transfer.

The Ministry of Finance recommends the use of the opportunities allowed by Section 20 of the Public Servants Act. These have been used in the defence forces, for example, and the latter can be considered to be a good example.

### 4.4 Retraining, support for training, and the use of advisers and consultants

An agency may grant a public servant paid or unpaid study leave, and pay for various course fees and study materials. If necessary, a training plan should be prepared. Training must promote the redeployment of personnel in the service of the same or another employer.

An agency may hire advisers to help personnel in their job seeking or may purchase consulting services or use the paid services of the Employment and Economic Development Administration. Agencies should also use the free services of the Employment and Economic Development Administration.

### 4.5 Services of the Employment and Economic Development Administration

In situations where personnel will be left without jobs, the employer should notify an Employment and Economic Development Office of this as soon as the individuals concerned have been identified. An agency should contact the change security experts of an Employment and Economic Development Office as early as possible. Planning of support measures should also begin at the earliest possible stage.

The change security services of the Uusimaa Change Security Unit, for example, are at the disposal of agencies: tel. 010 60 71025 or 010 194 519, uusimaa.muutosturva@te-toimisto.fi. The contact information of change security experts throughout Finland can be found on the website of the Ministry of Employment and the Economy: [http://www.mol.fi/mol/fi/99\\_pdf/fi/01\\_tyovoimapalvelut/03\\_tyonantajapalvelut/muutosturvaasiantuntijat.pdf](http://www.mol.fi/mol/fi/99_pdf/fi/01_tyovoimapalvelut/03_tyonantajapalvelut/muutosturvaasiantuntijat.pdf)

### 4.6 Granting leave of absence

An individual may be granted leave of absence for a maximum of three years, for example in a situation in which he/she is employed for a fixed period in another position, either in the central government or in the service of another employer. The

Office for the Government as Employer recommends that individuals subject to the threat of redundancy always be granted leave of absence in such situations. Leave of absence may also be granted in a situation in which an individual establishes a company and in this way employs him/herself. After this leave of absence, the change security arranged by the agency ceases.

#### **4.7 Remote working possibility**

Agencies have the possibility of using various remote working solutions, both temporarily and permanently. The practicality of the remote working possibility will vary significantly, depending on the agency's field of activity and the working tasks of the individual in question. In regionalisation situations, the remote working option may be used as a transition period solution, if it is possible thereby to handle tasks in a way that is efficient for the agency. An instruction on the principles of remote working and the terms of employment was issued by the Personnel and Governance Policy Department of the Ministry of Finance on 12 October 2010 (VM/1978/00.00.00/2010).

#### **4.8 Tax-related support measures**

A deduction for temporary quarters (*työasuntovähennys*) is a deduction made from income which is deducted from earned income as a cost of acquiring income (*tulonhankkimiskulu*). It was possible to receive the deduction for the first time in taxation year 2008. The deduction for temporary quarters can be received by a taxpayer who works far from home and as a result of this has rented for his/her use other accommodation (temporary quarters) in the area where the job is located. Receiving the deduction requires that certain conditions relating to the quality and location of the job and the accommodation are fulfilled. The deduction conditions differ to some extent for people with and without a family. The amount of the deduction is a maximum of 250 euros per month.

More detailed information about the deduction for temporary quarters and other tax-related support measures can be obtained on the website of the Tax Administration: [www.vero.fi](http://www.vero.fi).

#### **4.9 Compensation for moving costs, and familiarisation trips**

Appendix 1 of the Public Servants' Collective Bargaining Agreement contains contractual provisions on the compensation of public servants' moving costs. Compensation for moving costs may also be applied to other employees in addition to public servants. The contractual provisions in question are applied in situations in which a public servant moves to another locality. Compensation for a maximum of six familiarisation trips is also agreed in Appendix 1.

#### **4.10 Operating model in possible redundancy situations**

If personnel have to be made redundant, the procedure must take into account the Public Servants' Collective Bargaining Agreement's protocol on the operating model for employment and change security in central government (Ministry of Finance 25/311/2005, signed on 14 February 2005). According to the Government resolution, the aim is for redundancies to be limited to affect as few people as possible. This is possible when the means presented in the resolution and in this decision are used effectively.

The content of paragraphs 2.1, 4.3 and 4.6 above shall also cover, where applicable, employment contract workers.

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