



Personnel and Governance Policy Department

Office for the Government as Employer 26 January 2012

Arranging the Status of Central Government Personnel in Organisational Restructurings

THE GOVERNMENT RESOLUTION AND RELATED MINISTRY OF FINANCE APPLICATION INSTRUCTIONS

1 INTRODUCTION

On 23 March 2006, the Government made a resolution on arranging the status of central government personnel in organisational restructurings. This resolution updates the content of the 2006 resolution, certain aspects of which have been revised.

The purpose of this resolution is to promote uniform operating practices in central government organisational restructurings and in safeguarding the status of personnel, and to support change management and high quality leadership.

The operating practices presented in the 2006 resolution are still relevant. According to Prime Minister Jyrki Katainen's Government Programme of 22 June 2011, the central government productivity programme will be replaced by an effectiveness and productivity programme. The implementation of changes decided in the previous parliamentary term will continue in the current parliamentary term, unless new decisions are made. The implementation of decisions relating to the regionalisation of functions will continue in accordance with transition periods during 2012–2015. Operating practices according to the 2006 resolution have been in widespread use and they have helped central government assume overall responsibility for its personnel. During the past five years, practical experience of operating practices has been gained and this has been taken into account in the content of this resolution, such that the overall responsibility of central government has been further enhanced.

Provisions separately enacted with respect to the transfer obligation of Defence Forces and Border Guard personnel remain in force.

Application instruction:

That which has been stated above shall be adhered to with respect to the transfer obligation of Defence Forces and Border Guard personnel. In addition, that which is stated in this resolution shall be taken into account.



2 MANAGEMENT PRINCIPLES IN RESTRUCTURINGS

A general principle in central government organisational restructurings is that the central government human resources management policies are followed and that the status of personnel is arranged in accordance with current legislation. Provisions on the status of central government public servants are enacted in the State Civil Servants' Act and on the status of employment contract personnel in the Employment Contracts Act. The provisions to be applied in restructurings include, for example, provisions relating to the initiation of the employment relationship, the transfer of positions and the ending of the employment relationship. The State Civil Servants' Act contains provisions on the status of civil servants in transfers between agencies and in transfers of business.

Application instruction:

The operating practices mentioned in the resolution shall be adhered to in different kinds of central government organisational restructurings. Provisions on the status of public servants in central government internal restructurings and transfers of business have been enacted through amendments to the State Civil Servants' Act (1548/2011, Sections 5a–5f) that came into force on 1 January 2012. These provisions primarily direct the arrangement of the status of personnel. Operating practices in accordance with the resolution are highlighted in changes that involve the transfer of tasks outside an individual's own commuting area.

Operating practices in accordance with the resolution shall be applied both to public servants and to employment contract personnel.

The central government's main type of employment relationship is the public-service employment relationship. In restructurings, the type of employment relationship may change if the receiving organisation uses a different type of employment relationship than the transferring organisation. Transferring from a contractual employment relationship to a public-service employment relationship requires that the employee who has been in a contractual employment relationship is appointed to a public-service employment relationship. When the individual in question has been appointed to a public-service employment relationship, he/she shall resign from his/her contractual employment relationship and transfer to work in a public-service employment relationship.

When an individual transfers from a public-service employment relationship to a contractual employment relationship, an employment contract shall be signed during the public-service employment relationship. After entering into an employment contract, the public servant shall resign from the public-service employment relationship and start to work in a contractual employment relationship when the change comes into effect.

Here the term operating unit means a ministry or an agency subordinate to it or other operating unit within the sphere of central government budget finances. The terms organisation and operating unit are used as synonyms. The terms ministry and agency are used when it is necessary in a text to make a distinction between these operating units.

The following human resource management principles are of key importance in the changes to be implemented in 2012–2015:

1. When new personnel are recruited for central government in the period 2012–2015, selection of personnel shall 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.

The agency in question is responsible for notifying a vacant position to the central government's internal recruitment function before the vacant position is publicly advertised. The objective is to find for a vacant position a central government public servant or contractual employee who, due to a change pending in their agency, is entitled to look for a position within the internal recruitment function. A feature of this procedure is that an agency primarily interviews all individuals who have applied via the internal recruitment system and who fulfil the competence and other requirements of the vacant position. An interview is not essential if a justified reason exists.

