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**VALUES TO BE PART OF THE DAILY JOB: THE FINNISH EXPERIENCE**

**Symposium on How to Assess Measures for Promoting Integrity  
and Preventing Corruption in the Public Service**

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*This background document provides detailed information on the experience of Finland to support discussion in Session 2.*

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## **VALUES TO BE PART OF THE DAILY JOB: THE FINNISH EXPERIENCE**

by

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### **EXECUTIVE SUMMARY**

The common value basis for the Finnish state administration was redefined in a decision in principle On State Personnel Policy Line taken by the Finnish Government on 30 August 2001. It states that the activity of the state administration is value-oriented and ethically high-calibre. The activity of the Finnish state administration has traditionally been of an ethically high standard. In addition, Finland has been the least corrupt state in the last four years according to an international index assessing the perceived occurrence of corruption, The objective is to continue to maintain this high ethical standard in future, and this calls for values and ethics to be highlighted in practical work.

Strengthening the value basis and fundamentally uniform operating culture signifies that State administrations have common operating principles and procedures and an ethically strong policy. Values are of no significance as mere words, but must be implemented in the form of practical activity, decisions and actions.

The task of the State Employer's Office is to influence the reinforcement of a common value basis and to promote turning the units' own values into practice. A Working Group was set up in September 2002 to find ways to strengthen the common value basis of State and to integrate the values of different units into the day-to-day work. The Working Group called itself "Values to be Part of the Daily Job".

The conclusion of the Values to be Part of the Daily Job Working Group in a nutshell is that incorporating value-steered activity and management into everyday work calls for a conscious investment in promoting the matter in numerous sub areas of personnel policy. Each unit must review its own process and thereby gain a common understanding of the practical significance of the values in their work. The unit's values steer its activity and take precedence over the individual's values in conflicting situations at work. Once the values steer the activity and have been internalised, the activity also meets high ethical standards. Implementation of values also requires individuals to know what their role is in the work organisation and how they can implement the values in their own work.

The results of the project comprise presentation of the benefits of the value debate and of tools suitable for managing the value process with, the Working Group's conclusions and proposals and the good practices of the departments participating in the project for putting the values into practice.

### **Conclusions, proposals and policy recommendations of the Working Group**

The Working Group's conclusions and proposals are divided into three parts:

- Values as a management tool;
- Values as an official's ethics code; and
- Monitoring implementation of values.

#### ***Values as a management tool***

Implementing the values in the activity means that they are used as a management tool. This calls for directors and managers to commit themselves solidly to activity in line with the values. The Working Group has gathered its proposals and conclusions into a list of measures. It presents the matters that are the minimum required for incorporating values into practical activity to steer the activity.

- Definition of values means a value debate that gives the entire personnel an opportunity to participate and be heard. It also means designating the unit's values and assigning them a uniform significance in the unit's work.
- Values are incorporated into management by results. Values are involved in the control of the administrative sector comprehensively. The values of the ministry and the subordinate department are incorporated into their annual result discussions.
- Values and ethics are part of the development of management and personnel. The significance of the common value basis of the State administration as well as exercises and discussions relating to ethical procedures are core areas.
- Working atmosphere surveys are put to use. Working atmosphere surveys provide information on management and the well-being of personnel at the time they are conducted. Questions relating to the implementation of values help in long-term monitoring.
- Values are included in result and development discussions. Personal annual result and development discussions contain a section in which the official/employee and manager both assess each other's activity according to the values.
- Directors are assessed. The directors' example furthers implementation of values. In the assessment of directors, values can be linked to overall assessment.
- The new remuneration system is affected. The department's values are also taken into account when building up the departments' new remuneration systems. Applying the systems in practice helps foster activity according to the values in the departments.
- Values are involved in the choice of personnel. The State administration's and the unit's own value basis are taken as one subject in the structured interview held in connection with recruitment.
- Ethical problems are resolved. Discussion about ethical issues that arise is open. The electronic discussion board, the group assisting management and also public relations, are a means of resolving ethical problems.

- Activity contrary to values is stopped. The significance of values is manifested in actions. Strengthening of values calls for behaviour in line with them to be fostered. Credibility requires activity contrary to values to be stopped as part of normal management and managers' work.

### ***Values as an official's ethics code***

- Crystallising the unit's values and their practical significance into an ethics code fosters internalisation of values. One example of an ethics code is a map of rules with a brief description of the content of the value and also a list of practical procedures describing the visibility of each value in practice.

### ***Monitoring implementation of the values***

#### a) Responsibilities of a state bureau:

- Implementation of values is monitored in day-to-day work and individuals can provide their colleagues with feedback. The section on implementation of values in practice, to be attached to the annual report, strengthens monitoring. Various barometers as well as self-assessment of the quality system also act as monitoring tools.

#### b) Responsibilities of the State Employer's Office as the central agency:

- The State Employer's Office's personnel policy barometer will include a question about monitoring of implementation of values: Should implementation of values be measured in a) managers' work and management, b) the work of all officials?
- The Working Group's final report together with pilot annexes and a booklet containing the State administration's values and ethical principles will be distributed to departments.
- The results of the project will be presented at suitable fora in collaboration with the pilot groups. The State Employer's Office will assess the effectiveness of the project as regards the pilots and also more broadly.

## **VALUES AND ETHICS IN THE FINNISH STATE ADMINISTRATION**

### **Introduction**

This paper highlights the Finnish model in strengthening core values and retaining and promoting high standards of ethics in the State administration. The Personnel Department of the Ministry of Finance, State Employer's Office, has actively worked on this subject from the mid 1990s. In Finland, the latest projects have focused on practical issues, especially on measures in human resource management. The goal is to find the best ways for making general values of state administration as well as specified values of individual agencies more real in work and work-related activities of leadership and managers and other civil servants. There are many areas on which it is necessary to concentrate. These issues, along with the new policy proposals, will be discussed in more detail in this paper.

Although the main focus of the Finnish work on ethics is not on corruption prevention, it is seen as one relevant outcome of the process. The starting points are as good as possible. According to three latest Corruption Perception Indexes in 2001, 2002 and 2003, published by Transparency International, Finland had the lowest perceived corruption figures. The Index has been published since 1995. In the first two years, Finland was ranked as the fourth least corrupt country, and in the following four years as the second least corrupt country. Strengthening values and using personnel policy are expected to preserve this favourable situation in the State administration.

### **Objectives and methods of the 1998 ethics project**

The Ministry of Finance, responsible for promoting high standards of ethics in the Finnish State administration, set up a working group in 1998 with the overall objective to look for ways of maintaining and promoting traditionally high quality ethics in the State government. Although generally speaking Finland does not have problems in this area for a variety of reasons there may be a risk of decreasing standards of ethics and integrity. The aim was also to present a comprehensive picture of the values on which the Finnish civil service ethics is based, as well as central norms and principles in the State government.

As an empirical part of the work the results of the ethics-based survey formed the basis of the conclusions of the working party. The survey on ethics and values of civil servants was addressed to both managers and representatives of personnel in the Finnish Ministries and government agencies.

The work was not intended to cover all the ethical questions of the public sector, but it was limited to the point of view of civil servants and authorities. Also, questions concerning political decision-making and the related interface of civil-servant drafting were excluded from the study. Nor did the report deal with the problematic relating to the operations of State business enterprises and State companies or the state of indirect State administration and the related ethical questions. The starting point is the actions of civil servants of central State administration and the related ethical questions.

## **Personnel policy and values**

Legislation and particularly the State Civil Servants' Act contain provisions are ethical norms of conduct. The Finnish State administration has a strong legal basis as well as tradition including principles on how to ensure that authorities fulfil their tasks properly. The provisions are not, however, very detailed. Because of this, they may be interpreted in different ways and act as guidelines rather than strict orders on what individual actions are forbidden, etc. For example, concerning bribery, there are no exact cost limits on the values of permissible and non-permissible gifts offered to civil servants.

In recent years, while the state personnel policy has been under reform, an explicit new approach to ethical aspects has been taken. The significance of ethical rules was clearly emphasised in the personnel strategy of the State (approved in autumn 1995) and in its references to high ethical requirements. The personnel strategy provided guidelines for the personnel policy of State administration as a whole and gave the agencies and institutions principles which they could use when drawing up personnel strategies applicable to their own units.

The strategy has been revised by the Government decision in principle of 30 August 2001. The decision is called "*On State Personnel Policy Line*". The new Government decision contains a revised statement of values. The basic values of the State administration are:

- Effectiveness;
- Quality and expertise;
- The service principle;
- Transparency;
- Trust;
- Equality;
- Impartiality;
- Independence;
- Responsibility.

When comparing the revised values to the traditional values, legislation and principles, it is apparent that two of them - effectiveness and quality - are new, i.e. representing the development in the 1990s.

