

PERSONNEL AUDIT

2009

BANK OF FINLAND





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Introduction

The effectiveness of the Bank of Finland's management system was reviewed in spring 2009. The review found that the Bank has in place modern governance and management instruments, but their application was found wanting. Direct communication by management, engagement of staff and creation of an inspiring working climate emerged as the issues that needed to be addressed most critically.

Improvements in in-house cooperation and the creation of an innovative workplace environment had already been included in the Bank's strategic objectives towards the end of last year. The measures introduced in response to the review of the management system also promote the achievement of these strategic objectives. The 'scenario working groups' set up by the Board are an example of the new practices the Bank has adopted. Every Bank employee was given the opportunity to enrol on a scenario group, ensuring staff involvement in the strategy work from the very beginning.

In the strategy work of summer 2009, the consequences of the financial crisis on the Bank of Finland's operations were also evaluated. Competence broadening was recognised as one of the priorities. To cater for this, appointments for managerial and senior expert positions are now made for a fixed term. There was a significant increase in fixed-term appointments in 2009. The interests of competence broadening are also served by the Master-Apprentice scheme introduced at the Bank and by providing the Bank's experts with wider opportunities for cross-departmental cooperation. As a result of the various measures taken, the internal mobility rate has increased to 10%.

The development of management skills also continued within the framework of the coaching programme. In practice, it has been planned that all of the the Bank's managers and senior experts will attend the programme by the end of 2010. As process management was extended to cover new core processes, it was possible to see established practices for process management start to form. However, process management will also bring about challenges for human resources management, although, as a rule, the conduct of HR management is expected to remain within the line organisation. The adoption of new practices is never instantaneous, but requires patience and learning on the part of all participants. Process management will be fully integrated with performance discussions from spring 2010 onwards.

The key figures of the Personnel Audit are reported to the Board of Directors on an annual basis and reviewed by the Bank of Finland bodies for employer-employee cooperation. The data of the Personnel Audit will serve to support management and human resources planning. The 2009 Personnel Audit of the Bank of Finland is the fourteenth of its kind.

Antti Vuorinen
Head of personnel

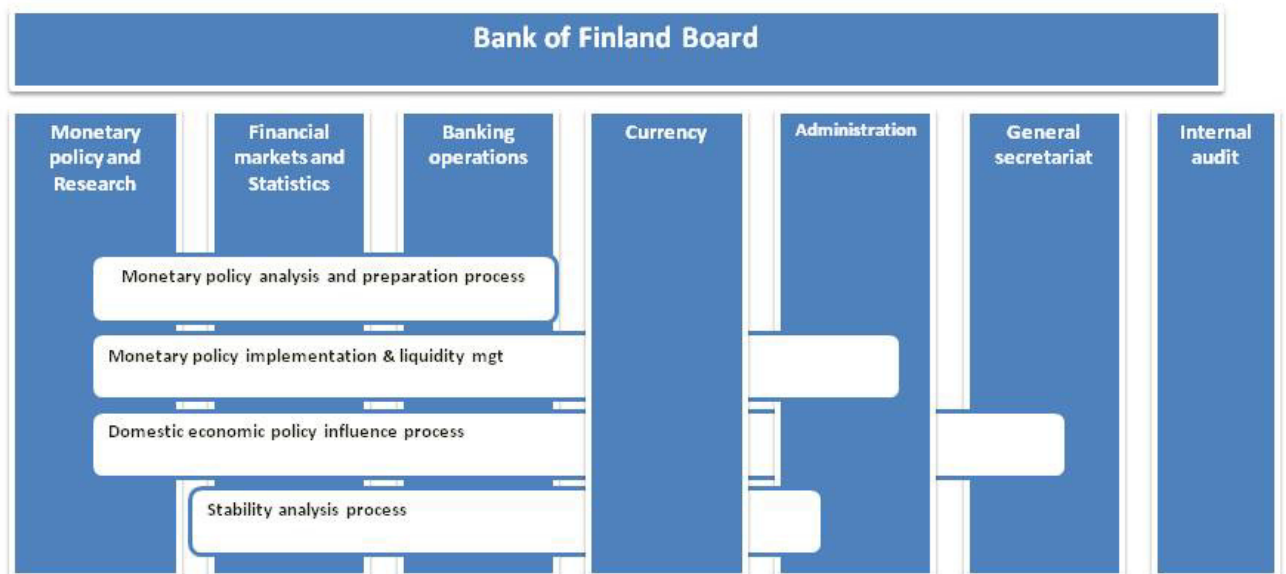
Management systems

Organisation

The Bank of Finland's operations have been divided between six departments and the internal audit unit. The organisation structure built around the Bank's core functions supports the implementation of the Bank's strategy. The aim is to achieve functionally integrated entities of adequate size to ensure efficient use of resources, cross-functional cooperation and communication, and clear management systems and responsibilities.

In 2009, there was a reshuffle in the Administration department, with the reorganisation of security and property management, IT and in-house services.

Bank of Finland's organisation





Bank of Finland's strategy and management system

The key elements of the Bank's management system are strategy, the objectives and results framework, action planning, staffing and budgetary ceilings and overall risk evaluation. Performance and remuneration discussions are also part of the management system.

The Bank's strategy has been divided according to the four domains of the objectives and results framework applied in internal governance, in that precise objectives have been set for effectiveness and service competence, efficient use of resources, smooth functioning of internal processes and wellness at work and competence.

The department- and process-specific objectives and results contracts set out the key indicators and objectives of operational activities, together with major development projects for implementation of the strategy. Rolling budgetary and staffing ceilings are set for departments for three years at a time. Over the medium-term horizon, preparations for change are stepped up and a long-term approach applied to operational development. The Board conducts an evaluation of the Bank's performance twice a year. The outcome of the budget and human resources plan, together with changes in the Bank's result and balance sheet, are reported on, quarterly.

In 2009, decisions were taken to extend process management to also cover the stability analysis process and the process for influence in domestic policy making. The processes already in place have achieved the objectives of process management, for example in the form of higher labour efficiency and an increase in cross-departmental cooperation. Integration of process management with the Bank's management system continues.

Collective civil service agreements and shop stewards

Collective civil service agreements are concluded between the Bank of Finland and the Employees Association representing the Bank's staff. The major new provision in the collective bargaining agreement, valid from 15 February 2008 to 28 February 2010 concerns the wage negotiation model. As a result of the collective bargaining negotiations, an agreed proportion of the total pay increase percentage is earmarked for personal performance-related pay rises.

In addition to a full-time union manager, the Bank has a full-time chief shop steward and 5 other shop stewards. Shop stewards also represent staff in the Bank's occupational safety and health scheme.

