

PERSONNEL AUDIT

2010

BANK OF FINLAND



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Introduction

Looking back at 2010, we can establish that it was one of the most active years in terms of internal mobility. There were 28 internal appointments, and an equivalent number of job changes within the organisation. To this come a total of 21 fixed-term appointments. Internal mobility has more than doubled over the past three years, presently standing at 11%.

Looking at wellness at work, we welcome the marked decline in staff absence due to sickness. The number of sick days fell by around 650 days from the year before, and the absence rate dropped to 2.7%. Hopefully, this reduction in sickness absence is a lasting rather than merely a passing phenomenon. Another notable finding related to wellness at work was the outcome of the managers' performance assessment. Conducted in 2010 for the first time, this assessment gave a leadership index above the average for expert organisations.

The Bank's staff made an active contribution to the development of the Bank's management system. Based on the proposals of scenario working groups, the Board started work on the formulation of the Bank of Finland's vision, mission and values. Every member of staff has participated in both of these efforts.

At the beginning of 2010, process management was extended to incorporate two new processes: the process for influencing domestic economic policy and the stability analysis process. In key core functions, process management is becoming established as an integral element of the Bank's management system. Horizontal cooperation and competence broadening has also been promoted through fixed-term appointments.

Continued efforts were devoted to management development. However, the coaching programme for supervisors and senior experts that has been in place during the past few years is now drawing to its close. A new development programme for members of management groups was introduced and completed in the year.

As a result of collective bargaining negotiations, agreement was reached in the autumn. The agreement was in line with the general level of collective agreements, nationwide. The exceptionally difficult overall economic and labour market situation was reflected in the agreement in the elimination of the round of pay negotiations. The agreement also provided for the appointment of a permanent pay statistics working group.

The key observations of the Personnel Audit are reported to the Board of Directors on an annual basis and the results are also 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.

Antti Vuorinen

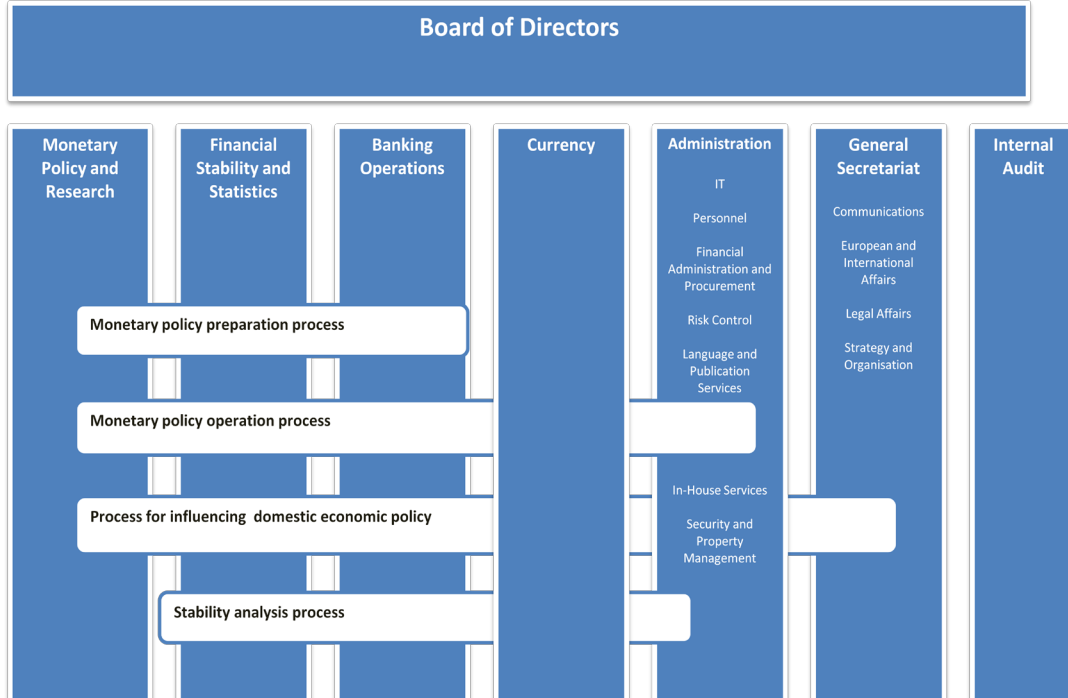
Management systems

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. To ensure this, the bank's four core processes are subject to process management across traditional organisational boundaries.

The organisational structure of the Banking Operations department was streamlined by merging the Target division and the Payment and Settlement Division into a single Payment and Settlement Division.

Bank of Finland's organisation





Bank of Finland's 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. In the performance appraisal discussions, individual objectives are set for the current period, and performance, wellness at work and professional development are assessed. The aim of the individual pay discussions is to promote the employees' understanding of the Bank's remuneration scheme and the remuneration criteria applied to him or her.

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.

For implementation of the strategy, key indicators and objectives of operational activities, together with major development projects, are written down in objectives and results contracts for individual departments and processes. 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 outturn of the budget and human resources plan and changes in the Bank's result and balance sheet are reported on a quarterly basis.

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 current agreement runs for the period 1 October 2010 – 29 February 2012. The agreement also provided for elimination of the round of pay negotiations in 2010. The agreed pay adjustments only refer to 2010. The pay adjustments for 2011 will be negotiated in spring 2011.

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 2010, the total staff strength of the Bank of Finland was 470 employees, with the headcount standing at 441 employees. The headcount had declined by 3% from the year before.