In Finland the role of central personnel policy lines has grown in importance in clarifying basic values as well as avoiding conflicts of interest in general. The Government decision states that in the midst of an increasingly global environment, the State administration's values are founded on democracy, rule of law and the Nordic welfare society. The aim of State personnel policy is to strengthen and draw on these basic values and a basically uniform operating culture. In addition, in the era of big cohorts of new staff entering the labour force and working communities growing more and more diverse with increasing multiculturalism, common values are needed to maintain a uniform operating culture and respect for traditional values.

## **Openness and transparency as a tradition**

Openness is traditionally one of the basic principles of the Finnish State Administration and the Nordic administrative culture. The publicity principle dates from the 1700s which requires open decision-making and documents to be available to the public. Only matters and documents which have been specifically prescribed as secret are to be kept confidential. The principle of transparency is included in the Constitution and other laws. So, unlike most other OECD member countries, Finland has a strong tradition of transparency. This is one of the most important reasons for such a low rate of corruption in Finland.



New forms of openness are being developed while the legislation has been developed to even more open direction. Public organisations have to ask themselves whether their operating culture is up-to-date in this aspect. The new administrative culture demands active ways of supplying information, for example to the media.

### **The legal basis**

There is a stable legal basis in the State government and compliance with provisions is highly respected. The actions and conduct of civil servants are primarily governed by the Constitution, the State Civil Servants' Act, the Administrative Procedure Act, the Act on Openness of Government Activities, the Act on Equality between Women and Men and the Act on Public Procurement. The Penal Code provides for the criminal liability of civil servants and the employees of public corporations. In addition to these, the general principles of administrative law are also significant as ethical norms for guiding the daily actions of administration. The actions and liability of civil servants and the authorities are closely regulated by legislation. Judicial practice draws a strict line between legal and illegal actions in individual situations.

## RESULTS OF THE 1998 SURVEY

The Ministry of Finance carried out a survey in 1998 as part of the Ethics Working Group work. Approximately 170 agencies and institutions of the central State Administration participated.. The targets were the top management and personnel representatives in those organisations. A total of 650 answers were returned, of which about 25 % were from heads of agencies and an equal percentage from personnel representatives.

The reforms since the mid-1980s show clearly that ethics and values have assumed an increasingly role. In an earlier survey, 85 % of the agency executives considered values and ethical questions important from the point of view of the operation of the agency.

The survey in 1998 focused on the following issues:

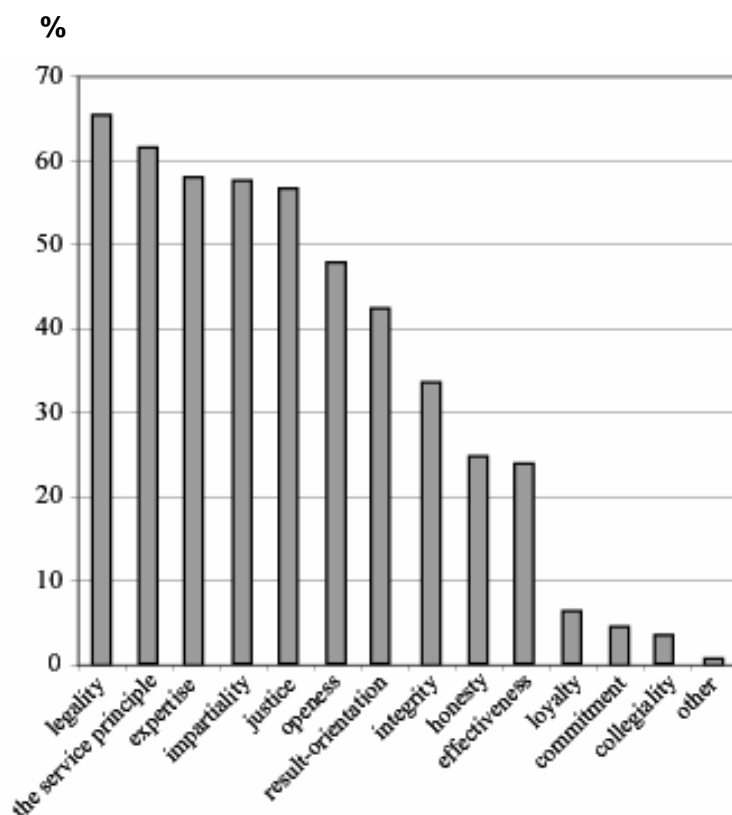
- Changes in the values of governance;
- Principles of civil service ethics;
- Unethical practices; and
- Factors affecting civil service ethics.

### What are the most important values?

The most important values according to the Finnish survey are listed in more detail in Figure 1. Over half of those who answered felt that the most important values of State administration are **legality** (65.5%), **service** (61.5%), **expertise** (58.1%), **impartiality** (57.5%) and **justice** (56.6%). In addition to these values, also openness (47.8%) result-orientation (42.3%) and integrity, i.e. incorruptibility, (33.7%) were emphasised. The opinions of the management and the personnel representatives were very similar: the five most important values were common, their order only was slightly different (see Figure 1).

In the opinion of those who answered the questionnaire, the values of their own agency do not greatly differ from the general values of State administration. The only clearly distinctive feature was the fact that, instead of legality, **expertise** (82.1%) became the most important value. In the light of these documents, the values of different agencies are very different. The main factors uniting the agencies are **customer-orientation, result-orientation** and **openness**, which are presented as the most important values in nearly every other document. Every third document underlined the importance of continuous development or the readiness for change, co-operation and expertise. Other values mentioned included quality consciousness, reliability, environmental protection and mutual respect. The values of the agencies are specific to their individual functions and they also supplement the core civil service values.

Figure 1.



### Values in practice

The majority of those who answered felt that the values of State administration and practical operations correlated fairly well (78.3%). In other words, it seems that double standards do not occur very often ("don't do as I do, do as I say"). Those who answered feel that value discussions are necessary (91.2%). According to the data, values are discussed more often among the management (78.3%) than among the whole personnel (48.5%). The most usual fora for value discussions were executive groups, cooperation bodies, various value seminars and personnel magazines. On the other hand, values are always present in discussions, if only implicitly, and the recognition of a discussion explicitly as a value discussion requires certain conceptual readiness. This is why the probability of recognising values or ethical sensitivity increases with the level of education (correspondingly also the number of 'hard to say' answers decreases). In this study the distortion caused by differences in education is slight, however, because as many as 91% of those who answered had academic degrees.

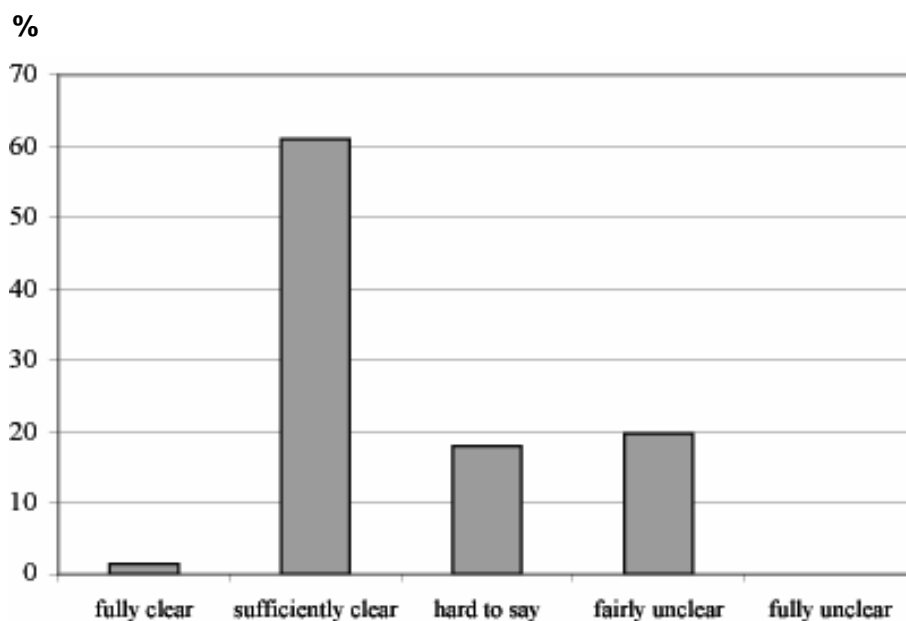
As concrete actions, the Ministry of Finance launched a project in September 2002 with the objective of providing practical models for the determining of values and their incorporation in the practical activities of the agencies. The aim was to make the values common to the agency and part of their every day activities. The project is described more in detail in the next Chapter of this paper.