Staff size and structure

At the end of 2009, the total staff strength of the Bank of Finland was 484 employees, with the headcount standing at 453 employees. The headcount had declined by 19% over the past five years.

Of the Bank's staff, 91% were employed on permanent contracts, while 9% held fixed-term contracts. Over the year, 6% were on leave of absence, while around 3% had a part-time job or worked shorter hours.

The staff structure is becoming increasingly expert oriented. The proportion of support staff has fallen in response to retirement and redesign of job descriptions. At the end of 2009, experts and management (incl. senior management) together accounted for 64% of staff, while support and service staff accounted for 36%. Ten (10) per cent of the experts were employed on fixed-term contracts for their particular post.

Human resource planning sets resource objectives for the departments and monitors their achievement on a quarterly basis. Staff size planning takes account of retirements, while the staff structure is designed to make job contents more expert oriented. The Bank's Board uses human resource forecasts when adopting staffing ceilings for the following three-year period.

Breakdown of staff size by category, 31 Dec 2009

	Full-time		Part-time ¹		Total	
	Permanent	Fixed-term	Permanent	Fixed-term	Persons	%
Senior management		4			4	1
Management	36	1	1		38	8
Experts	237	25	6		268	55
Support staff	152	15	7		174	36
Total staff strength ²	425	45	14		484	100
On leave of absence	31				31	
Headcount ³	394	45	14		453	

¹Those working shorter hours, having a part-time post or drawing a part-time pension qualify as part-time employees.

²Total staff strength: Permanent and fixed-term employees in attendance, including those on leave of absence but excluding trainees, holiday substitutes, persons paid by the hour and short-term researchers.

³Headcount: Permanent and fixed-term employees in attendance, excluding those on leave of absence, holiday substitutes, trainees, persons paid by the hour and short-term researchers.

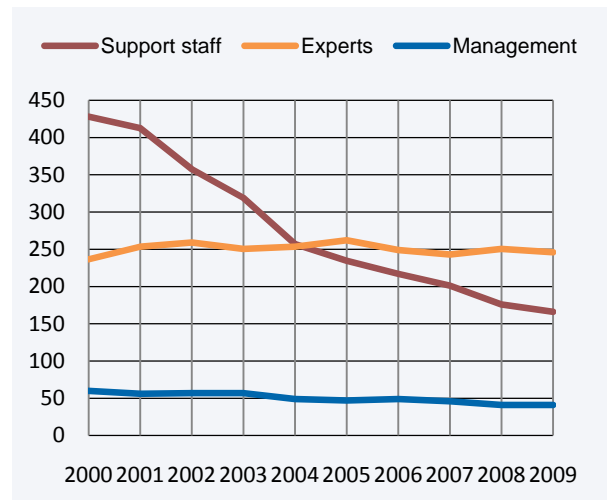
Changes in headcount by staff category, 2005–2009

Year	Senior management	Management			Experts			Support staff			Total
	Fixed-term	Perm.	Fixed-term	Total	Perm.	Fixed-term	Total	Perm.	Fixed-term	Total	
2005	4	43		43	244	18	262	229	6	235	544
2006	4	45		45	229	20	249	212	5	217	515
2007	4	42		42	224	19	243	193	8	201	490
2008	4	36	1	37	230	21	251	167	9	176	468
2009	4	36	1	37	221	25	246	151	15	166	453

Changes in headcount, 2005–2009



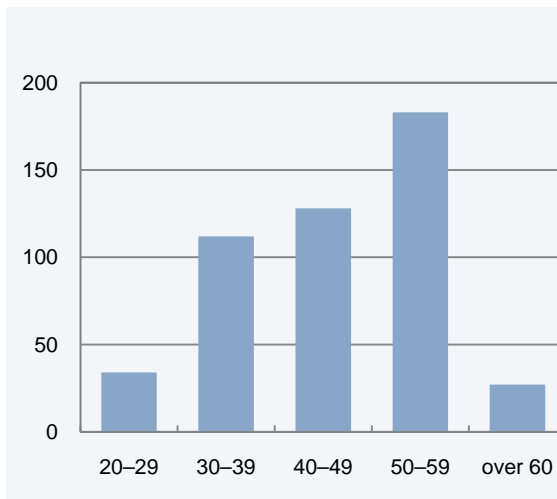
Changes in staff structure, 2000–2009



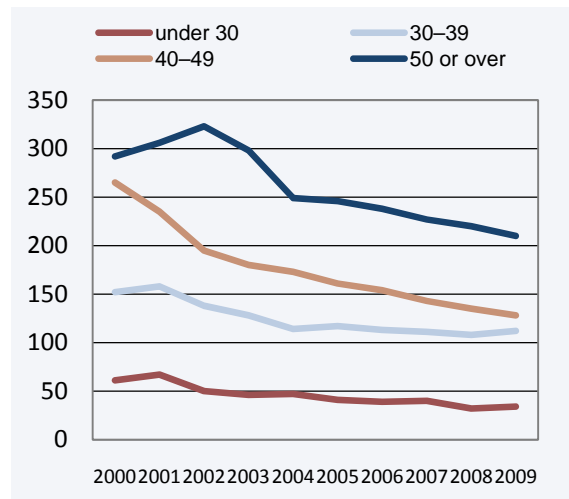
Age composition

The average age of employees in 2009 was 45.5 years. The average age for women (45.4) was slightly lower than that for men (45.7). The single largest age group is represented by those in age bracket 50–59, which accounted for 38% of staff. It is noteworthy that the average age for experts (44) was clearly below the Bank's general average age.

Breakdown of staff by age, 31 Dec 2009



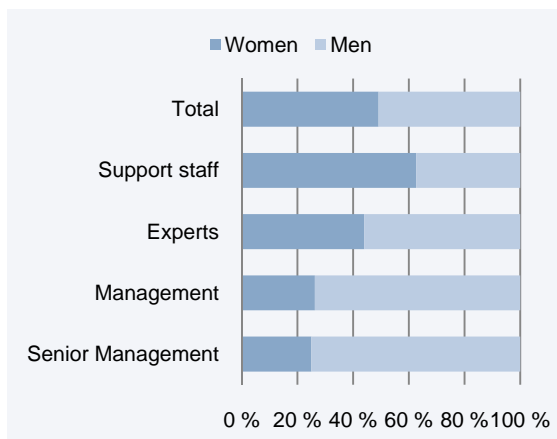
Changes in breakdown of staff by age, 2000–2009



Gender composition

Of the Bank's staff, 49% are women and 51% men. Women account for 44% of experts and 26% of managers and superiors. In both internal and external appointments, consideration is to be given to the development of an egalitarian organisational structure.