A public position or other job should be advertised publicly only in the event that no individual fulfilling the requirements of the position has been found through interviews. The relevant agency is responsible for preparing a memorandum on the justifications on which the evaluation of interviewees was based and the reasons for not conducting interviews. The agency shall provide information on its decision to those who applied for the position.

Application instruction:

Reviews shall take place by using the procedures outlined in Heli, the electronic recruitment system maintained by the State Treasury. Hereinafter in this application instruction, the term internal recruitment function shall be used for the Heli recruitment system.

The internal recruitment function can only be used by the employer's representatives. These include the agency's management and supervisors, human resources officials, and public servants who are specifically defined as the employer's officials.

All central government operating units shall use the above-mentioned procedures. Using the internal recruitment system to fill a public position or job that becomes vacant is therefore the primary procedure before an open and public application process is initiated. The public position and job must be advertised in the internal recruitment function seven days before it is advertised publicly.

The revised resolution urges the interviewing of individuals who have applied through the internal recruitment system. Sufficient time should be reserved for interviews after the advertising of a public position or job. It is at the agency's discretion whether to begin interviews before the deadline for applications expires. The general rule is to interview the applicants who fulfil the competence requirements as well as the other criteria mentioned in the advertisement for the successful handling of the tasks. A justified reason for not conducting an interview may be, for example, that the individual has already been interviewed or the agency otherwise has up-to-date information on the individual's professional ability and suitability for the position. The number of interviewees may be restricted in the ordinary course

of the selection procedure if there are so many applicants that not all of them can be interviewed.

It is the employer agency's responsibility to ensure that no public advertisement is published if a suitable individual is found with the aid of the internal recruitment function. The agency shall also ensure that all applications received via the internal recruitment function are processed and that interviews are conducted before the open position is publicly advertised.

The agency shall ensure that new advertisements on the pages of the internal recruitment function are monitored and that the agency's own advertisements are published on the said pages. This is important for fulfilling the purpose of the internal recruitment function.

The internal recruitment function shall not be used in the manner mentioned in the resolution in the case of public positions falling within the sphere of the authority of the President of the Republic or the Government to appoint. The internal recruitment function shall be used in deviation from the previous procedure also when the job title to be advertised is only used in the relevant agency.

The obligation to advertise in the internal recruitment function shall not apply to short, fixed-term appointments of less than one year. If, however, the intention is to advertise a fixed-term employment relationship of less than one year publicly, the employment relationship should be advertised in the internal recruitment function before it is advertised publicly.

An operating unit's fixed-term employment relationships other than those made on the basis of permanent funding may, at the agency's discretion, be advertised in the internal recruitment function.

A position need not be advertised in the internal recruitment function in the following situation: If a position in the internal recruitment function has been filled using the customary procedure via a public advertisement and a public servant of the same agency has been appointed to the position, the position in the same agency that has fallen vacant as a consequence of this appointment does not have to be advertised in the internal recruitment function. The position that was filled first has, using the customary procedure, been advertised in the internal recruitment function, so the agency may, in respect of the position that has fallen vacant, review in the internal recruitment function the applications received for the position that was filled first. A prerequisite for not advertising is therefore that the agency reviews the possibility of those who applied for the filled position in the internal recruitment function to transfer to the position through the position transfer procedure.

2. Safeguarding the continuity of employment relationships in central government is promoted by the readiness of personnel to transfer to a new unit or new jobs in their own commuting area in accordance with the rules and practices of the Employment and Economic Development Administration.

It is the employer's task to identify those individuals whom a future change will affect. The employer shall arrange for these individuals the rights to review and apply for central government positions advertised within the internal recruitment function. Every individual who has received these rights has the responsibility to monitor the

vacant positions advertised in the central government internal recruitment function and to apply for positions matching their own expertise in their own commuting area. This should be done as far as possible on a daily basis. In addition, it is the individual's own responsibility to monitor at least the vacant positions advertised on the valtiolle.fi and mol.fi websites. The employer shall support the placement of personnel in new positions. The employer agency shall take into consideration the time required for job seeking in setting the workload of the individuals in question.