### The clarity of the principles of civil service ethics

The Finnish managers and personnel representatives were asked about the clarity of ethical principles. Principles mean rules, rights and obligations based on values. How do civil servants judge the situation –

are the principles clear? The majority of those who answered felt that the principles of civil service ethics are sufficiently clear (61.0%), but a significant number of those who answered felt that they are fairly unclear (19.7%). None of those who answered felt that the rules were completely unclear. By combining the above-mentioned categories, the proportion of those who felt that the principles are clear is 62.4% and the proportion of those who felt that the principles are fairly unclear or for whom it is hard to say is 37.6%. This is most likely due to the fact that the central principles of civil service ethics cannot in fact be defined clearly and unambiguously; they differ according to official status and administrative sectors.

Figure 2.



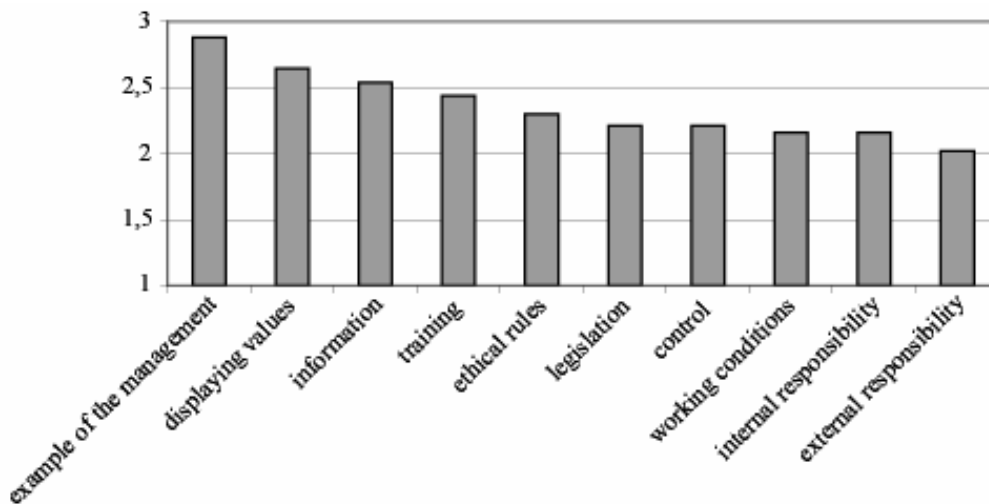
Two-thirds (67.5%) of those who answered estimated that ethical codes could also be useful in Finland. Among those who felt that civil service ethics are unclear, rules were even more in demand: 75.4% felt that rules are necessary.

### Factors affecting high standard of ethics

#### *What are the most effective measures?*

Finnish civil servants were asked what they considered the most effective measures in promoting high standards of ethics. The Working Group wanted to study the opinion of civil servants on the effectiveness of different kind of measures by using the OECD developed Ethics Infrastructure as a framework. The evaluations of those who answered are found in Figure 3.

Figure 3.



(1 practically no effect, 2 slight effect, 3 strong effect)

The most important individual measure having an effect was **1) the example of the leaders** (2.9). With their own example, the leaders provide the standards which in time will penetrate the entire organisation. Another factor which was found to have a strong effect was **2) displaying values** (2.7). Factors with a slight effect were **3) information** (2.5), **4) training** (2.4) and **5) ethical rules** (2.3). The effect of legislation and other measures was found to be slighter. Legislation can and should be used to determine the minimum level of ethics in order to prevent abuse (*low road*), but it is difficult to use legislation to motivate and encourage people to behave in an ethically high-level way (*high road*). Internal (2.2, e.g. an audit) or external (2.0, e.g. inspections by the Parliamentary Ombudsman) mechanisms of responsibility were not deemed very significant. Also the significance of working conditions was deemed to be of little importance (2.2).

## VALUES AND ETHICS AS PART OF HUMAN RESOURCE MANAGEMENT

### Focus on maintaining integrity-based State government

The Government decision On State Personnel Policy Line (2001) introduced explicitly the necessity of values-based state functions. The decision also gives reasons why it is important to keep high ethical standards. As a follow up to changes in the operating environment that has become more demanding and complex, values and ethics should be emphasised in a new way when developing the different activities of State administration. This includes the sectors of management and personnel policy. Skilled and motivated personnel is an essential prerequisite of the result-oriented and successful activity of agencies.

As a future prospect, the Government considers it important for the State to be a model employer in purposefully implementing good personnel policy. Well-managed employer and personnel policy, skilful management and competent and committed personnel are emphasised when conditions are created for effectiveness and good service capacity in public management, and thus for better productivity and national competitiveness. Competitiveness as an employer will ensure units have competent and committed personnel. This means for example the following aspects:

- In jobs of a permanent nature, permanent contracts should be used instead of fixed term service relationships;
- Putting a motivating pay system in place will call for reform of the entire management culture;
- The recruitment of new staff will be supported with systematic induction and trainee programmes;
- Communicating the State's new operating culture.

Because of new demands faced by managers in the public sector it has been necessary to encourage more professional approaches in public management and the creation of a new generation of managers. This includes a systematic promotion of management recruitment, assessment, career planning and training. A comprehensive joint management strategy for the state administration was published in early 2003 and preparation of new legislation based on the strategy is under way.

The responsibility of the Finnish State Employer's Office is to ensure that guidelines of the Government decision are enforced. The concrete actions include, among others, a project on values and how they are integrated as a real part of day-to-day work in State units.

#### Box 1. Facing the challenge of high staff turnover

According to the Finnish Government Decision On State Personnel Policy Line, organisations should engage in a real debate about values, and the consensus reached must be integrated into working practices and models. This includes ensuring that any ethical problems encountered by the civil service are solved and that the recognised high ethical standard of the Finnish civil service is maintained, even at times of high staff turnover. The forthcoming high turnover can be seen as a real challenge for maintaining uniform culture and values. As stated in the Government decision: "*State personnel policy acknowledges that operating units are different, while recognising the need to build a uniform operating culture for the state administration. Individual operating units must be able to compete for labour on the terms of the surrounding environment, i.e. also amid regional divergence.*"

Values must not remain as words only. Much more important than words on paper is the meaning which the organisation gives them. They should form a concrete tool for management and leadership, for example in new pay systems that are being adopted in Finland. An ability to reach tjos target requires persistent and determined work. The values should be simple, clear in their interpretation and remembered by everyone in order for them to become real.

## THE "VALUES TO BE PART OF THE DAILY JOB" PROJECT

### Introduction

In September 2002 the Ministry of Finance initiated a new project to find ways to integrate the values of State administration into the practical work of operational units. The Working Group appointed by the Ministry of Finance in 2002 called itself Values to be Part of the Daily Job. The idea was for the name to describe an objective in which values are not just "obligatory" things mentioned in speeches, but operating and behavioural methods implemented in the day-to-day work of the departments. The principal task of the Values to be Part of the Daily Job group was to select, through the units taking part in the project, practical application methods, i.e. good practices which other government units can use in their own value work.

The question concerning value-based good working practices is bi-dimensional. On the one hand it comprises the agency's activities in relation to citizens and to its other external stakeholders and on the other hand the question concerns practices applied in internal activities and interaction within the agency itself. One purpose of the project Values to be Part of the Daily Job was to obtain answers *inter alia* to the following questions.

- How are the agency's values defined and what are they?
- How does the staffs participate in the definition of values?
- What is the impact of the example set by management and how is that example taken into account?
- How is the realisation of the values assessed annually, both at the agency level and in the activities of individual civil servants?

The ideal outcome of the process would be a common idea of "our way", which is accepted and adopted by both management and staff.

Each of the five pilot agencies chosen in the Working Group carried out its own project in the course of the work and at the same time built a network for ethical dialogue. On the basis of those projects, the intention was to obtain practical working models, which other State agencies and operative units could apply in their own value related activities.

The assumption was that when values steer the day-to-day activities and have been internalised, the activity also meets a high ethical standard. Implementation of values also requires individuals to be aware of what their role in the work organisation is and how they can implement values in their own work.

The strengthening of the value base and uniform operating culture signifies that government units have common operating principles and procedures and a strong ethical policy. Even though the activities of different units differ, they also have certain unifying factors at a theoretical level. This means that different government units form an entity, a government organisation, or, to use an expression from business life, a group.

The conclusions of the Values to be Part of the Daily Job Working Group do not reveal new areas or shortcuts for internalising values in practical activity. The conclusions in a nutshell is that incorporating value-steered activity and management into the day-to-day work calls for conscious investment in promoting the matter in numerous sub areas of personnel policy and in particular in management. Each



organisation must go through its own process; a ready result cannot be bought anywhere, however attractive it may indeed be as an idea.

**Box 2. Some basic concepts of a project**

Value	A matter or goal that is regarded as important
Ethics	The principles for evaluating the correctness of actions
Morality	Commitment to certain values and principles
Professional ethics	The profession's own values and principles
Civil service ethics	The values and principles of civil servants and authorities

**Methods, scope, expectations and procedures**

The Ministry of Finance decided to carry out the project as a so-called pilot project, because experience of taking values into action was needed since it would be of great help for the State administration. Based on pilots' experiences the Working Group drew their own conclusions and recommendations from how operation units can improve implementation of values in their own work. Questions were put in the appointment letter, to which pilots were to seek answers. The Working Group's conclusions are also based on these answers.