Breakdown of staff by gender and staff category, 31 Dec 2009



Staff size by gender and organisational level, 31 Dec 2009

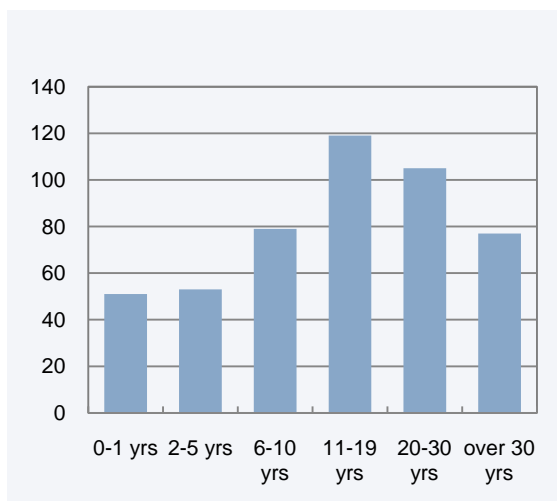
	Women		Men		Total	
	Persons	%	Persons	%	Persons	%
Senior management	1	0	3	1	4	1
Management	10	5	28	10	38	8
Experts	118	50	150	61	268	55
Support staff	109	46	65	26	174	36
Total	238	100	246	100	484	100

Length of service

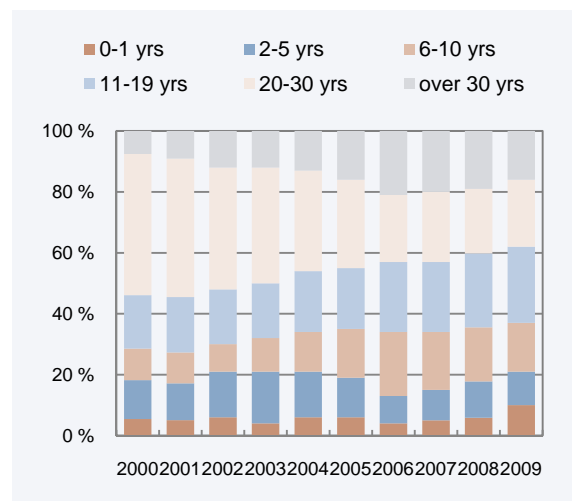
Of the Bank's employees, 21% have been in the Bank's service for less than 6 years, while 41% have a service record of 6–19 years and 38% of more than 19 years. The average service record was 16.8 years.

Over the past five years, the average turnover rate for those entering the Bank's service has hovered around 6.5%, reflecting the Bank's tight recruitment policy.

Breakdown of staff by length of service, 31 Dec 2009



Breakdown of staff by length of service, 2000–2009



Retirement

In 2009, 22 persons retired from the Bank's service. The average effective retirement age rose from the year before, now standing at 59 years.

At the end of 2009, 29 employees continued in the Bank's service despite having attained pensionable age. In addition to them, altogether 85 persons (around 18% of current staff) will attain pensionable age in the course of the next 5 years, 54% of them representing support staff.

Employees reaching pensionable age, 2010–2020

Year	Support staff	Experts	Managers	Total	Cumulative
31.12.2009	7	15	7	29	29
2010	10	4	1	15	44
2011	7	7	2	16	60
2012	15	6	1	22	82
2013	10	7	3	20	102
2014	5	5	2	12	114
2015	7	6	2	15	129
2016	6	7	1	14	143
2017	5	11	1	17	160
2018	7	9	2	18	178
2019	5	5	1	11	189
2020	5	2		7	196
Total	89	84	23	196	

Employees having reached pensionable age or reaching pensionable age in 2010–2014, by staff category



Staff turnover and appointments

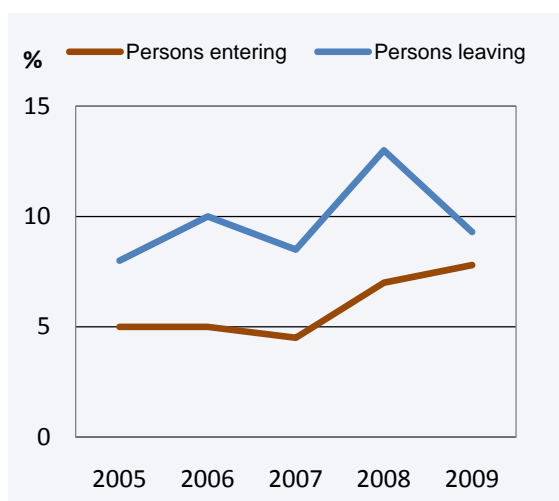
In 2009, there were 53 recruitments to the Bank, which is much the same as in 2008 (57 recruitments). Of these, 17 (23) were made internally and 36 (34) externally. Of those appointed 22 were women and 31 men while 38% of applicants were women and 62% men. A total of 53 students were recruited as summer holiday substitutes.

The turnover rate for those leaving the Bank's service dropped to 9% from 13% in the year before, with retirements accounting for 51% of the turnover rate. For those entering the Bank's service, the turnover rate was 8%. The average age of employees appointed externally was 31 (34.5) years.

The internal mobility rate rose to 10%, with 48 persons changing jobs within the Bank. All vacancies for managerial posts were filled internally. In fourteen of the appointments for managerial or senior expert positions, the appointment was made for a fixed term, while the employment contract remained permanent. By the end of 2009, 29 such fixed-term appointments had been made at the Bank.

To encourage internal mobility, appointments for management and senior expert positions are, as a rule, made for a fixed term of 3 to 5 years, while the employment contract remains permanent. The introduction of fixed-term appointments serves to broaden competence, improve management skills and improve the functioning of the organisation and its processes. Career changes prepare employees for the performance and management of increasingly challenges tasks. They also offer versatile career prospects and smooth transitions between managerial and specialist careers.

Staff turnover rates, 2005–2009



Internal mobility, 2005–2009



Employer profile

The Bank of Finland's objective is to strengthen the Bank's employer profile as a sought-after and highly respected employer. In pursuit of this objective, the Bank offers its staff stability of employment and challenging Eurosystem specialist tasks, appropriate working conditions, modern working equipment and an interactive workplace. The Bank values a positive attitude and a creative and active approach. The Bank has also stepped up cooperation with Finland's universities and takes part in recruitment fairs.

The Bank of Finland monitors its employer attractiveness rating in surveys conducted among students and persons with a few years of labour market experience. The Bank also conducts surveys of the public's awareness of the Bank's responsibilities and functions among decision-makers and the general public.