Application instruction:

By the term preparedness is meant a positive response to changes, even though change always causes fear and uncertainty. Cooperative change management on the organisational and individual levels requires information on, among other things, the impact on personnel of changes. Based on information, every individual whose tasks the change affects shall have the chance to make a situation assessment of their future in the employment of the central government.

By the term commuting area is meant the area according to Chapter 1 Section 9 of the Unemployment Security Act (1290/2002). The commuting area extends to a distance of 80 kilometres from an individual's place of residence.

The acceptance of jobs within the commuting area is the general rule, a provision on which is also enacted in the new Section 5a of the State Civil Servants' Act. According to this provision, in connection with a restructuring of central government functions, public positions and the public servants appointed to them shall transfer to the same agency or to the same agencies as the relevant t are transferred. A public position can be transferred without the consent of the public servant if it is transferred within or to the public servant's commuting area. The rules and practices of the Employment and Economic Development Administration shall be taken into consideration when applying the definition of commuting area in special cases.

It is the task of the employer agency preparing a change to ensure that personnel know their rights and obligations according to legislation and this resolution in the event of a restructuring. In practice, supervisors are responsible for ensuring sufficient communication of these matters.

3. In an organisational restructuring, the organisation preparing the change should nominate a manager responsible for implementing the restructuring within the operating unit. The success of the restructuring should be assessed as part of the manager's performance responsibility.

Ministries and agencies shall have human resources coordinators possessing sufficient authority and opportunities to act, and whose task is to support the implementation of changes and the placement of personnel in new jobs.

Application instruction:

Measures to implement change must be initiated at the earliest possible stage. Action plans relating to the placement of personnel shall be prepared in connection with the preparation of restructuring decisions.

If a new operating unit is formed in connection with a restructuring, the date of the start-up of operations should be taken into consideration in plans relating to its formation. Factors influencing the choice of a suitable date are safeguarding operations, the selection of management, and arrangements affecting the status of personnel. When forming a new operating unit, the ministry must ensure that a unit manager is selected in good time. He/she can be taken into the service of the ministry in the preparation stage for a fixed period.

It is the agency's responsibility to inform personnel immediately of the planning and preparation of any restructuring as well as any plan relating to the redeployment of personnel. Information must be made available regularly throughout the entire restructuring process.

Each ministry shall nominate for the ministry and its administrative branch a human resources coordinator (hereinafter referred to as the administrative branch human resources coordinator). The administrative branch human resources coordinator is responsible for managing and coordinating the human resources coordinator activity of the entire administrative branch in connection with organisational changes that take place in the administrative branch and in relation to the changes of other administrative branches.

Each agency shall nominate an agency human resources coordinator, whose task it is to oversee the implementation of the principles of human resources policy within the agency. The agency human resources coordinator is the agency's contact person with the administrative branch human resources coordinator.

Both the administrative branch coordinator and the agency human resources coordinator must have sufficient authority to handle their duties as coordinators. Tasks should also be included in the job description, so that the time required for them can be taken into account in setting the coordinators' workload.

3 UNIFORM OPERATING PRACTICES**3.1 The status of personnel in restructurings within central government**

In 2012–2015 the following operating practices shall be adhered to in personnel arrangements connected with organisational changes within central government. Their purpose is to support the placement in working life and primarily in central government of personnel who are affected by changes. Placement is promoted by personnel's readiness to change and to transfer to a new unit or to new working jobs in their own commuting area. In addition, it is important to ensure and broaden the expertise of personnel who are affected by changes so that placement in new jobs succeeds.

The operating practices are also intended to safeguard the continued participation in work of older personnel.

A gradual approach is followed in supporting personnel.

1. Operating unit personnel whose jobs are affected by change and to whom are offered positions in a new or transferring organisation shall transfer to the service of this organisation. This is primary objective.
2. If an individual does not transfer, an effort shall be made to find for him/her similar or corresponding tasks in his/her present operating unit.
3. If such tasks are not available, the individual shall be given the tools and guidance to seek a new job in another central government operating unit in the same commuting area. The employer shall support the job seeking processes with the support measures at its disposal.