The biggest expectations focused on the fact that as a result of the project it is possible to offer State departments practical tools to embed values in work communities. It is apparent in several contexts, that even though the generality of state operational units have defined their own values, they do not direct operations in practice, and the personnel have not internalised them. Expectations of the project were also related to the fact that the shared operation culture of the State administration is attainable only through common basic values. Also confirmation of the State's common values was considered rather important although there were no problems related to that. The future high wastage of personnel has partially influenced the fact that the importance of common basic values and value orientation is growing in the operational units.

Theoretical models were not aspired to during the project but the goal was to implement it by taking the practical issues into account so that the benefit would be as concrete as possible. The carefully selected target was to produce tools for different kinds of state units in as simple a way as possible.

When choosing the pilots to be invited to the project, operational features of the bureaus were particularly emphasised in order to best help the bureaus with concrete examples applicable in their day-to-day work. Because universities employ a quarter of the State's personnel and they educate the future leaders of the state, one university was also chosen. Ministries and the bureaus they guide each form their own branch of administration, and each branch has different types of questions to answer. Because of this, also one ministry was chosen. This way the bureaus chosen for the project were National Bureau of Investigation (NBI) the work started in one of its units and expanded to the whole bureau, Employment and Economic Development Centre of Lapland (TE Centre), the University of Jyväskylä, the Criminal Sanctions Agency and the Ministry of Transport and Communications.

In addition to the Ministry of Finance, the Ministry of Trade and Industry and the Ministry of Justice, the bureaus of which acted as pilots, were represented, as well as the Finnish Road Administration, which had its guiding ministry as a pilot. Also, a representative of the National Board of Customs participated, because the values have been put into practice in the Customs for several years and it was possible to make good use of the practical experience. Apart from the representative of the pilot university, there were no representatives from the academic field in the Working Group.

The units chosen were in different positions at the time of launching the project which was a positive starting point. NBI and Jyväskylä University had not yet started their value processes, while The Criminal Sanctions Agency and the Ministry of Transport and Communications had defined their values a few years ago but had realised that some action should be taken to get their values to really work. TE Centre of Lapland had newly defined its values and had committed itself to a strategic goal for the year 2003 to get the values in practice.

### **The steps of the project**

Project work was divided into both projects and carried out independently by pilots, and Values to be Part of the Daily Job Working Group's shared work. Pilots prepared their own project plans, created a project group out of their own personnel, made an intermediate report/temporary report halfway through the project, and a final report at the end of 2003.

The task of the project led by the Ministry of Finance was to create a network between the pilots and other members of the Working Group, to allow communication on questions related to implementation of the project. In this way pilots had a chance for example to highlight some problems related to following through their own project, and to discuss them and exchange experiences with others doing similar work.

The Ministry of Finance did not support pilot projects financially. Instead, the Ministry organised two seminars during the project. The first seminar, which was meant for pilot projects, consisted of an educational opportunity, which prepared for the practical implementation of values. In conjunction with that, a discussion for management was also organised (a total of 1.5 days). During the seminar internalising of values was practiced with the help of practical tools. Also the situation and goals of bureaus were discussed from management's point of view.

The second seminar was entitled Values and Management, and in addition to the project participants, the top management of the State administration was invited. The goal of the seminar was to reflect on practical situations of the value choice which appear in the State administration. The goal was also to contribute values to effective management tools. The leader of the all-day seminar was a professional work community trainer. The day was made up of practical exercises, discussions, and introduction of pilots work. About 80 managers who participated in the seminar gave very positive feedback. Managers also thought that the subject was up t date and useful for their own operational unit.

During the project the Working Group interviewed representatives of different organisations to learn of the manner in which values had been put into action among others in municipal administration or in a big city and in private companies.

All the above-mentioned theory and information was exploited in the report of the project. Also the pilots got useful material from the seminars to complete their own projects. Above all, cross-sectoral discussions were of great value.

A collective final report of the project was made based on above-mentioned material and the reports of the pilots. The proposals of the project were based on the experiences of participants and the general conversations of the Working Group.

### **Why are a value debate and common values required in State government?**

The decision On State Personnel Policy Line redefined the common values of the government (see Diagram 1). These are the effectiveness, quality and strong expertise, service principle, openness, trust, equality, neutrality, independence and responsibility of the activity.

**Diagram 1. Government values**

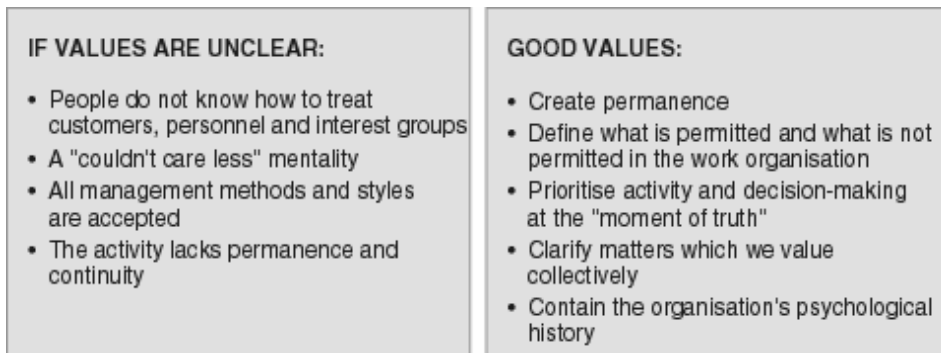
The common base is extensive and instead of values it may be more correct to speak of values and ethical principles. Their significance differs from the values of an individual unit, which are defined from the operational points of departure of each unit and as a result of joint discussion. The common values and principles of government are by nature general, even though, for example, openness is the value chosen most often in the different units. Neutrality and independence are traditional objectives and principles set for the activity of government. Effectiveness along with quality and strong expertise have emerged alongside these as new values of administration.

Would it be best for the values of the departments to be the same as the common values of government? The question is raised from time to time and arguments can be made for and against. The conclusion of the Values to be Part of the Daily Job Working Group was that the departments can define their own values, as they have indeed done. However, they must ensure that the department's values do not conflict with the common values. If they did, the quality and credibility of government activities would suffer. On the other hand, there is no obstacle to the department using the common values in their own value processes. The objective is for each person working in government to be aware in future of the common-value base and of the practical significance of values. This is rendered more precise by the definition of the unit's own values so that they support the common values and steer the unit's activity.

### **Why are values needed?**

The value debate, definition of values and their practical application lead to a situation in which commonly approved values really guide the activity.

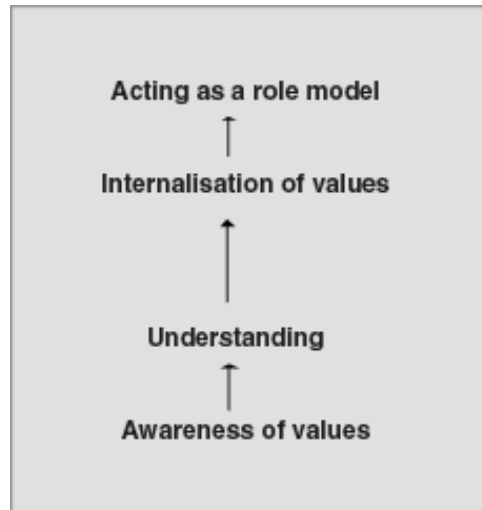
**Diagram 2. The significance of values**



Source: VM Data

The defining of values and putting them in practice are of varied benefit to a unit. Diagram 2 shows the disadvantages when values are unclear and the benefits when good values steer the activity. The benefits of values can be described more broadly, too. Values create common rules for the unit that establish security and predictability. Values help people to choose the best possible approach in new or difficult situations. Values act as a real management tool and thereby support the work of management.. Values which also work well in practice increase the welfare and job motivation of personnel. Care for people is emphasised. Values can also give a competitive edge when attracting new personnel or in order to keep existing personnel. As a whole, the above factors help to improve the unit's productivity.

**Diagram 3. The four levels of values**



Source: Talent Partners

Defining values still does not guarantee that they will have an impact on practical work. Even if a concrete content were to be defined for values, at that stage they are still usually nothing but issues of which people are aware. The minimum objective ought to be for the values to be internalised by each employee, which means that they do not need to be thought about separately but steer behaviour with their own force. The "highest level" of internalisation of values is acting as a role model, which means the assimilation of values to such an extent that individuals serve as an example to others and with their own behaviour guide others. Diagram 3 illustrates the four levels of values and the fact that there is still a long way to go from awareness and understanding to the internalisation of values.