Of the Bank's total staff strength, 89% were employed on permanent contracts, while 11% (9% in 2009) 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.

In response to retirements, the staff structure has become increasingly expert oriented and the proportion of support staff has declined. At the end of 2010, experts and management (incl. senior management) together accounted for 67% of staff, while support and service staff accounted for 33%.

Breakdown of staff size by category, 31 Dec 2010

	Full-time		Part-time ¹		Total	
	Permanent	Fixed-term	Permanent	Fixed-term	Persons	%
Senior management		3			3	1
Management	36	1			37	8
Experts	234	34	8		276	59
Support staff	138	12	4		154	32
Total staff strength ²	408	50	12		470	100
On leave of absence	28	1			29	
Headcount ³	380	49	12		441	

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

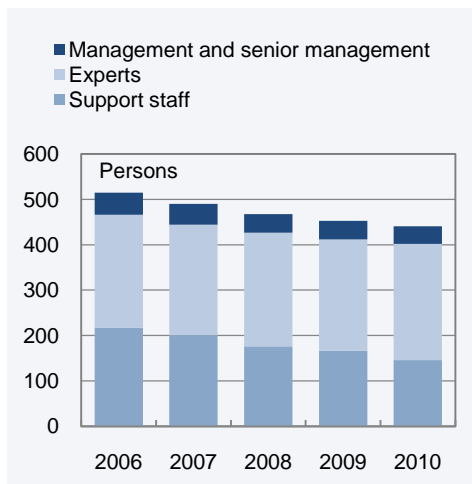
² Total staff strength: Permanent and fixed-term employees in attendance, including those on leave of absence but excluding trainees, holiday substitutes, persons paid by the hour and short-term researchers.

³ Headcount: 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.

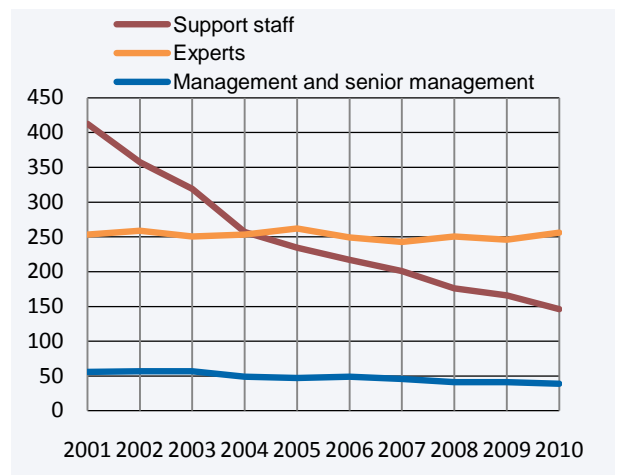
Changes in headcount by staff category, 2006–2010

Year	Senior management	Management			Experts			Support staff			Total
	Fixed-term	Perm.	Fixed-term	Total	Perm.	Fixed-term	Total	Perm.	Fixed-term	Total	
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
2010	3	35	1	36	222	34	256	135	11	146	441

Changes in headcount, 2006–2010



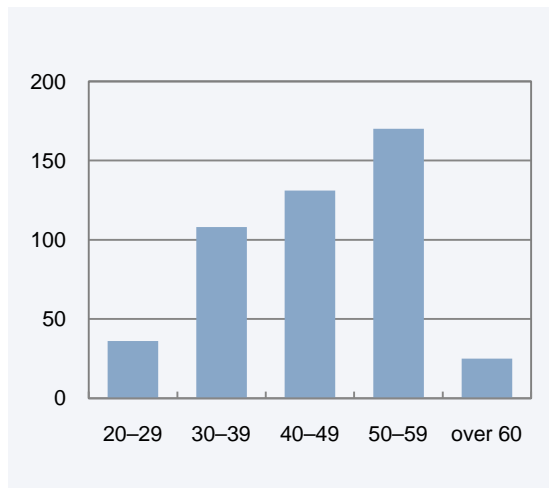
Changes in staff structure, 2001–2010



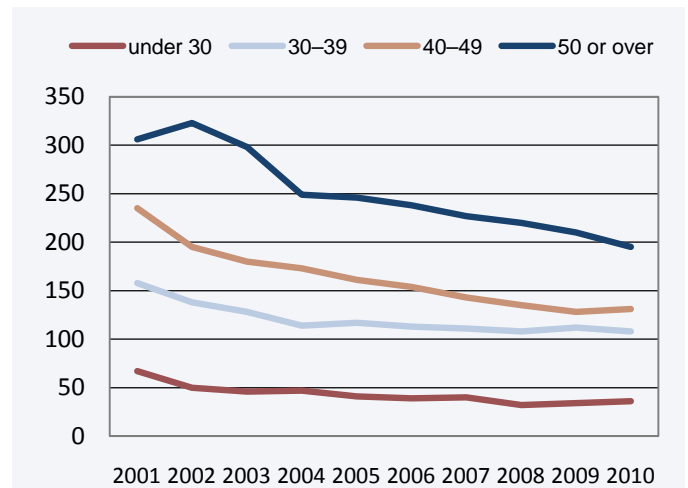
Age composition

The average age of the Bank's employees in 2010 was 45.4 years (45.5 years in 2009). The average age for women (45.0) was slightly lower than that for men (45.8). The single largest age group is represented by those in age bracket 50–59, which accounted for 36% of staff.