In 2009, the Bank of Finland ranked 12th in the Universum Graduate Survey addressed to business graduates. In the past ten years, the Bank's ranking in this survey has varied between 4th and 16th. In the Young Professional Survey covering nearly 150 Finnish organisations the Bank ranked 14th in the business category.

The findings of the Universum surveys indicate that graduates and young professionals are not sufficiently familiar with the international career opportunities offered by the Bank of Finland. The respondents found the central bank to be an employer of high esteem and good reputation and considered an employment reference from the Bank in the CV would be an asset for future career development.

Bank of Finland's rankings in the Universum Graduate and Young Professional surveys



Working hours and work input

Working hours

The daily regular working hours at the Bank of Finland are 7 hours and 40 minutes. The majority of staff is covered by the flexitime scheme. The Bank also has in place a flexible hours scheme based on mutual trust and tailored to the needs of the experts of the Monetary Policy and Research department.

Use of working time

The following table sets out the changes in the number of man-years by regular working hours. The number of man-years dropped by 12 (-2.4 %) from the year before.

Changes in man-years, 2005–2009

Man-years	2005	2006	2007	2008	2009	Change in man-years 2008/2009
Permanent	518.4	498.3	473.5	446	422.4	-23.6
Fixed-term	26.1	24.7	32.1	29.4	41	11.6
Sub-total	544.5	523	505.6	475.4	463.4	-12
Holiday substitutes	15.2	11.8	13.9	14.9	15.5	0.6
Trainees	3.4	2.7	3.4	2.2	2	-0.2
Employees paid by the hour	2.3	1.8	1.2	0.9	1.7	0.8
Employees taxed at source ¹		2.8	3.2	2.2	1.1	-1.1
Total	565.4	542.1	527.3	495.6	483.7	-11.9

³ In Finland, 'employee taxed at source' is defined as a foreign employee with max. 6 month period of employment.

In 2009, purchased services at the Bank of Finland amounted to 33 man-years (4 man-years more than in 2008). Purchased services are mainly used in administration services.

Amounts and costs of additional and overtime work, 2005–2009

Year	Overtime worked		Overtime compensation	
	Hours, total	Employees, No.	Hours in lieu	EUR (million)
2005	16 539	310	831	0.54
2006	16 928	273	648	0.52
2007	11 935	245	382	0.38
2008	15 882	278	1 443	0.52
2009	14 063	267	546	0.55

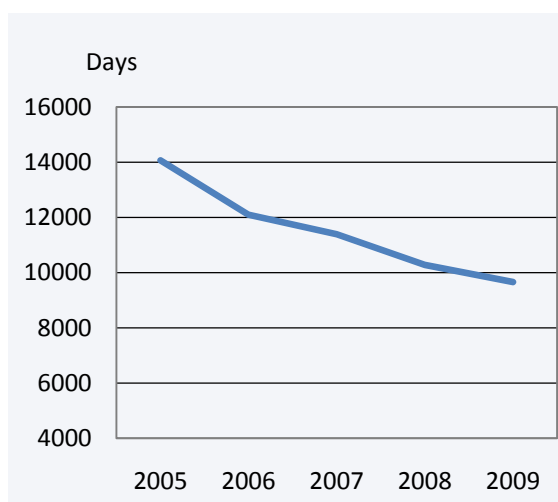
The amount of additional and overtime work represented 7.3 man-years, which is 11% less than in the year before. Overtime accounted for 1.5 % of working hours in 2009. Overtime was registered for 58% of staff (267 employees). Seventy (70) per cent of the overtime was registered for members of Administration.

Annual leave

Annual holiday rights amount to 32, 35 or 40 working days, depending on years of service. The Bank's holiday bank allows for deferral of accrued holiday days to be taken in future years (mainly during the following five years). Annually, a maximum of 10 holiday days may be banked. The maximum number of holiday bank days held per employee is 50.

Since 2007, it has been possible to sell annual holiday days (maximum 10 days/year) and, as a result, the number of banked holiday days has dropped by approximately 6% in the year. The total days banked currently corresponds to 38 man-years. The total number of days in the holiday bank averages 27 days per employee.

Changes in total days saved in Bank's "holiday bank" , 2005–2009



Labour costs

The labour costs for 2009 amounted to approximately EUR 37.2 million, which was EUR 0.2 million less than in the year before. Indirect labour costs account for around 86% of total labour costs, of which holiday pay and holiday bonuses accounted for 32% and pension contributions 26%.

Labour costs, 2009

Labour costs	EUR	% of pay for hours worked	% of payroll	% of total labour costs
1. Payroll	27,593,624	138.0	100.0	74.2
2. Payroll for hours worked	20,002,421	100.0	72.5	53.8
a. Indirect pay				
Holiday pay ¹	4,435,499	22.2	16.1	11.9
Holiday bonus	1,906,127	9.5	6.9	5.1
Sick pay	874,074	4.4	3.2	2.3
Pay for training periods	433,803	2.2	1.6	1.2
Other paid days off	25,649	0.1	0.1	0.1
Pay during accident-related absence	33,901	0.2	0.1	0.1
Pay related to child-birth and child care	134,059	0.7	0.5	0.4
Daily allowance under sickness insurance	-251,910			
Total	7,591,203	38.0	27.5	20.4
b. Statutory social security				
Employer social security contributions	1,054,352	5.3	3.821	2.8
Unemployment insurance contribution	709,156	3.5	2.57	1.9
Imputed pension insurance contributions	5,242,789	26.2	19.0	14.1
Statutory occupational health service	222,279	1.1	0.8	0.6
Other statutory contributions	14,895	0.1	0.1	0.04
Total	7,243,472	36.2	26.3	19.5
c. Other indirect expenses				
Training	974,563	4.9	3.5	2.6
Voluntary social security contributions	1,398,716	7.0	5.1	3.8
Total	2,373,279	11.9	8.6	6.4
3. Indirect labour costs	17,207,953	86.0	62.4	46.2
4. Total labour costs	37,210,375	186.0	134.9	100.0

¹ Incl. banked holiday days taken.

Remuneration

The Bank of Finland's remuneration policy is derived from the duties and responsibilities of the Bank as the monetary authority of Finland and as an independent member of the European System of Central Banks (ESCB). The Bank's remuneration policy is also geared to the Bank's position as a public authority governed by public law.

The Bank's remuneration practices are based on the definition of skills requirements, performance appraisal and market salary surveys. All the posts at the Bank of Finland have been subjected to a Hay point-factor evaluation system when determining wage and pay levels. The Bank also has in place a discretionary bonus scheme covering all employees.