**Box 3. Example 1: Values in the activity of the Finnish Customs**

**Creating a value process**

A seminar on management value launched the process at the Finnish Customs in 1998, which defined management's view on Customs' values, how Customs' values were to be ultimately defined and how they were to be incorporated into management and routine activity. It also considered the Customs' future plans and clarified the view, tried to clarify the link between values and management and created a view and way of proceeding to the value process (draft workbook).

After this, four seminars took place and were attended by approximately 300 people chosen at random from different organisational levels and roles. In a two-day seminar, they elaborated the form Customs' values take in the workbook.

In the course of 1999, the entire personnel expressed an opinion on Customs' values with the aid of the workbook in two-day value seminars run by Customs' own value coaches (64 individuals).

At the beginning of 2000, Customs' internal value coaches elaborated Customs' values into their current form on the basis of feedback and these were confirmed. The value item was incorporated in the same year into Customs' value and development discussions.

In a personnel job satisfaction survey conducted in 2002 inquiries were first made into how Customs' values were implemented in practice. The survey contained four scaled questions on values describing Customs' professionalism, trustworthiness, service-mindedness and respect for the individual. The response scale of the questions was 1-5.

**Results:**

Professionalism	Trustworthiness	Service-mindedness	Respect for the individual
3.5	3.7	3.6	3.2

A personnel job satisfaction survey is carried out every other year. In addition, Customs regularly conducts customer satisfaction surveys. On the basis of the responses to the survey conducted in 2001, it can be determined that customer satisfaction has grown in all of the sub areas of the Customs' report compared to the 1996 and 1998 surveys.

**The objectives of values**

Customs' values are derived from a vision and mission related to the objectives of the activity. The purpose of values is to define uniform procedures at Customs and to steer management and procedures and conduct in all activities and at all organisational levels. They also act as an internal compass pointing to joint success and as an ethical backbone and foundation in routine decision-making.

**Experiences**

At Customs, values form part of resource and operational strategies. The foundation for activity according to the values was laid through the solid commitment of management and superiors to activity according to the values as well as through participation by personnel in the defining of values in the value process.

At present, the significance of values is central in the Customs' control system, management and routine decision-making and in its procedure.

Values are included as part of the operation control in Customs' management by results system as result objective agreements. Management by results is completed by Customs' balanced result card thinking, in which values are linked into management procedure at different organisational levels. In addition, self-assessment of the activity (EFQM) gauges and evaluates how personnel and customers have been notified operationally of values, and the results of activity are gauged by means of the central performance and personnel results.

Customs' new remuneration system has been constructed to reward activity and conduct according to values. In addition, activity according to values is an aid to career advancement.

Values are linked into routine management by improving the personnel management skills of superiors through training as well as by linking assessment and improvement of implementation of values to annual result and development discussions.

The responsibility of the entire personnel for activity according to values is stressed in recruitment, basic training and in communication. Activity contrary to values is tackled immediately and in practice failure to abide by them has also led to concrete supervisory consequences. However, the aim has been to direct control away from external control to self-control by improving self-steering and the taking of responsibility through the management and feedback system.

Compliance with values will be manifested in the day-to-day work of Customs expected in future in the form of an improved corporate spirit, helpfulness, trustworthiness and expertise. Through the values, Customs has sought to communicate its approach to its customers and stakeholders as well as to sharpen its public image.

Blending values into routine work was project-related with a beginning but no end.

## The significance of the organisational culture

Each organisation has its own culture which evolves over time. Values are an essential element in this culture and have an impact on its other parts.

**Diagram 4. The organisational culture is decisive**



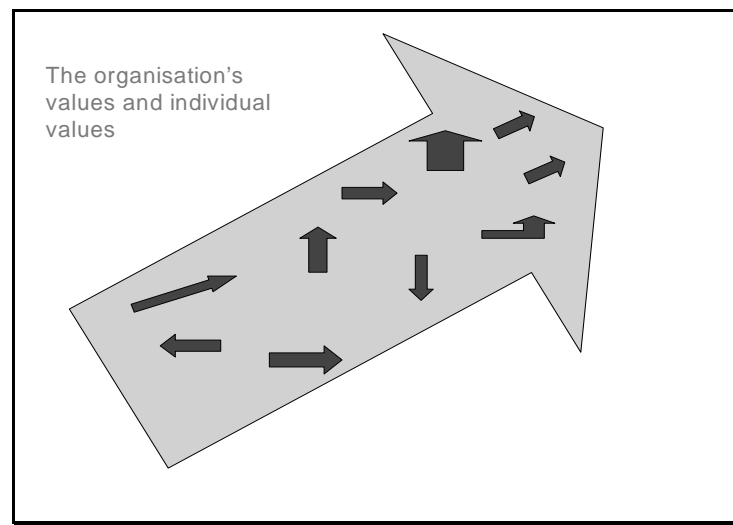
Source: Novetos

The iceberg image (Diagram 4) illustrates that visible activity and conduct are merely the top of the iceberg in an organisational culture. Beneath the surface lies the base of the iceberg, formed by basic assumptions and beliefs. Values, choices and attitudes are built on top of these, but are left beneath the surface, out of sight. Nevertheless, everything that remains out of sight steers visible conduct. This means that what is central to the organisation is the type of basis it is built on, and how its values guide visible activity. The real value debate also reaches the invisible part below the surface, from basic assumptions and beliefs in values. If the value debate relates only to visible activity and conduct, the foundation remains as before. The consequence is that real change does not take place.

The government's common value base creates a uniform operating culture, which unites government departments with different tasks, procedures and sizes. Within the sphere of the Government, in the ministries, the uniform culture strengthens their ability to implement the Government's programme objectives and thereby supports, for example, implementation of policy programmes and the Government's strategy document.

## The organisation's values and individual values

The work organisation abides by the organisation's values. Otherwise, the organisation's values could not contribute to steering the activity.

**Diagram 5. The organisation's values and individual values**

Source: Novetos

Diagram 5 illustrates the relationship between the organisation's values and the individual's own values in the operational unit. The values of the unit, such as a government department, steer its activity. The individuals working in the unit have their own set of values, which they are entitled to regardless of the work in which they are involved. In the job organisation the point of departure is, however, that work is guided by the unit's values. The difference between the individual's own values and the unit's values can cause conflicts over choice of procedures or decisions. It is justified to discuss these within the organisation and look for a correct strategy. In Diagram 5, the large arrow shows that the unit's values determine the organisation's policy and procedures, but the values of individuals can be different. It should be evident outside the organisation, for example to customers that the organisation has a common value base, implemented in all activities.

### **Values as the basis for an organisation's activity**

The defining of values is part of the strategy work of an organisation's. Mission, vision, strategy and values are the foundation of each organisation. The task of values is to steer the activity so that the other above-mentioned factors can be implemented. Values are implemented as practical actions, in decisions relating to the activity, in guiding the selection of choices in cases, etc. They are the unit's way of acting in order both to implement their own societal task and to safeguard the organisation's internal efficacy.

Values do not signify anything as words. Values are of benefit only if they have a practical significance and content in both operational management and in personnel management and conduct. It takes a long time to internalise values so that each person in the work organisation can perceive them as steering the operation. Purposeful and continuous discussion about implementation of values is necessary for the success of the entire process.

**Box 4. Example 2: Implementation of values in the Finnish Road Administration**

The values of the Finnish Road Administration: societal responsibility, customer-orientation as well as expertise and co-operation were defined on the basis of a broad debate in 1998.

The values were one point of departure when, in 2001, the content of the Finnish Road Administration's new vision was elaborated: The needs of society as the point of departure, We engage in co-operation for the benefit of the transport system, We are responsible as an expert for road maintenance and we create a challenging work organisation.

The vision process was also based on broad participation. It formed the basis for a reform of central strategies, and all significant development efforts were directed at their implementation. A considerable percentage of personnel have been involved in development work. Nonetheless, the job satisfaction study in 2002 and 2003 indicated, inter alia, that acting according to the values and to the vision and strategies was clearly in need of improvement. At the beginning of 2004, a decision was taken on, inter alia, the following measures.

The success of all directors and process owners to be gauged in 2004, inter alia, by how well they have been able to improve the measurable results of their own profit centre or process in the above areas of development. This calls for values to be highlighted and for people to act according to them, and also at a personal level. Strategies have to be implemented in order to direct practical work and decisions on it.

Ethical rules, with values as one point of departure, are being drawn up for the Finnish Road Administration. At the beginning of 2004, a discussion on these was launched in co-operation organs [organisations], at work places and on the Finnish Road Administration's intranet.

The experiences and practical procedures emerging from the value project can be used as an aid to development work.

**How are values translated into procedures?**

The translation of values into practical procedures calls for a debate covering the entire operating unit. Various tools for launching a debate and for perceiving the unit's general objectives have been developed. Each unit can choose the ones that seem most suitable in order to make its own work easier.