Breakdown of staff by age, 31 Dec 2010



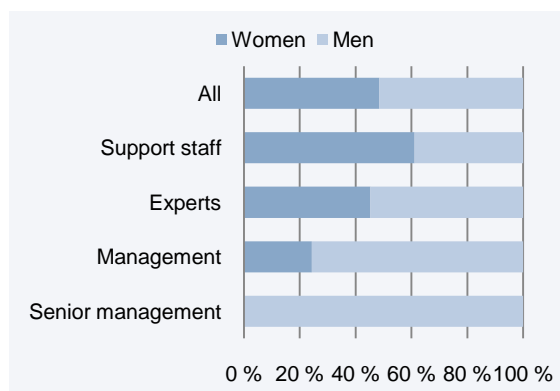
Changes in breakdown of staff by age, 2001–2010



Gender composition

Of the Bank's staff, 49% were women and 51% men. Women accounted for 45% of experts (44% in 2009) and 23% of managers and superiors (26% in 2009).

Breakdown of staff by gender and staff category, 31 Dec 2010



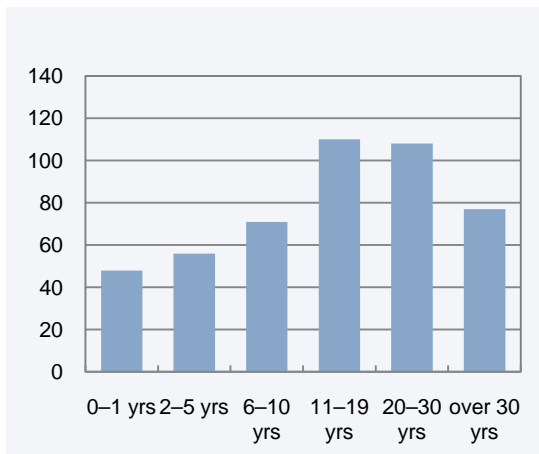
Staff size by gender and staff category, 31 Dec 2010

	Women		Men		Total	
	Persons	%	Persons	%	Persons	%
Senior management	0	0	3	1	3	1
Management	9	4	28	12	37	8
Experts	125	55	151	62	276	59
Support staff	94	41	60	25	154	32
Total	228	100	242	100	470	100

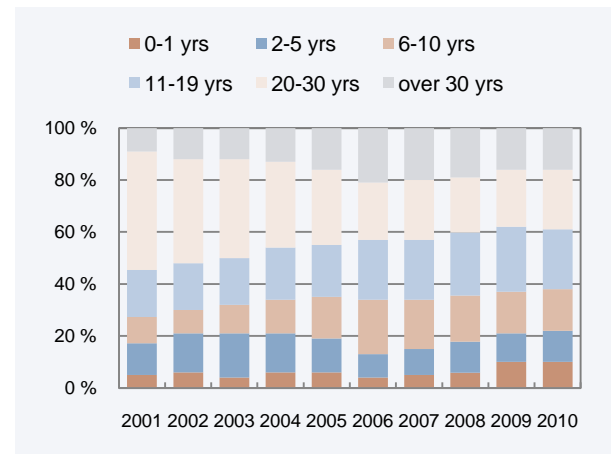
Length of service

Of the Bank's employees, 22% have been in the Bank's service for less than 6 years, while 39% have a service record of 6–19 years and 39% of more than 19 years. The average service record was 16.8 years.

Breakdown of staff by length of service, 31 Dec 2010



Breakdown of staff by length of service, 2001–2010



Retirement

In 2010, 21 persons retired from the Bank's service. The average effective retirement age was 59 years.

At the end of 2010, 25 employees continued in the Bank's service despite having attained pensionable age. In addition to them, altogether 84 persons (around 18% of current staff) will attain pensionable age in the course of the next 5 years, 52% of them representing support staff.

Employees reaching pensionable age, 2011–2015

Year	Support staff	Experts	Management and senior management	Total	Cumulative
31.12.2010	5	16	4	25	25
2011	7	7	1	15	40
2012	15	6	1	22	62
2013	10	5	4	19	81
2014	5	6	2	13	94
2015	7	7	1	15	109
Total	49	47	13	109	

Employees having reached pensionable age or reaching pensionable age in 2011–2015, by staff category



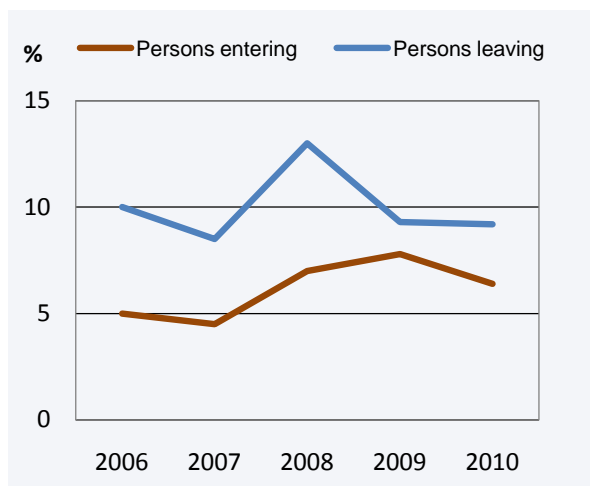
Staff turnover and appointments

In 2010, there were 57 recruitments to the Bank, which is much the same as in 2009 (53 recruitments). Of these, 28¹ (17) were made internally and 29 (36) externally. Of those recruited, 33 were women and 24 men. A total of 38 students were recruited as summer holiday substitutes.