The Bank's remuneration policy is targeted at the market median of the HAY salary survey for the basic pay and benefits of all companies, with broad dispersion. The Bank also uses other benchmarks, such as salary surveys for the public sector and the fiscal economy, in addition to the HAY pay survey.

The findings of the market salary survey reflecting the situation in July 2009 showed that the Bank of Finland's basic salaries,¹ including benefits, are in line with the market median of the target benchmark.

The fringe benefits provided by the Bank include meals, use of a mobile phone, car and housing benefits. Every Bank employee has the right to meals, while individual employees have been afforded additional other benefits according to their tasks.

Pay increases and bonuses, 2009

The general pay increase under the collective service agreement for 2008–2010 was 1.8%.

During the validity of the two-year collective service agreement, the Bank of Finland had in place remuneration negotiations modelled on the financial sector. In 2009, the fixed sum available for personal pay rises represented 1.7 % of the total pay rise. Fixed performance-related individual pay rises were afforded to 189 Bank employees, which represents 40% of all employees. These individual pay rises accounted for 4.1% of basic pay on average.

The Board approved that 0.23% of the payroll for the departments be used for bonuses or incentive pay.

¹ Incl. remuneration details for the Bank of Finland and the Financial Supervisory Authority.

Increase in salaries

The ratio of average pay for women to average pay for men of equivalent skills level is approximately 100%.

Average remuneration by skills category (basic pay + fixed supplements¹), 2008–2009

Skills category	2008			2009		
	No.	Average pay for men and women	Average pay for women ² / average pay for men, %	No.	Average pay for men and women	Average pay for women ² / average pay for men, %
22	6	8 999		6	9 337	
21	7	8 431	99	6	8 259	
20	6	7 215		9	7 455	
19	22	6 432	105	21	6 641	105
18	31	5 601	97	25	5 764	99
17	87	4 710	98	90	4 827	99
16	79	4 044	100	82	4 168	100
15	42	3 535	98	42	3 465	104
14	34	3 039	98	36	3 107	99
13	53	2 905	104	53	2 937	102
12	33	2 719	104	27	2 779	100
11	55	2 507	99	47	2 590	98
10	18	2 230	93	20	2 250	90
9	3	2 158		3	2 198	
8	9	2 042		5	2 062	

¹ Fixed, regular supplements include individual supplement, market supplement and substitute supplement.

² The ratio of average pay for women to average pay for men is not calculated for skills categories where either gender is represented by less than three persons.

Changes in average remuneration (basic pay + fixed supplements¹) by staff category, 2005–2009

	2005	2006	2007	2008	2009
Managers	6 503	6 659	6 604	7 024	7049
Experts	4 015	4 111	4 223	4 375	4475
Support staff	2 447	2 477	2 507	2 639	2721
Total	3 568	3 680	3 716	3 929	4034

Competence development

The Bank of Finland devotes notable resources to systematic learning within the organisation, and management focuses on innovation, inspiration, competence development and a good working climate. Competence development is undertaken to ensure the Bank's future performance and the quality and efficiency of the processes of importance to the operation of the Bank's departments. Continuous learning is integrated with all tasks, with the aim of keeping knowledge and staff skills updated; each employee being responsible for updating his own knowledge.

Versatile career opportunities and utilisation of broader central bank competence were promoted through fixed term appointments of managers and senior experts, the Movere job rotation scheme introduced at the beginning of the year, and the Master-Apprentice model mentioned above. Process management introduced for the Bank's core processes at the beginning of the year allows for competence utilisation across the various units of the organisation.

Educational background

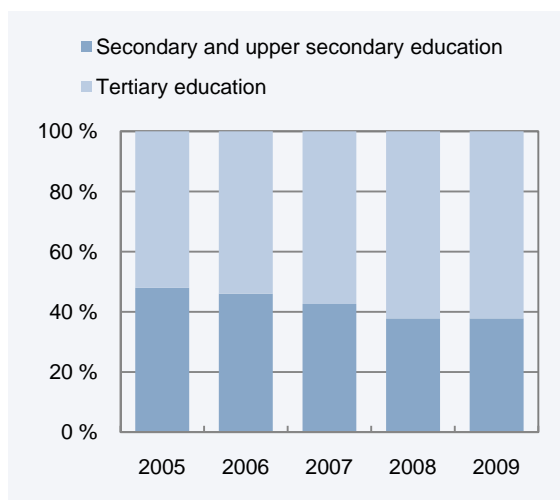
The Bank aims to raise the level of education of its entire staff and to increase the number of employees with an academic degree. The Bank of Finland's educational level index stands at 5.7, up from 5.6 in the year before. The proportion of employees with an academic degree was 62%, which was one percentage point higher than in the year before, while 10% of the staff have researcher training, 33 of them holding a doctoral degree.

Breakdown of staff by level of education, 31 Dec 2009

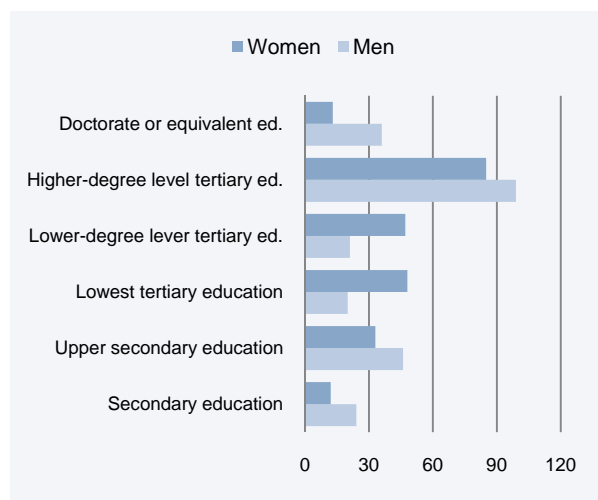
Level of education	Women	Men	Total	% breakdown by educational level
Secondary education	12	24	36	8
Upper secondary education	33	46	79	16
Lowest tertiary education	48	20	68	14
Lower-degree level tertiary education	47	21	68	14
Higher-degree level tertiary education	85	99	184	38
Doctorate or equivalent	13	36	49	10
Total	238	246	484	100
Educational level index ¹			5.7	

¹ For definitions of educational index, see the section on concepts and definitions.