The ethical debate can be assisted by questions, and the answers to them can lead to a definition of the unit's desired and forbidden areas, grey areas and risk areas as regards ethics.

Making values part of practical work, requires that operations be examined both at the level of the operational unit and at the level of the work of a single employee. Examination at the level of the organisation is an extremely important strategic action in order to set the goal correctly and become aware of possible risk factors. For the purpose of this examination, a special model of ethical debate is developed, and with the help of that, different things can be defined (Example 3).

**Box 5. Example 3: The ethical debate model**

**Desired areas**

As an ethical work organisation we want to influence positively the following things:

**Forbidden areas**

Things which we do not accept in any circumstance;  
 Things in which we are particularly severe towards ourselves; and  
 Things which we demand from our partners.

**Our own unit's grey areas, areas in which there are no clear guidelines, laws or directives:**

Areas in which there is a conflict of interest;  
 Areas for which an ethical policy has not yet matured;  
 Areas in which generally accepted ethical norms have most evidently been broken;  
 Areas in which the individual has exceptionally good discretion; and  
 Areas in which different cultures, ways of thinking and traditions collide.

**Risk areas as regards ethics**

Our activity may involve the following risks:  
 The magnitude and consequences of the risk;  
 The risk will occur if....unless....

Source: Novetos



Diagram 6 contains a model of a table to be filled in in an individual unit. It is an example of how questions relating to the defining of values can be analysed at the level of an operational unit. This is one way to illustrate the significance of values in work and to obtain common understanding for it. The definition is first carried out for each value separately in small groups comprising representatives of the different units. The results are collated for a follow-up discussion held in the entire organisation.

**Diagram 6. A model on defining values in practice**

	Values in practice		
	Value: _____		
	How can this value be seen outwardly?	What does it require of personnel?	What does it require of management?
Normal level= good present level			
Peak performance= future target level			

Source: Talent Partners

Practical aids in decision-making situations could include different questions to test ideas to evaluate the strength of a solution from an ethical point of view in advance. Questions as a tool in ethical decision-making are handled in documentation relating to the topic<sup>1</sup>. A list of questions of for example, the following type may help before a decision is made:

**Box 6. An ethical checklist of a decision-maker**

- *Have I considered all the facts and analysed the situation sufficiently?*
- *Have I listened to both my reason and my feelings?*
- *Have I discussed the matter with others and been presented with points of view different from my own?*
- *Have I given the decision enough time to mature?*
- *Have I considered the consequences of the decision sufficiently and does the decision fulfill the requirements of justice and impartiality?*
- *Is the decision transparent so that I can openly present its basis and the factors affecting it?*
- *Can I wake up feeling confident knowing that my decision will be discussed in the afternoon papers that day?*
- *Can I feel reasonably calm when I tell those involved about it?*
- *What is the combination of skill, expediency, imagination and courage that will help me to act in accordance with my own sense of justice?*

Source: Aaltonen-Junkkari

<sup>1</sup>. (e.g. Tapio Aaltonen and Lari Junkkari: Yrityksen arvot & etiikka [The Values and Ethics of an Undertaking] p. 283-284.)

## **POLICY RECOMMENDATIONS OF THE WORKING GROUP AND GOOD PRACTICES**

This chapter contains the Working Group's proposals - policy recommendations - for the necessary measures required for translating values into practical procedures. The measures are divided into three sections: **Values as a management tool**; ; **Values as a civil servant's moral code**; and **Monitoring implementation of values**. Each of these is explained in detail in this section. The matter is illustrated with practical examples and good practices taken from the results of the pilots' work. Also main points of good practices are highlighted in a summary at the end of the relevant section.

How did the above-mentioned policy recommendations develop? The goal of the Working Group was to discover the most practical ways possible to make the values part of the day-to-day job. When putting the values into practice, the role of management was rated as most significant in improving high level ethics and also in the work of the previous ethics working group. The significance of management became stronger when Values became part of the day-to-day job. The Working Group heard representatives of different organisations and analysed experiences about preconditions of success in value-working. It is clear, that enhancement of value orientation and high level ethics demands full commitment and outstanding example by management, both for the personnel of the organisation and for citizens or clients. It is also necessary that values be truly used as management tools. For this to work in practice, values should be taken into account extensively in different fields of personnel policy. Because of this, the first part of **Values as a management tool** is the most elaborate of the recommendations.

The second part, **Values as a civil servant's ethical code**, illustrates the meaning of values inside an organisation. The model presented was developed as a result of the pilot work and it is a rule map. It is an example of how the results of an organisation's value discussion can be recorded so that the commonly-agreed lines and rules are transparent to everyone. With the help of the model, the management's and personnel's commitment to the methods expected by the values can be improved, as each member of the work community has the most important commonly agreed methods in written form. In practice, the implementation of rules does not directly require building a rule map like this, but according to the views of the Working Group, it recommends building one in some form.

The third part of the proposals, **Monitoring implementation of values**, describes a necessary part of the persistent work of values. Only by constant observation, the organisation can guarantee that the values will be adopted in all its operations.

Policy recommendations are presented in detail below.

### **Values as a management tool**

#### ***Defining values***

The definition includes a value debate where the entire personnel have an opportunity to take part and be heard. The debate benefits from the fact that appropriately trained individuals chosen from the work organisation steer the project ("value coaches", "value agents"). The visible involvement of the unit's senior management throughout the process is crucial for credibility. This means, inter alia, talking about the matter at information and training events arranged for personnel at all stages of the debate. Sufficient time needs to be set aside for the process: the value debate only yields a result once it has got people to participate and think about matters relating to their work.

It is recommended that an individual unit should have from three to five recorded values. If there is a very large number of values, people do not remember them, which weakens their effect in the organisation. In this sense, the common values and ethical principles of the Finnish state administration are in a different position because they form not only the elements that steer the activity but also an ethical standard for all civil service activity. One could say that the emphasis in these is on principles and attitudes more than on the operational side.

The content of the common values and ethical principles of government is described in a forthcoming State Employer's Office publication, which also contains the general rights and obligations of a civil servant and authority.

An essential part of defining values is that they gain a concrete significance relating to each person's work. The relationship to every employee's job is a prerequisite for a successful debate on values. As a result of the debates, a verbal description may also be drawn up for the values. The defining and description of the values is the first phase in applying them in practice.

#### **Box 7. Example 4: Defining values at Lapland TE Centre**

Five working groups (one of which was the management group) were set up at Lapland TE Centre to draft the centre's values, visions and operating ideas. About 30 people took part in the working groups (out of a total of approximately 110 personnel). During the work phase, the values were also discussed at meetings of the sections. To conclude the work of the working groups, the values were presented to the entire personnel and were put on the intranet for all to see. Lapland TE Centre's values are:

##### **1. Customer orientation**

Our customers are the justification for our existence. We serve our customers expertly, individually, in a friendly and polite way. Trust is a prerequisite for good co-operation. Our activity is transparent and is developed continuously in accordance with feedback received from our customers. We focus on channeling our efforts into objectives by anticipating our customers' needs and our operating environment.

##### **2. Effectiveness**

We do the right things and focus on essentials. We plan and implement allocation of financing and development and training in an economically efficient and effective way. In both our internal and external activity, we aim for cost-effectiveness and optimum allocation of resources in order to develop our customer relations and area of activity in a sustained way. We obtain good achievements because our personnel is familiar with the TE Centre's objectives. By investing in the welfare of personnel, an encouraging work atmosphere and in the development of expertise, we ensure an effective and successful operation.

##### **3. Openness**

Our external and internal communications are both open. Each person deals actively and on their own initiative with publicity relating to their work. We are open to new things and are prepared to try out alternative approaches. We value each other's opinions and continuous interaction across department, unit and hierarchical boundaries. We express openly our opinions, giving reasons, but nevertheless are committed to common objectives. Essential information on our activity is within the reach of each person simultaneously. We develop actively an internal discussion culture as well as giving and receiving feedback.

##### **4. Trust and esteem for the individual**

We commit ourselves to co-operation with stakeholders and customers as agreed. Co-operation both within the TE Centre and with stakeholders and customers is continuous and interactive. We earn the respect of our customers and partners through our expertise and our activity that is impartial, trustworthy and takes the customers into account.

At Lapland TE Centre, the individual and his or her contribution are important. We want and are able to achieve both the TE Centre's and our own objectives. Our expertise is trusted and we put our competence to active use. We are keen to learn new things and each individual bears responsibility for his or her own professional development. The learning and development of personnel are valued. We invest in our competence and create prerequisites for it. We accept difference and foster through our own attitude and behaviour a good work atmosphere.

The implementation of values as procedures of the work organisation and their significance to customers and partners can be illustrated by describing the content of values from these viewpoints.

When the value process is launched, it is useful to discuss things with other units. Common value seminars with a few units can help the work in its various phases.