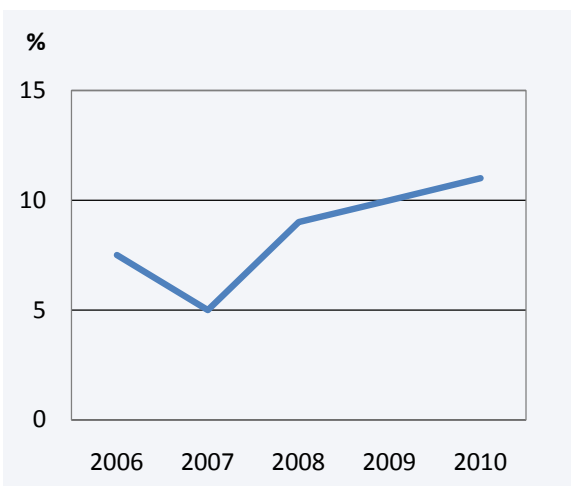
Staff turnover of those leaving the Bank's service² was 9%, as in 2009. Of those leaving, 21 retired, 11 had been on fixed-term contracts and 10 gave notice to take up another job. Staff turnover of those entering the Bank² was 6%. The average age of employees appointed externally was 28 (31) years.

In addition to internal recruitments, 28 persons changed jobs within the Bank, with the internal mobility rate increasing to 11% (10% in 2009). In 2010, there were altogether 21 fixed-term appointments for superior and senior expert positions. At the end of 2010, there were all in all 46 fixed-term appointments in place at the Bank, accounting for 30% of all the posts in the grades 17–22.

Staff turnover rates, 2006–2010



Internal mobility, 2006–2010



¹ Job shifts between the Bank of Finland and the FIN-FSA count as internal appointments.

² Turnover rates do not include job shifts to and from the FIN-FSA.

Employer profile

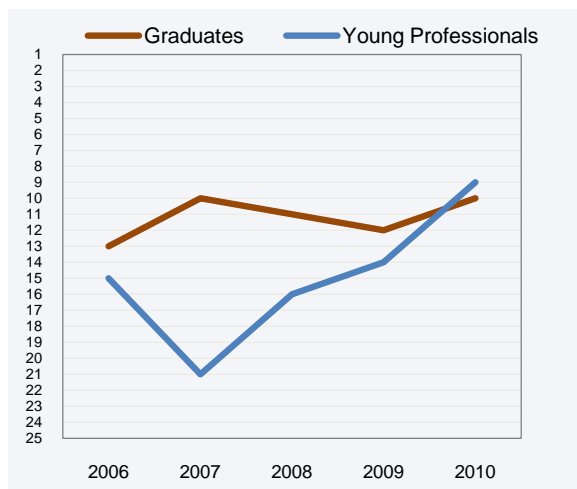
The Bank of Finland's objective is to strengthen its employer profile as a sought-after and highly respected employer with a highly skilled staff. As part of the European System of Central Banks (ESCB), the Bank offers interesting and socially relevant tasks. The central bank is a stable employer with competitive staff benefits. Appropriate efforts are devoted to competence development and staff wellbeing, and to ensuring appropriate working conditions. Measures have been taken to promote interaction in the workplace, for example by the scenario working groups that have delivered proposals for further improvement of the Bank's operations.

The findings of employer attractiveness surveys show that exercise of social influence has become a stronger criterion in the choice of most attractive employer. The social and environmental accountability of companies makes a big difference, and the choices of employees are increasingly based on personal values. In the employer attractiveness surveys of the past few years, the public sector has fared well, and the Bank of Finland was rated as the most attractive employer in the public sector in the Universum Graduate Survey of 2010.

The Bank's ratings in the employer attractiveness surveys in 2010 were good overall. In the extensive survey of T-Media, the Bank ranked ninth among commercial students, while it ranked ten in the Universum Graduate Survey and ninth in the Young Professionals Study.

The Bank of Finland participated in two career and recruitment fairs for students in the early 2010. The Bank had a stand at the Contact Forum, which is the major recruitment fair for academic students in Finland, and also participated in the recruitment fair Duuniin.net for polytechnic students organised at the Helsinki Fair Centre.

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 Bank's experts.

Use of working time

The number of man-days decreased by 14.2 from the year before.

Changes in man-years, 2006–2010

Man-years	2006	2007	2008	2009	2010	Change in man-years 2009/2010
Permanent	498.3	473.5	446	422.4	400.8	-21.6
Fixed-term	24.7	32.1	29.4	41	48.3	7.3
Sub-total	5.3	505.6	475.4	463.4	449.1	-14.3
Holiday substitutes	11.8	13.9	14.9	15.5	12.9	-2.6
Trainees	2.7	3.4	2.2	2	2.7	0.7
Employees paid by the hour	1.8	1.2	0.9	1.7	2.8	1.1
Short-term researchers ¹	2.8	3.2	2.2	1.1	2.0	0.9
Total	542.1	527.3	495.6	483.7	469.5	-14.2

¹ Researchers employed for a maximum of six months.

In 2010, purchased services provided on a regular basis at the Bank of Finland amounted to 40 man-years, which was 7 man-years more than in 2009. Purchased services are mainly used in the provision of administrative services, which are also available to the Financial Supervisory Authority (FIN-FSA).