Changes in level of education, 2005–2009



Staff size by level of education, 31 Dec 2009



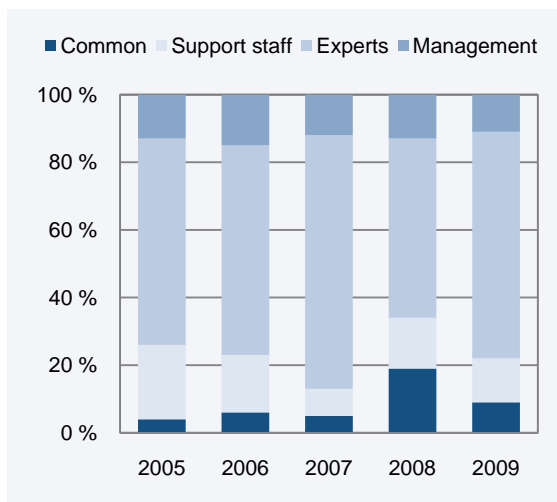
Training

Training aimed at economists continued to be dominated by an emphasis on methodological competencies in key strategic domains. Particular weight was placed on tools for the construction and use of macroeconomic models, such as the statistical and econometric methods that modelling work requires.

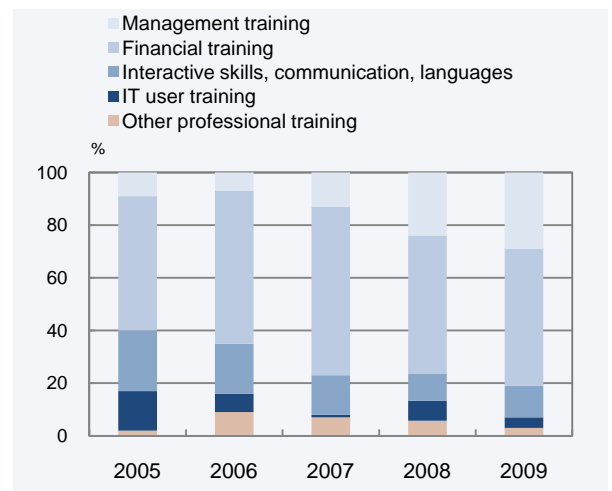
By the end of 2009, all the managers and most of the senior experts (all in all 121 persons, 114 at the Bank and 7 at FIN-FSA) had completed a coaching programme targeted at the Bank's and FIN-FSA's managers and senior-level experts. The combined experience gleaned from the programme has permitted the assessment and subsequent improvement of the effectiveness of the Bank's management system from the management and communications perspectives. All in all 35 Bank employees participated in the common training programmes organised by the ESCB central banks.

In 2009, the Bank's training expenditure totalled EUR 0.97 million (3.5% of payroll). Of training expenditure, 11% was allocated to managers, 67% to experts and 13% to support staff, while 9% was spent on training intended for all staff categories. In addition to training courses, the focus lies on job rotation, as well as on research, literature, common knowledge building, information sharing and problem solving and argumentation skills, which are not directly reflected in the training budget.

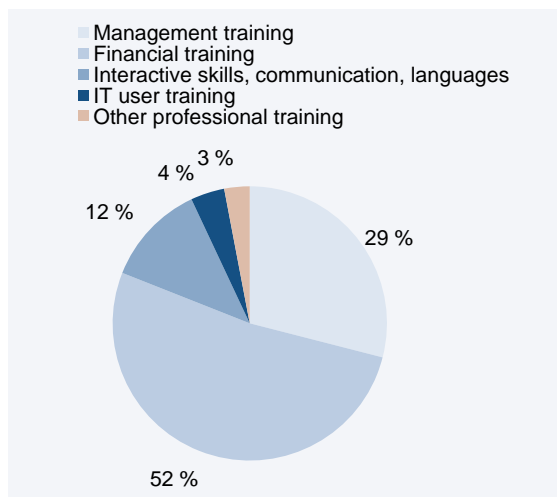
Breakdown of training expenditure by staff category, 2005–2009



Breakdown of training expenditure by domain, 2005–2009



Breakdown of training expenditure, 2009



Time and costs allocated to training, 2005–2009

	2005	2006	2007	2008	2009
Total use of time/days ¹	2 399	1 936	1 407	2 154	1433
Days/man-year	4.4	3.6	2.7	4.3	3.0
% of working hours	1.7	1.4	1.1	1.7	1.2
Total costs, EUR million	0.93	0.78	0.83	1.10	0.97
EUR/man-year	1 713	1 435	1 574	2 217	2015
% of payroll	3.2	2.8	3.0	4.0	3.5

¹ Not all days of external training are recorded.



Research function viewed as developing economists' competencies

Analytical skills were further developed in research focus areas, ie monetary policy modelling, financial market and payment system innovations, efficiency and stability analysis and research on economies in transition and their economic policies.

In the two research units of the Monetary Policy and Research department, economists from the Bank's and FIN-FSA's departments were involved in fixed-term research projects spanning periods of six to twelve months. Resources equivalent to 6 man-years were assigned to the in-house exchange/secondment scheme. The total research contribution of the Bank's employees amounted to 10.8 man-years.

Finnish and foreign high-level researchers, equivalent to 1.9 man-years, were recruited for the visiting scholars' programme for various lengths of time. Common research projects with external researchers were maintained. The Bank's researchers took an active interest in academic and central bank research networks.

The successful research efforts of the Bank's employees continued in 2009, and their papers were admitted to many scientific conferences and accepted for publication in scientific journals. Contributions in refereed publications totalled 31 (24 in 2008), of which the Bank's employees contributed 20 (15 in 2008).

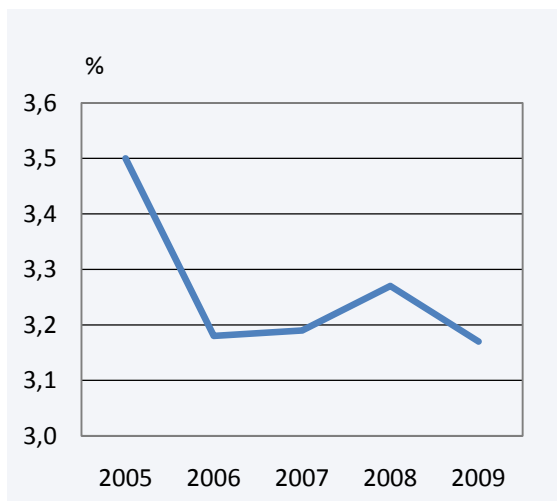
Wellness at work

The Bank of Finland caters for the health and wellness of its staff in many different ways, for example by providing catering, a variety of sports services and occupational health services, in addition to other activities designed to promote working capacity. With a view to contributing to employees' ability to cope with stress at work and promoting the conditions for a balanced life, the Bank also supports a broad range of hobby activities, library services and leisure services and facilities. The staff has access to a sports hall and club facilities in Kruununuhaka, Helsinki, a villa in Vuosaari on the outskirts of Helsinki and holiday cottage facilities at Saariselkä in Lapland. The facilities are also used for training, meetings and business entertainment purposes. There are 13 hobby clubs at the Bank.