For example, the significance of values in practical management work is a subject in which debate that transcends unit boundaries is useful. On 2nd September 2003, the State Employer's Office held a meeting on values and management for senior government management. Participants found it relevant to their own strategy work and that its themes were supportive of the value work in their own unit.

To illustrate the values, a form was tested as a working tool. The form will be completed during the value debate of the organisation. Practice has proven that a good way to work is to have the personnel first discuss the questions in small groups. Based on these conversations, a larger discussion is held and as a result, the organisation has a common view about the meaning of each value in the organisation's operations.

Each value is being viewed from two points of view: first, how our organisation proceeds in implementing the values in practice and second, what is the practical meaning of each value for customers and partners in co-operation. Together agreed meanings are written in the form, which can be changed if needed and used also as a follow-up in the future.

**Diagram 7. The manifestation of values in the activity of Lapland TE Centre**

VALUE	How do we proceed at the Lapland TE Centre?	Significance to customers and partners
<b>Customer orientation</b>	<ul style="list-style-type: none"> <li>• Those who need services are the customers common to us all.</li> <li>• We look for solutions to the customer's needs.</li> <li>• Our service is friendly and expert.</li> </ul>	<ul style="list-style-type: none"> <li>• Our service product is known in the right target groups.</li> <li>• The availability of our services in the province is good and our personnel can be reached.</li> <li>• We find solutions and produce added value for customers.</li> <li>• The TE Centre is a strategic partner in the co-operation network.</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>• We recognise our processes and act efficiently.</li> <li>• We work in the management and project group efficiently.</li> <li>• The TE Centre has a common strategy.</li> <li>• We allocate resources in accordance with the strategy.</li> <li>• Our activity is according to result objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• We influence the creation of new jobs and the preservation of existing ones.</li> <li>• We develop a viable countryside.</li> <li>• We help businesses to succeed.</li> <li>• We raise the level of expertise of the work force and reduce periods of unemployment.</li> </ul>
<b>Openness</b>	<ul style="list-style-type: none"> <li>• Essential information on the activity is available to all.</li> <li>• Personnel can influence decision before decision-making.</li> <li>• The entire personnel promote mutual interaction.</li> </ul>	<ul style="list-style-type: none"> <li>• We raise the level of expertise of the work force and reduce periods of unemployment.</li> <li>• We communicate actively our operation and result.</li> </ul>
<b>Trust</b>	<ul style="list-style-type: none"> <li>• We adhere to common agreements and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Our activity is anticipatory.</li> <li>• We maintain a high level of data security.</li> </ul>
<b>Respect for individual</b>	<ul style="list-style-type: none"> <li>• We recognise internal customer relationships and make use of expertise.</li> <li>• We respect others' difference.</li> <li>• We support professional growth.</li> <li>• We deal with welfare at work.</li> </ul>	<ul style="list-style-type: none"> <li>• We respect the opinions of the customer and partner.</li> </ul>

The following good practices can be summarised from the results of the work of the pilot projects as the essential factors in the defining of values:

- The progress of the value process should be planned carefully in advance;
- The entire personnel is to be given an opportunity to take part in the value process;
- In the larger units in particular, it is recommended that the work be started from a single unit (pilot unit), which begins the process. The process is then extended to the organisation as a whole. This allows the method to be tested and corrections to be made before the entire personnel are involved;
- Creating a workbook has proven a useful aid to carry out the process;
- Value coaches chosen from the organisation can promote the work in large units in particular;
- The value debate should focus on essentials and be as practically oriented as possible. It is important in the debate for all individuals to feel that it concerns their individual work;
- Publicity is worth investing in so that it is clear to everyone beforehand what is being discussed and what the purpose of the process is;
- It is good to remember that values exist in each organisation even if they have not actually been named in the organisation. It is only through the elaboration of common values that they are put to common use.

One important question in the value process is, how personnel take part in defining values. The following practices were identified as recommendations. It is a good idea to hold the value debate in the department in such a way that the largest possible number of civil servants and employees have an opportunity to take part in it. This ensures that the entire personnel can feel that the matter relates to them personally. The term *value discussion* can be explained as discussions about everyone's own work which make them interesting for all staff.

- In practice, personnel can take part in defining values, for example, by holding value discussions in small groups, with a suitable number of representatives from the different sections/units. At the same time, they can consider the effectiveness of values in the work organisation.
- Ensuring adequate publicity is one of the prerequisites for success, and it must be worked on at all stages of the process.

#### **Box 8. The value debate at the University**

In a large organisation (e.g. a university), the debate should also be decentralised for each section/unit to consider internally the value base of the entire organisation and to communicate it to its own section/unit. As an open forum, an electronic network provides each civil servant and employee with an opportunity to take part in the discussion, to express his or her views and priorities on the organisation's values and to give feedback on proposals. If necessary, discussion of this kind can be directed and based on themes. The units' written feedback or statement procedure summarises the discussion for defining the common values.

#### ***Values are incorporated into result steering***

Value-orientation as the goal of the activity includes the objective of the values also being involved in the control of the administrative sector as a whole. Otherwise, the values guiding the activity of an individual department may remain lacking in significance. The values of the ministry must be compatible with those of the department under its control.

It is recommended that the values of the ministry and the departments in its administrative sector be included in the annual result discussions. The discussions examine the department's objectives and results from the standpoint of the implementation of the ministry's values and the department's own values. If there are unresolved issues associated with their application or reconciliation, these are examined in the discussions in order to find a solution. The objective is for there to be common policies on matters at the different levels of administration.

How is the strengthening of ethics fostered in the relationship between a ministry and a department subordinate to it? In result talks between a ministry and department, it is a good idea to discuss implementation of government's common values and the organisation's own values. For example, in the TE Centre's result plans, values are presented at the start of the document in connection with the vision and strategy. Their visibility in result objectives is also assessed in a discussion with the steering ministries. The ministry can support the strengthening of ethics whenever the department's values form part of management by results and they can be discussed jointly. Previously, activity of an ethically high standard has been supported afterwards through monitoring. The department's and ministry's value discussion can influence these issues in advance. In result talks, more effort needs to be made to ensure that result objectives are set in accordance with jointly approved values.

For example, the Ministry of Justice has launched a project for drawing up a personnel strategy for the judicial administration. Its objective includes drawing up common strategies for personnel management in the entire administrative sector, and the values of the judicial administration also feature in this work.

How are government's common values manifested when a department's values are put into practice? In the project it was agreed that Government's common values are principles that are followed in all activities. The point of departure is that the department's own values are included in the common values. Its own values must in no circumstances conflict with the common values. However, the department's values can be emphasised and rendered precise in different ways. It is important for them to be understood uniformly in the unit. It is a good idea for the common values to be included alongside the department's own values in development discussions.

Common values were involved in one way or another in the pilot projects, even though they have not been examined separately.

### ***Values and ethics are part of the development of management and personnel***

The value debate is continuous and does not end when the values have first been defined. Values are assimilated and internalised as procedures evolve to correspond to the values. Testing takes place in practical work as each person can raise a question about procedures or conduct according to the values, and the topic becomes the subject of general debate.

Values and ethics have not figured very much in the Government's general training of senior officials and management. The Values to be Part of the Daily Job Working Group proposes that values and ethics be incorporated into all management training in future. How the matter is to be treated in different training events calls for separate preparation. For example, the Working Group regards the following contents and methods as worth trying:

- An introduction to the common values of the government's personnel policy;
- The concepts of civil service ethics and its central significance in official activity;
- Values in a unit's strategy work;

- Guided discussion
  - on the significance of the common values of government from the unit's standpoint;
  - on the content and significance of the unit's own values, i.e., their translation into procedures;
- Exercises. For example, the task includes a problem which a civil servant in the target group to be trained may face. By means of an individual exercise and small group discussion, the task is to select the procedure which one would commit oneself to in that situation. Personal choices are justified in small groups and the various choices are discussed.

The debate on values needs to be linked to all training of senior officials so that each official thinks about these issues repeatedly as he or she takes part in the courses. Training on values focuses mostly on ethical deliberation relating to the individual's own work. The task arrangements may vary, but the core content takes into consideration of the significance of values.

The Working Group recommends not only training of management and senior officials but also the incorporation of values and ethics into all personnel training. The basic topics in the training are:

- The main features and demands of a civil servant's position;
- Familiarisation of all civil servants at the beginning of the service relationship; and
- The common values of government and the significance of the unit's values in work.

As with senior officials, the main emphasis in training on values and ethics should be on discussions and speculations led by the various tasks.

### ***Making use of work atmosphere measurements***

Work atmosphere measurements provide information on the management of the unit and on the welfare of personnel. However, by themselves they will not suffice as gauges because the results may vary considerably depending on the topics on the agenda specifically on the response date. The questions relating to implementation of values in a work atmosphere measurement can be in both the section on management and in a separate section devoted solely to values. The results of a work atmosphere measurement are a long-term monitoring tool. Their credibility in the work organisation calls for responses to the results and for changes to be made if necessary.