Amounts and costs of additional and overtime work, 2006–2010

Year	Overtime worked		Overtime compensation	
	Hours, total	Employees, No.	Hours in lieu	EUR (million)
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
2010	15 062	250	930	0.62

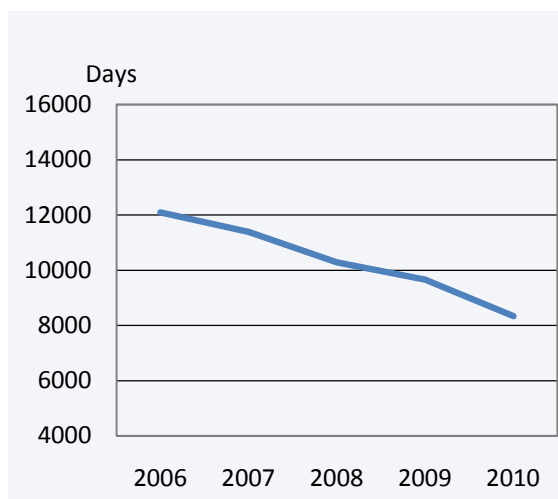
The amount of additional and overtime work represented 7.9 man-years, which is 7% more than in the year before. Overtime accounted for 1.7% of hours worked in 2010 and was registered for 57% of staff (250 persons). Of the overtime worked, 67% was registered for Administration, primarily the security, in-house services, financial administration and procurement and IT functions.

Annual leave

Annual holiday rights amount to 32, 35 or 40 working days, depending on years of service. Some of the days of annual leave may be saved up in the holiday bank in anticipation of a longer leave to be taken later. Annually, up to 10 days may be banked, and the maximum days bankable in the holiday bank is 50 days.

The amount of holiday bank days was reduced by 14% over the year. The total days banked currently corresponds to 33 man-years. The total number of days in the holiday bank averages 21 days per employee.

Changes in total days saved in Bank's "holiday bank", 2006–2010



Labour costs

The labour costs for 2010 amounted to approximately EUR 36.6 million, which was around EUR 0.7 million less than in the year before. Indirect labour costs account for around 83% of the pay for time worked, of which holiday pay and holiday bonuses accounted for roughly 32% and pension contributions for roughly 26%.

Labour costs, 2010

Labour costs	EUR	% of pay for hours worked	% of payroll	% of total labour costs
1. Payroll	27 419 997	137.5	100.0	75.0
2. Payroll for hours worked	19 936 902	100.0	72.7	54.5
a. Indirect pay				
Holiday pay ¹	4 481 527	22.5	16.3	12.3
Holiday bonus	1 872 762	9.4	6.8	5.1
Sick pay	740 940	3.7	2.7	2.0
Pay for training periods	348 891	1.7	1.3	1.0
Other paid days off	25 894	0.1	0.1	0.1
Pay during accident-related absence	16 581	0.0	0.0	0.0
Pay related to child-birth and child care	191 481	1.0	0.7	0.5
Daily allowance under sickness insurance	-194 981			
Total	7 483 095	37.5	27.3	20.5
b. Statutory social security				
Employer social security contributions	611 465	3.1	2.23	1.7
Unemployment insurance contributions	768 308	3.9	2.8	2.1
Imputed pension insurance contributions	5 209 799	26.1	19.0	14.3
Statutory occupational health service	214 590	1.1	0.8	0.6
Other statutory contributions	45 012	0.2	0.2	0.1
Total	6 849 175	34.4	25.0	18.7
c. Other indirect expenses				
Training	991 361	5.0	3.6	2.7
Voluntary social security contributions	1 296 872	6.5	4.7	3.5
Total	2 288 233	11.5	8.3	6.3
3. Indirect labour costs	16 620 503	83.4	60.6	45.5
4. Total labour costs	36 557 405	183.4	133.3	100.0

¹ Incl. banked holiday days taken.

Salaries and bonuses

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

The findings of the market salary survey reflecting the situation in July 2010 showed that the Bank of Finland's and FIN-FSA's basic salaries, including benefits, are 2% below 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.

Pay increases and bonuses, 2010

The general pay increase for 2010 amounted to 1%. In addition, the collective bargaining agreement provided for a structural pay adjustment of at least 0.22%, together with a lump-sum payment of at least EUR 350 or 6.65% of the basic salary to all employees. Exceptionally, the round of pay negotiations was not held in 2010.

The Board approved 0.5% of the payroll to be used by the individual departments for bonuses or incentive pay.

Increase in salaries

The ratio of average pay for women to average pay for men of equivalent skills level is approximately 99%.

Average remuneration by skills category (basic pay + fixed supplements¹), 2009–2010

Skills category	2009			2010		
	No.	Average pay for men and women	Average pay for women ² / average pay for men, %	No.	Average pay for men and women ³	Average pay for women ² / average pay for men, %
22	6	9 337		6	9 445	
21	6	8 259		6	8 352	
20	9	7 455		8	7 445	
19	21	6 641	105	22	6 677	104
18	25	5 764	99	27	5 785	100
17	90	4 827	99	85	4 840	99
16	82	4 168	100	83	4 167	100
15	42	3 465	104	43	3 490	101
14	36	3 107	99	39	3 135	101
13	53	2 937	102	46	2 981	105
12	27	2 779	100	28	2 745	96
11	47	2 590	98	57	2 507	89
10	20	2 250	90	(3)		
9	(3)			(2)		
8	5	2 062		4	2 084	

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.

³ No average pay is indicated if there are only 1–3 persons in the skills category.

Changes in average remuneration (basic pay + fixed supplements¹) by staff category, 2006–2010

	2006	2007	2008	2009	2010
Management	6 659	6 604	7 024	7 049	7 168
Experts	4 111	4 223	4 375	4 475	4 438
Support staff	2 477	2 507	2 639	2 721	2 738
Total	3 680	3 716	3 929	4 034	4 087

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 geared towards ensuring the Bank's future performance and the quality and efficiency of the key processes for the operability 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 or her own knowledge.