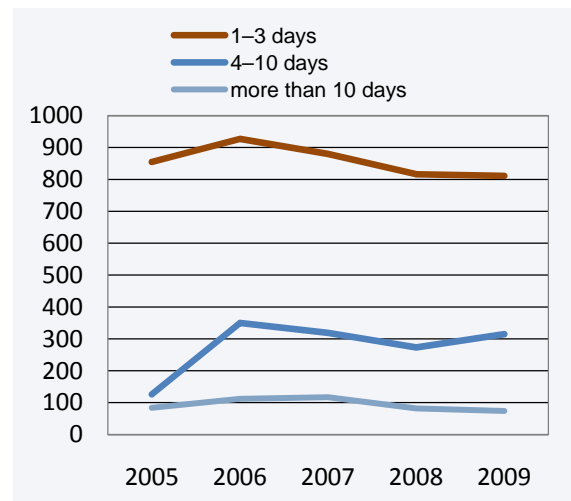
Occupational health

Occupational health services have focused on improving pre-emptive health care, and the Bank has put emphasis on early rehabilitation and developed cooperation with a sports service provider. Pre-emptive health care includes medical examinations upon service entry and age-related check-ups as well as assessments of working capacity, including follow-up assessments. Consultations with the doctor because of illness have decreased further. The Bank also covers dental care costs.

Changes in absence rate, 2005–2009



Periods of sick leave, 2005–2009

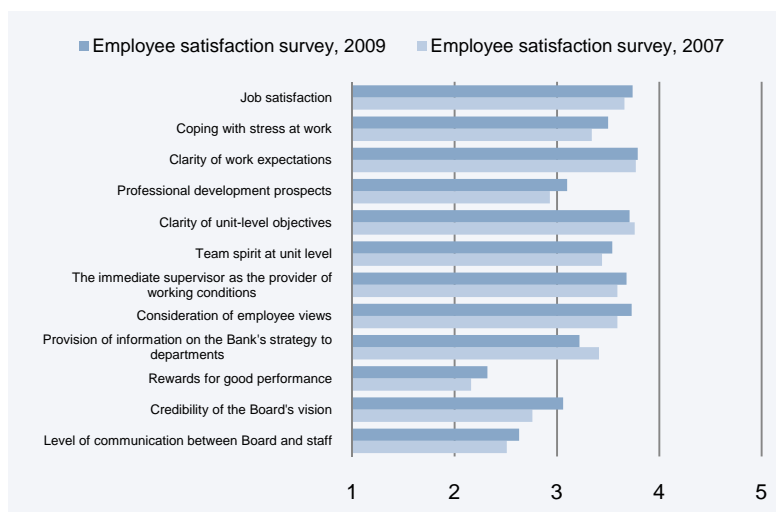


The number of days of absence because of illness totalled 5,011 (of which 3,919 business days). The total number of days of absence because of sickness has declined by 1% from the year before. Short spells of absence (1–3 days) accounted for 68% of all absence spells, which is 2 percentage points lower than in the year before. The absence rate is 3.2%, 0.1 percentage point down from the year before (3.3% in 2008). The absence rate is calculated using a ratio of regular working days based on man-years.

Job satisfaction

Every other year an employee satisfaction survey is conducted at the Bank of Finland to monitor job satisfaction. Job satisfaction is measured by the employee satisfaction index (ESI), compiled of 12 key questions of the survey, related to the Bank's objectives in the fields of competence development and wellness at work. Employee satisfaction has improved slightly from the previous survey. In 2009, the employee satisfaction index (ESI) was 3.3 (on a scale from 1 to 5), 3.2 in 2007 and 3.3 in 2005

ESI changes, 2007–2009



The 2009 employee satisfaction survey returned a very high response rate, 80%. The ratings for the credibility of the Bank's future vision and the Bank's esteem as employer improved considerably from 2007. Other positive developments include better cooperation across organisational units and higher clarity of unit-level objectives. The improvements in the results of the survey reflect the measures taken after the 2007 survey, ie the allocation of resources to ensure more versatile career prospects for the Bank's employees and reinforce the link between performance and remuneration.

Despite the reported improvements in the prospects for career changes and professional development, individual work-related objectives are found to be unclear and personal development plans insufficient. The most critical response related to the decision-making process and working equipment: decision-making is found to be highly concentrated and slow, and dissatisfaction with working equipment has increased. In response to the findings of the employee satisfaction survey and other comments and requests, IT tools developments have been undertaken in 2009 and major improvements will be introduced in early 2010. In the performance discussions of 2010, special attention will be focused on development plans and goals setting. The tardiness of the decision-making process will also be reviewed to explore solutions to the problem.

Equality

At the Bank of Finland, equality is defined as the provision of equal opportunities for all employees to develop and apply necessary professional skills and advance their careers. In keeping with the Equality Plan, equality considerations play a part in recruitments, remuneration, working conditions, integration of work and family life, as well as recognition of and intervention in discrimination and sexual harassment at the workplace. At the Bank of Finland, enforcement of equality is monitored within the framework of the employer-employee cooperation regime.

Equality in terms of HR policy and operational equality

In addition to offering long annual holidays and flexitime and remote working schemes, the Bank of Finland promotes integration of work and family life by granting part-time leave of absence and study leave, as well as statutory leave of absence. Performance discussions provide every Bank employee the opportunity to propose improvements in working conditions and development of professional competence. Changes in working conditions are monitored by regular employee satisfaction surveys.

Women accounted for 40% of the representatives appointed by the Bank of Finland for the ESCB committees and sub-committees and for 19% of the Bank's own steering and coordination groups. Around 40% of the members of the cooperation groups operating under the collective bargaining scheme are women.

The key HR management priorities for 2007–2009 were further improvement of management skills and a stronger focus on interaction. Around 40% of the employees attending the Bank's in-house coaching programme in 2009 were women.

Salary equality

Salary equality between women and men is reviewed against the responsibilities of equivalent skills categories. In 2009, the ratio of average pay for women to average pay for men of equivalent skills level was 100%. In the lower skills categories (8–15) women largely dominate, whereas in the higher skills categories (16–22) the proportion of men is clearly higher than the male proportion of staff overall (51%).