Application instruction:

In an organisational restructuring, the status of personnel is determined in accordance with Section 5s–5f of the State Civil Servants' Act, as stated above. In restructurings within central government, personnel transfer along with jobs to the new organisation and the transfer does not require the consent of the public servant if the new jobs are in the individuals' own commuting area.

In accordance with this resolution, the employer's obligations are wider than the placement obligation (same agency) according to Section 27 of the State Civil Servants' Act. The operating practices of this resolution are to be applied first in supporting the placement of personnel in central government.

Priority shall be given to ensuring that personnel are prepared to transfer to the new unit. If this is not possible, an effort shall be made to ensure that personnel are prepared to accept other jobs as far as possible. The preparedness of personnel is significant for the success of the active pursuit of new jobs.

The gradual approach according to the resolution has been amended in this resolution compared with its previous form, such that agencies no longer have a specific obligation to find work in another agency of the same administrative branch. According to this resolution, an effort shall be made first to find tasks in an individual's own agency and then in other central government operating units in the information's own commuting area.

Support measures promoting placement shall end, however, if an individual refuses to accept work of a corresponding level offered in his/her own commuting area.

Application instruction:

Support promoting the placement of individuals shall begin at the latest when a decision is made on the transfer of personnel. The employer shall

support for around one year the placement in other tasks of those individuals who are not transferred or remain without tasks. Regionally, the employer's obligation to support placement ends with the offering of work within another administrative branch in the own commuting area of an individual seeking new tasks.

Support promoting placement may, however, end earlier if an individual refuses to accept work of a corresponding level offered in his/her own commuting area. The general rule is that an individual transfers along with jobs to a new organisation if jobs are available there.

The employer agency shall be deemed to have fulfilled the obligations set for it if an individual refuses to accept a job of a corresponding level or if he/she does not apply for corresponding jobs advertised in the internal recruitment function. Support measures shall continue, however, notwithstanding the general rule, if the individual has reasonable grounds for refusal. These grounds shall be assessed on a case-by-case basis.

The purpose of the operating practices specified in this resolution is to safeguard the continuity of personnel's employment relationships in restructurings. The Government's aim is that redundancies that take place for financial or production reasons can be limited to affect the smallest number of people while adhering to the operating practices mentioned in this resolution.

Application instruction:

This resolution describes a gradual approach whose purpose is to safeguard the status of personnel and to support the placement of personnel in central government. Safeguarding the status of personnel also includes an individual's own activity in seeking new tasks.

Personnel have the right to know the scope of an employer's measures, the available options and the consequences of refusing offered work. It is the responsibility of supervisors to ensure that personnel are informed of these issues.

The Government's aim is to ensure that personnel subject to restructuring are placed in new jobs that correspond as well as possible in terms of level, nature and remuneration to the individuals' jobs before the restructuring.

The central government, as an employer, shall support the activity of personnel in finding new jobs. Responsibility for implementing change lies with the relevant agency and its supervising ministry. Ministries are responsible in particular for the redeployment of personnel in their own administrative branch. Support measures are the responsibility of the operating unit, and their purpose is to safeguard operational continuity. The available support measures include transfers, cooperation between operating units in recruitment arrangements, retraining, leave of absence, flexible work time arrangements, utilisation of information technology, incentives for personnel to seek positions in the service of other employers, redundancy compensation and adequate human resources to arrange support measures.

Application instruction:

Change security measures should be initiated in good time prior to the transfer or termination of jobs. It is recommended that the measures be initiated no later than one year before the start of operations in the new operating unit. By the term change security measures is meant the employer's obligation to support the placement of individuals in new jobs as well as individuals' pursuit of new jobs.

In fulfilling their obligation to act, the employer agencies shall adhere to the operating practices described in the internal recruitment function.

In connection with planning and implementation of restructurings, agencies should utilise information on natural attrition of personnel. It is therefore important that information on the retirement of personnel is reviewed at the earliest possible stage. This information can be obtained, for example, in connection with performance and development discussion. Part-time pension solutions should be taken into account in restructurings.

In an operating unit which is subject to restructuring, public positions and jobs shall be filled if necessary for a fixed period (for a justified reason connected with the agency's activities, Section 9.2 of the State Civil Servants' Act) until the restructuring has been implemented. In this way, a vacancy pool can be formed for the new organisation and natural attrition of personnel utilised.