Versatile career opportunities and utilisation of broader central bank competence were promoted through fixed-term appointments of managers and senior experts, internal job rotation and job shifts. In the Bank's core processes, process management facilitates more efficient competence utilisation across organisational units.

Educational background

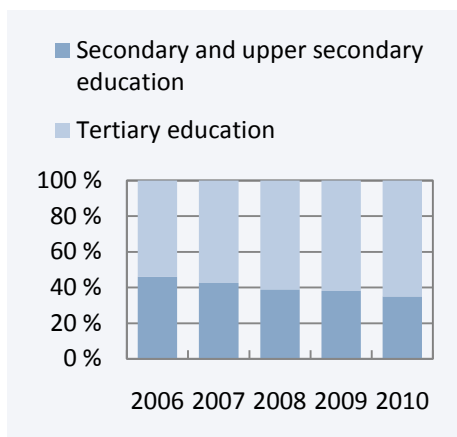
The Bank's objective is to increase the proportion of academic staff. The Bank of Finland's educational level index stands at 5.8, up from 5.7 in the year before. The proportion of employees with an academic degree increased by three percentage points to 65% from the year before, while the proportion of staff with researcher training increased by one percentage point to 11% of staff, with 35 holding a doctoral degree.

Breakdown of staff by level of education, 31 Dec 2010

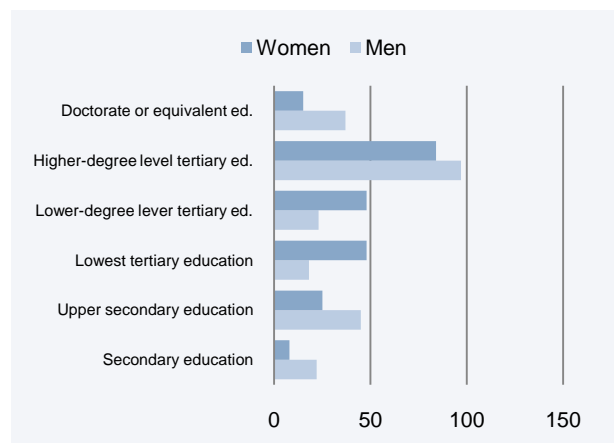
Level of education	Women	Men	Total	% breakdown by educational level
Secondary education	8	22	30	6
Upper secondary education	25	45	70	15
Lowest tertiary education	48	18	66	14
Lower-degree level tertiary education	48	23	71	15
Higher-degree level tertiary education	84	97	181	39
Doctorate or equivalent	15	37	52	11
Total	228	242	470	100
Educational level index ¹			5,8	

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

Changes in level of education,
2006–2010



Staff size by level of education, 31 Dec 2010



Training

The training for 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 necessary in modelling work.

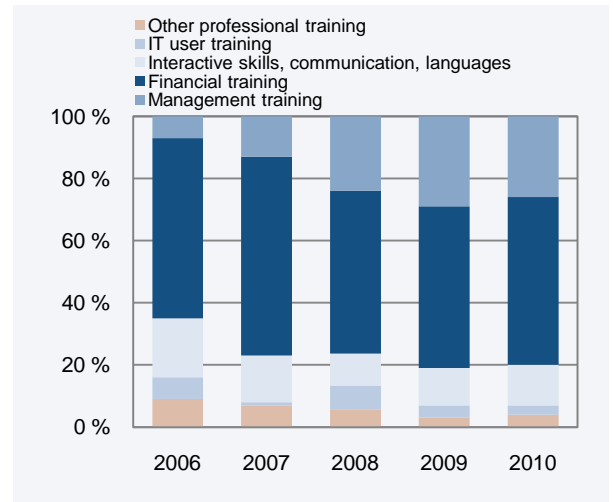
By the end of 2010, the entire target group of managers and senior experts, including FIN-FSA managers, had completed the coaching programme, ie all in all 179 persons (158 from the Bank and 21 from FIN-FSA). The combined experience gleaned from the programme has permitted the assessment and subsequent improvement of the effectiveness of the Bank's management system from the management and communications perspectives. All in all 21 Bank employees participated in the common training programmes organised by ESCB central banks.

The financial resources allocated to training were increased a little from the year before. In 2010, the Bank's training expenditure totalled EUR 0.99 million (3.6% of payroll). Of this, 7% was allocated to managers, 67% to experts and 11% to support staff, while 15% 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.

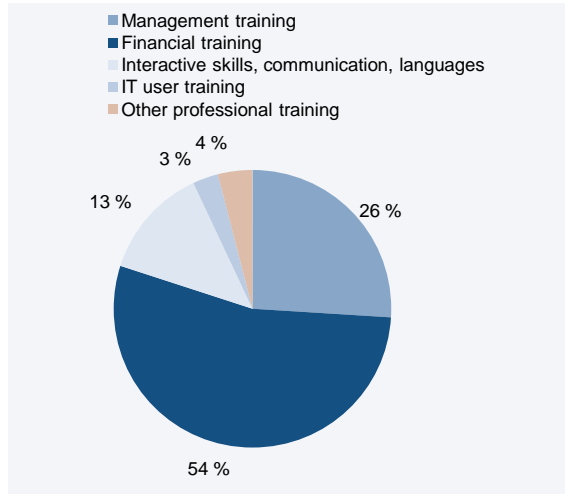
Breakdown of training expenditure by staff category, 2006–2010



Breakdown of training expenditure by domain, 2006–2010



Breakdown of training expenditure, 2010



Time and costs allocated to training, 2006–2010

	2006	2007	2008	2009	2010
Total use of time/days ¹	1 936	1 407	2 154	1 433	1 536
Days/man-year	3.6	2.7	4.3	3.0	3.3
% of working hours	1.4	1.1	1.7	1.2	1.3
Total costs, EUR million	0.78	0.83	1.10	0.97	0.99
EUR/man-year	1 435	1 574	2 217	2 015	2 109
% of payroll	2.8	3.0	4.0	3.5	3.6

¹ Not all days of external training are recorded.