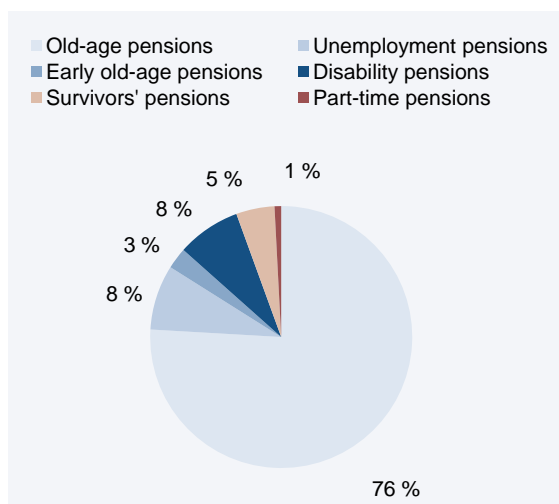
Bank of Finland pension fund

The Bank of Finland operates an independent pension fund,¹ which provides and decides on the employees' retirement benefits in line with the State Employees' Pension Scheme. The Bank of Finland is responsible for the financing of pensions. The public-sector pension reform was implemented at the Bank of Finland as of 1 January 2005 and 1 January 2007 in accordance with the changes in the State Employees' Pension Act, where applicable. The State Treasury Office is responsible for the Bank's pension determinations, prepares pension decisions and pays out the pensions.

Number of pensioners

As of 31 December 2009, the Bank of Finland paid pensions to 1,096 persons, in the total amount of approximately EUR 22 million. EUR 25,237 was paid out in rehabilitation allowance.

Pensioners by retirement benefit



¹ The figures include the pensions of the Financial Supervisory Authority.

Summary of key figures

	2005	2006	2007	2008	2009
Staff size and structure¹					
Total staff strength	565	544	521	493	484
On leave of absence	21	29	31	25	31
Headcount	544	515	490	468	453
Proportion of fixed-term employees, %	5	5	6	7	9
Average staff age	46	46	46	46	46
Proportion of experts and managers, %	58	59	61	63	64
Proportion of women, %	50	51	48	48	49
Internal mobility, %	8	7.5	5	9	10
Turnover rate for those entering the Bank's service, %	5	5	4.5	7	8
Turnover rate for those leaving the Bank's service, %	8	10	8.5	13	9
External appointments	27	29	23	34	36
Number of retirements	25	29	26	36	22
Average effective retirement age	57	58	58	58	59
Man-years					
Own staff	566	542	527	496	484
Purchased staff resources	43	40	39	29	33
Staff costs					
Staff costs, own staff, EUR million	39.7	37.8	36.8	37.4	37.2
Payroll, EUR million	28.9	27.9	27.3	27.7	27.6
Training expenditure, EUR million	0.93	0.78	0.83	1.10	0.97
Remuneration					
Bonuses as a proportion of payroll, %	0.23	0.60	0.70	0.35	0.23
Salaries compared to market level (basic pay+benefits ²), %	106	105	102	104	100
Average pay for women/average pay for men, %	99	98	98	99	100
Competence					
Educational level index	5.4	5.4	5.5	5.6	5.7
Training expenditure/payroll, %	3.2	2.8	3.0	4.0	3.5
Proportion of employees holding a doctorate degree, %		5	6	6	7
Wellness at work					
Employee satisfaction index	3.3	-	3.2	-	3.3
Total number of days of absence	6 346	5 616	5 182	5 055	5011
Absence rate, %	3.5	3.2	3.2	3.3	3.2
Pensions					
Number of pensions currently paid ³	917	983	1 007	1 065	1096
Pensions paid ⁴ , EUR million	16.6	17.5	18.8	20.4	22

¹ The key figures refer to the Bank of Finland, unless otherwise mentioned. The key figures for the Financial Supervisory Authority are published in its own Personnel Audit. As a rule, the figures have been rounded off to the nearest integer (excl. figures in EUR and certain percentages).

² Includes salary details for the FIN-FSA. Basic pay + benefits include fringe benefits (meals, mobile phone, car and housing) in addition to remuneration.

³ Includes the pensions of the FIN-FSA.

⁴ Includes pensions paid to the retired employees of the FIN-FSA.



Concepts and definitions

Man-year

Man-year refers to regular normal annual working hours, excluding overtime and any other working time in excess of normal working hours. The man-year of one person is always one at the most. In the calculation of man-years, all pay and salary earners converted into whole working years are considered.

Total staff strength

Permanent and fixed-term employees in attendance, including those on leave of absence but excluding trainees, holiday substitutes, persons paid by the hour and persons taxed at source.

Educational level index

Calculated on staff's basic level of education as follows

- lower-level primary education = 1 x number of employees at this educational level
- upper-level primary education = 2 x number of employees at this educational level
- upper secondary education = 3.5 x number of employees at this educational level
- lowest level tertiary education = 5 x number of employees at this educational level
- lower-degree level tertiary education = 6 x number of employees at this educational level
- higher-degree level tertiary education = 7 x number of employees at this educational level
- doctorate or equivalent level tertiary education = 8 x number of employees at this educational level

Lower-level and higher-level primary education may be combined in one category, primary education, with educational level index 1.5. The educational level index is obtained by adding up the numerical values and dividing the sum with the total number of persons. The educational level index varies between 1 and 8.

Degree and educational details are classified in six different categories:

- Primary education, covering comprehensive and elementary school education, former lower secondary school education and levels of education unknown.
- Upper secondary education, covering matriculation examination and vocational studies of 1-3 years' duration, basic vocational studies, vocational studies and specialised vocational studies, eg studies of mechanics, basic IT studies, basic nutritional studies.
- Lowest level tertiary education, covering eg technical school and business school degrees other than polytechnic degrees.
- Lower-degree level tertiary education, covering polytechnic degrees and lowest level university degrees and eg BSc Engineering.
- Higher-degree level tertiary education, covering higher-level university degrees (master's degrees) and degrees of medical specialisation.
- Doctorate or equivalent level tertiary education, ie doctoral and licentiate degrees.

Turnover rate for those leaving the Bank's service

Percentage of average headcount accounted for by those leaving the organisation (excluding contracts of service under 3 months).

Part-time employment

Those working shorter hours, having a part-time post or drawing a part-time pension qualify as part-time employees.

Basic pay + benefits

Includes fringe benefits (mobile phone, meals, car, housing and telephone) in addition to the remuneration.

Internal mobility

Percentage of average headcount accounted for by those having changed jobs within the organisation.

Headcount

Permanent and fixed-term employees in attendance, excluding those on leave of absence, holiday substitutes, trainees, persons paid by the hour and persons taxed at source.

Turnover rate for those entering the Bank's service

Percentage of average headcount accounted for by those entering the organisation (excluding contracts of service under 3 months).

Absence rate

Sick leave as a percentage of regular annual working hours.