Support measures shall be launched as early as possible. The central government shall organise relocation training, which will be given before the restructuring is implemented. The training shall be designed to encourage personnel to find new work and help to facilitate the supply of new work.

Application instruction:

The support measures mentioned in the resolution are only a list of examples of available measures. Operating units may also plan support measures not mentioned here, provided that they promote individuals' active job seeking and their placement in new jobs. In addition, use of support measures must take place within the scope of the operating unit's authority, and they must be funded by the available appropriations. The support measures of each operating unit must always be negotiated with the relevant ministry.

The support measures to be used in restructurings should be planned in a cooperation and consultation procedure with personnel representatives.

The planned support measures should be incorporated into plans made in connection with the preparation of organisational restructurings. When sufficiently long time is allocated for implementing a restructuring, it is possible to review what kind of support measures will be needed.

The services of the Employment and Economic Development Administration should be utilised in relocation training.

A transition period can be applied in support measures relating to regionalisation. By the term transition period is meant a maximum period of three years during which various support measures are used to implement the restructuring.

The purpose of support measures is, on the one hand, to assist personnel in transferring to new jobs and, on the other hand, to help find jobs in central government for those individuals who cannot be transferred.

The use of support measures is enhanced when operating units cooperate with each other during restructurings. The necessary cooperation is initiated by the operating unit whose personnel are involved in redeployment and the seeking of new jobs. Cooperation could be initiated, for example, by arranging the notification of vacant positions and jobs.

The relevant ministry is responsible for arranging cooperation between agencies in its administrative branch. Ministries shall arrange for this purpose the cooperation necessary to ensure that active job seeking and placement in new jobs takes place between the administrative branches.

3.2 Status of personnel in a transfer of business

The status of personnel in transfers of business shall be determined in accordance with the provisions of the State Civil Servants' Act or the Employment Contracts Act.

3.3 Status of personnel in connection with other organisational changes

In situations other than those referred to paragraphs 3.1 and 3.2 above, in which an agency's tasks are transferred to another organisation, the above-mentioned principles shall be taken into account in arranging the status of personnel.

4 COOPERATING PARTIES

In an organisational restructuring it is important to cooperate with those parties which have expertise in the implementation of changes. In the changes mentioned in this resolution, the cooperating parties are at least the Government Human Resources Services Unit and the human resources coordinator network it maintains as well as the employer services of the Employment And Economic Development Offices.

The Government Human Resources Services Unit offers expert services for the human resources changes of ministries, agencies and institutions as well as practical tools to support human resources planning and to promote mobility. The human resources coordinator network maintained by the unit covers all administrative branches and most of the agencies.

Cooperation with the Employment and Economic Development Offices offers the chance to make comprehensive use of their range of services. The Employment and Economic Development Offices shall nominate for each restructuring a contact person at the request of the ministry or agency responsible for implementing the restructuring.

5 COOPERATION AND CONSULTATION

Cooperation and consultation shall be initiated in each case at an appropriate planning and preparation stage at which the interaction sought through cooperation and consultation, and the influence on options and on the case in question, can also be implemented in practice. This process is intended to increase parties' information and develop common approaches to the issue and to promote the achievement of a common understanding.

Personnel representatives shall be included in groups that prepare and plan changes affecting the status of personnel.

In the cooperation and consultation procedure, attention must be paid to ensuring that all those parties which the issue in question affects are included.

Application instruction:

The ministry shall ensure the arrangement of a cooperation and consultation procedure in its administrative branch. Each agency shall handle the changes relating to its own personnel in its own cooperation and consultation procedure.

The Ministry of Finance shall support supervisors in implementing major organisational changes. Moreover, it shall review and develop effective change management practices in cooperation with central government operating units and communicate them to the relevant parties.

6 APPLICATION INSTRUCTIONS

The Ministry of Finance shall issue application instructions on the resolution.

7 REPEALED RESOLUTIONS

The decision repeals the Government resolution on arranging the status of central government personnel in organisational restructurings (Ministry of Finance 9/01/2006).

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