Role of research in competence development

Analytical skills were further developed in the Bank's research focus areas, in particular in the modelling of the macro-level effects of financial market incompleteness, financial stability analysis and credit market inefficiency analysis. In the Bank's Institute for Economies in Transition the banking operations and economic policies were among the issues addressed.

In the two research units of the Monetary Policy and Research department, economists from the Bank's departments were involved in fixed-term research projects spanning periods of six to twelve months. Resources equivalent to around five man-years were assigned to the internal visitors' programme. The total research contribution of the Bank's employees amounted to roughly ten man-years. This is slightly less than in the year before, reflecting the reorganisation of the Bank's research activities initiated in 2010. Under the organisational reform, this internal job rotation scheme was replaced by longer-term positions for research economists.

Finnish and foreign high-level researchers, equivalent to 1.8 man-years, were recruited for the visiting scholars' programme for various lengths of time. This is more or less the same as in the year before. 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 2010, and their papers were admitted to many scientific conferences and accepted for publication in scientific journals. Contributions in refereed publications totalled 36 (31 in 2009), of which the Bank's employees contributed 20 (the same as in 2009).

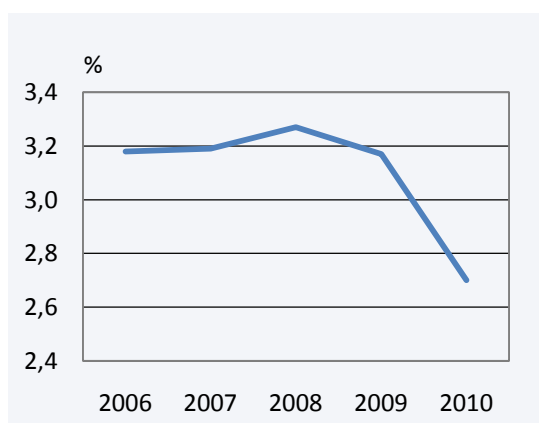
Wellness at work

The Bank of Finland caters for the health and wellness of its staff in 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 work stress 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 the Helsinki quarter of Kruununhaka, 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 14 hobby clubs at the Bank.

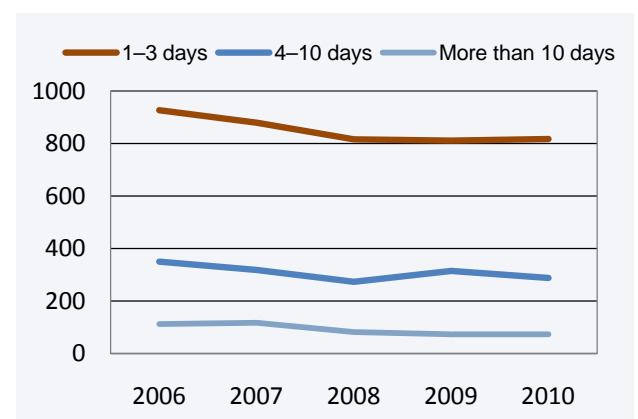
Occupational health

Occupational health services focus on pre-emptive health care, and the Bank, as employer, puts emphasis on early rehabilitation and develops 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. The Bank also covers some dental care costs.

Changes in sickness absence rate, 2006–2010



Periods of sick leave, 2006–2010



Consultations with the doctor because of illness have decreased. The absence rate for the Bank of Finland is 2.7%, or 0.5 percentage points lower than in the year before. Sickness absence days amounted to 3,262 working days, which is 657 days less than in the year before. The monetary value of the sickness absence days calculated on average earnings is around EUR 128,000. Short spells of absence (1–3 days) account for 69% of all absence periods.



Job satisfaction and managerial work

Every other year an employee attitude survey is conducted at the Bank of Finland to monitor job satisfaction. The following employee attitude survey will be carried out in autumn 2011.

In the 2009 survey, the job satisfaction index (JSI) was 3.3, which matches the average for Finnish expert organisations.

A leadership survey was, for the first time, conducted at the Bank of Finland in 2010 to explore leadership performance. Each respondent was asked to assess the performance of his or her superior. The response rate was 74%. The leadership index generated by the survey was 3.7 on a scale from 1–5, which is a good result and lies above the average for expert organisations (benchmark: comparative material from Corporate Image).

The findings of the survey point to the strengths of managerial work at the Bank of Finland being a clear understanding of goals and responsibilities within the organisational unit, adequacy of time and attention devoted by managers to subordinates and adequacy of feedback. Consideration of subordinates' views was the principal aspect in need of greater attention.

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

As well as offering lengthy 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. Via performance appraisal discussions, every Bank employee is given the opportunity to propose measures for improving working conditions and professional competence. Changes in working conditions are monitored by regular employee attitude surveys.

Women accounted for 38% (40% in 2009) of the representatives appointed by the Bank of Finland for the ESCB committees and sub-committees and for 16% (19% in 2009) of the Bank's own steering and coordination groups. Of the members of the cooperation groups operating under the collective bargaining scheme, 47% (40% in 2009) are women.

The key HR management priorities were further improvement of people management skills and a stronger focus on interaction. The coaching programme targeted at all the Bank's superiors and senior experts was completed in 2010. Follow-up sessions will continue in 2011. Altogether 179¹ persons participated in the programme. Of the participants, 37% were women, which is in line with the gender breakdown of the target group.

Salary equality

Salary equality between women and men is reviewed against the responsibilities of equivalent skills categories. In 2010, the ratio of average pay for women to average pay for men of equivalent skills level was 99%. In the skills categories 11 through to 17, women are clearly outnumbered by men, who have a long working career with the Bank, which is reflected in the average salaries of these skills categories.

¹ Includes FIN-FSA managers.

Bank of Finland pension fund¹

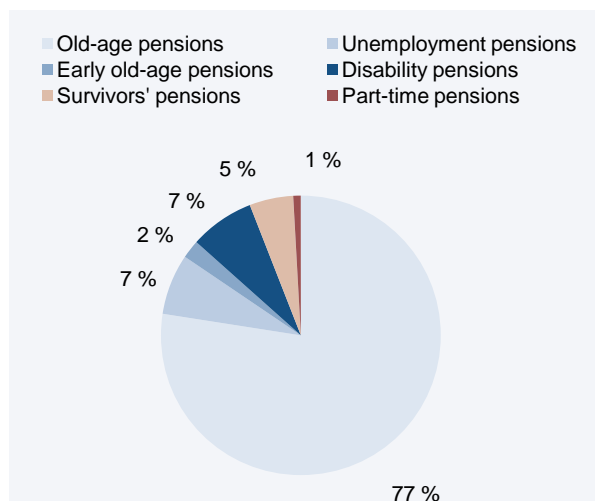
The Bank of Finland operates an independent pension fund, which provides and decides on the employees' retirement benefits in line with the State Employees' Pension Act. The Bank of Finland is responsible for the financing of pensions.

As of 2011, the payroll and financial management service company Silta Oy provides actuarial services to the Bank's pension fund, while Varma Mutual Pension Insurance Company (Pension Services Unit) will be responsible for making the Bank's pension determinations, pension decisions and pension payments.

Number of pensioners

As of 31 December 2010, the Bank of Finland paid pensions to 1,127 persons, in the total amount of approximately EUR 22 million. EUR 60,800 was paid out in rehabilitation allowance.

Pensioners by retirement benefit



¹ The figures include the FIN-FSA pensions.

Summary of key figures

	2006	2007	2008	2009	2010
Staff size and structure¹					
Total staff strength	544	521	493	484	470
On leave of absence	29	31	25	31	29
Headcount	515	490	468	453	441
Proportion of fixed-term employees, %	5	6	7	9	11
Average staff age	46	46	46	46	45
Proportion of experts and managers, incl. sen. mgmt, %	59	61	63	64	67
Proportion of women, %	51	48	48	49	49
Internal mobility, %	7.5	5	9	10	11
Turnover rate for those entering the Bank's service, ⁵ %	5	4,5	7	8	6
Turnover rate for those leaving the Bank's service, ⁵ %	10	8,5	13	9	9
External appointments	29	23	34	36	29
Number of retirements	29	26	36	22	21
Average effective retirement age	58	58	58	59	59
Man-years					
Own staff	542	527	496	484	470
Purchased staff resources	40	39	29	33	40
Staff costs					
Staff costs, own staff, EUR million	37.8	36.8	37.4	37.2	36.6
Payroll, EUR million	27.9	27.3	27.7	27.6	27.4
Training expenditure, EUR million	0.78	0.83	1.10	0.97	0.99
Remuneration					
Bonuses as a proportion of payroll, %	0.60	0.70	0.35	0.23	0.50
Salaries compared to market level (basic pay+benefits ²), %	105	102	104	100	98
Average pay for women/average pay for men, %	98	98	99	100	99
Competence					
Educational level index	5.4	5.5	5.6	5.7	5.8
Proportion of employees holding a doctorate degree, %	5	6	6	7	7
Training expenditure/payroll, %	2.8	3.0	4.0	3.5	3.6
Wellness at work					
Job satisfaction index	-	3.2	-	3.3	-
Total number of days of sickness absence	5 616	5 182	5 055	5 011	4 050
Sickness absence rate, %	3.2	3.2	3.3	3.2	2.7
Pensions					
Number of pensions currently paid ³	983	1 007	1 065	1 096	1 127
Pensions paid, ⁴ EUR million	17.5	18.8	20.4	22	22

¹ The key figures refer to the Bank of Finland, unless otherwise mentioned. The key figures for the FIN-FSA 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, use of a mobile phone, car and housing benefits) in addition to remuneration.

³ Includes FIN-FSA pensions.

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

⁵ Turnover rates do not include job shifts to and from the FIN-FSA.

Concepts and definitions

Basic pay + benefits

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

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 the degree of engineer.
- **Higher-degree level tertiary education**, covering higher-level university degrees (master's degrees).
- Doctorate or equivalent level tertiary education, ie doctoral and licentiate degrees.

Headcount

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.

Internal mobility

Percentage of average headcount accounted for by those having changed jobs within the organisation (Bank of Finland/FIN-FSA).

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.

Part-time employment

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

Sickness absence rate

Sick leave as a percentage of regular annual working hours.

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 short-term researchers.

Turnover rate for those leaving the Bank's service

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

Turnover rate for those entering the Bank's service

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