Examples of questions:

- Does the senior official treat personnel impartially?
- Does the senior official act justly?
- Does the senior official him- or herself act in the way that is required in the organisation?

### ***Values are included in result and development discussions***

Once the values have been defined, they are included in the annual result and development (performance) discussions between superior and personnel. Both parties assess how the values have been implemented in practical work. If they have not been implemented in the desired way, they also discuss how to proceed in the next period. The discussion calls for openness in order for it to act as a guidance method.

**Box 9. Example 5: Lapland TE Centre's result and development discussion form**

**TE CENTRE** **RESULT AND DEVELOPMENT DISCUSSION FORM**

Confidential

Name of person \_\_\_\_\_

Department/section/unit \_\_\_\_\_

Assessor/closest superior \_\_\_\_\_

Date of preceding result and development discussion \_\_\_\_\_

The values of the public sector are:

efficacy of the activity  
quality and strong expertise  
the service principle  
trust  
equality  
impartiality  
independence  
responsibility

**THE VALUES OF LAPLAND TE CENTRE AND THEIR VISIBILITY  
IN THE WORK OF THE SECTION/UNIT, WORKING GROUP AND ITS MEMBERS**

Consider together how the values of Lapland TE Centre described below are manifested in practice  
How are the values manifested in the work of the individual employee, superior or working group?  
The discussion may bring up common, clear and concrete proposals for improvement.  
These are also recorded in the space set aside for these.

**CUSTOMER ORIENTATION**

Examples of manifestation of values in practice/common and clear proposals for improvements  
that have been brought up in discussions:

**EFFECTIVENESS**

Examples of manifestation of values in practice/common and clear proposals for improvements  
that have been brought up in discussions:

**OPENNESS**

Examples of manifestation of values in practice/common and clear proposals for improvements  
that have been brought up in discussions:

**TRUST AND RESPECT FOR THE INDIVIDUAL**

Examples of manifestation of values in practice/common and clear proposals for improvements  
that have been brought up in discussions:

**Do you want to add another value which you consider is missing from  
Lapland TE Centre's values?**



### ***Managers act as examples and management is assessed***

Managers and senior officials have a responsibility for setting an example by their own behaviour. The managers thereby serve as examples to personnel in the internalisation of values. Senior officials set an example for the impact values have on everyday work. If the Senior official fails to comply with the values, he or she cannot credibly require others to comply with them.

The State Employer's Office is currently engaged in developing management in government. This work is based on the proposals of a working group led by Chief Secretary Sirkka Hautojärvi.<sup>2</sup> Assessment of management forms part of this development work. Implementation of values in a manager's work can be linked to overall assessment. In that case, the result of the assessment would be affected at least by the feedback provided by the manager's superior and subordinates. In addition to the aforesaid, assessment of stakeholders and peers provides even more wide-ranging feedback. Assessment of managers in a result and development discussion works in the same way as with other personnel.

How has the example of directors an influence and how is it taken into account? The experiences in the project emphasised the fact that management's single-minded support is necessary in all stages of the process. Management also plays a key role in putting agreed values into practice. The following points were summarised as good practices:

- The translation of values into practical procedures requires them to be included in management group work;
- Senior officials must act in an exemplary fashion and conduct themselves in accordance with the organisation's values in all situations;
- Senior officials also set an example by tackling an activity that is not in line with values and by making decisions arising from it; and
- The new remuneration system provides an opportunity to take values into consideration as part of the work of a manager.

### ***The new remuneration system reacts***

The objective is for the new remuneration systems based on the demands of the task and on personal work performance and competence to be introduced comprehensively in the Finnish State sector by the end of 2004.

The bases for the new remuneration systems include support for successful activity and management in the departments, just remuneration and impartial treatment of personnel. The new remuneration systems thereby include from the outset a value viewpoint, which is largely in line with the State's value base.

When new remuneration systems are being built up in a department, the department's values are also taken into account. This means that the systems of assessing the demands of tasks and personal work performance and competence cannot be contrary to the department's values. Development work is carried out jointly by management and personnel, which also aids commitment to the common values.

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<sup>2</sup> Ammattimaiseen johtamiseen valtionhallinnossa. Johdon kehittämisen strategia 2002-2012 (Towards professional management in government. Management development strategy 2002-2012). Ministry of Finance working group reports 1/2003.

The application of the new remuneration systems in practice fosters activity according to the values in the department. A new remuneration system is a concrete management tool and presents the work of senior officials with new challenges. Management should ensure that the system is trusted, people are familiar with its bases and that it is applied in the same way throughout the department. The above result and development discussions between a manager and personnel are a central means of applying the system in practice. Sometimes, the department's values may in some respects also be in line with the criteria for assessing the demands of tasks and personal work performance and competence in the new remuneration system, for example, co-operation as a performance criterion and value. In this case, activity according to the values also affects pay as an assessment criterion included within the remuneration system.

The new remuneration system should be applied in accordance with the agreed criteria. This calls for the efficacy of the system to be monitored continuously. As the bases of the system are known to all, all levels of the organisation can react to the efficacy of the system.

A merit pay system also improves the department's results and acts as a tool for developing the department. When implemented correctly, it improves management and co-operation and encourages personnel to give better performances. As the merit pay system encourages the department to work for a common goal, it fosters the inclusion of the common values in the department's procedures.

### ***The role of values in the choice of personnel***

The significance of the interview in the choice of personnel cannot be overemphasised. An interview provides the recruiter with an opportunity to obtain information on the applicant's reasons for applying for the job. The State Employer's Office recommends use of what is termed a structured interview. It means that all candidates are asked the same questions, so that the responses can be compared. This yields commensurable information for assessing how applicants perceive the job which they are applying for and what skills they possess for the job.

The Working Group considered that the Government's common value base and the unit's own values should also be discussed in the interview and suitability assessment. The person's own values cannot conflict with the organisation's values in such a way that work according to the organisation's values and objectives would result in continuous conflict.

Correspondingly, values should be involved when selecting students for training that is required as a qualification requirement for a post. This is the procedure, for example, when selecting students to take the Vocational Qualification in the Prison Service at the Prison Administration Training Centre. Holders of the vocational qualification are recruited as guards in the Prison Service, and so the attitude of training applicants towards the sector's values is determined during a selection test.

### ***Solving ethical problems***

Incorporating the values into everyday life requires each person to be entitled to raise questions on these issues and it to be permitted to discuss them. Informal discussions help people to think about the real content of values, for example, when making difficult decisions. Discussion is also important when the correct procedure has to be considered in the face of two conflicting values. According to which value is the procedure to be chosen?

Discussions are an important step towards solving ethical problems. In addition to informal discussions, the organisation can create its own forum for seeking solutions to practical ethical problems. Tools to this end can include:

- An electronic chat forum, for open discussion of problems raised by anyone and/or for responses from separately designated individuals responsible for ethics; and
- A group assisting management which resolves and formulates policies on issues arising within the work organisation.

### ***Dealing with activity contrary to values***

Values are manifested as actions. If a unit allows activity or behaviour contrary to the values, the values are not real values and they lose their significance. If the aim is for values to be kept strong, compliance with them must be promoted. If someone behaves contrary to the values or acts, for example, in policy issues contrary to the common interest, management must deal with the matter at least by talking to the person in question. Repeated activity that violates values can call for stronger reactions provided that the procedure according to the values is known.

Defining the values and putting them into practice make it easier to tackle negative phenomena. This is due to the fact that, during the process, the entire work organisation has been involved in having an influence and has become aware of the limits placed on activity and behaviour in a service relationship. The reaction to activity contrary to values is then known beforehand, and does not come as a surprise. In personnel management, this provides managers with a practical tool.

#### **Box 10. The significance of values in agencies**

##### **The National Bureau of Investigation (NBI)**

Once common agreement has been reached on values, each person is responsible for acting in accordance with them. If it is agreed, for example, that quality and trustworthiness are values of the National Bureau of Investigation, each person must manifest them in his or her activity in relation to both the customers and stakeholders and in relation to other members of the work organisation. A value is not something that is implemented only during office hours or only in relation to a superior, or only in some tasks but not in others. The agreed values ought to steer the activity comprehensively. Internal trust is fostered by discussing typical situations in which the boundary between right and wrong is not constant. The objective is to learn to recognise these kinds of value pain spots relating to one's own job profile.

##### **The Prison Service**

Civil servants in the Prison Service have been required, owing to the nature of their tasks, to be of an emphatically high morality and conduct also in their leisure time. Failure to comply with this has been dealt with in accordance with legislation on civil servants. At the Probation Service, staff only became civil servants just over two years ago. As civil servants, they have been provided with related training in the drafting phase of the organisational reform and during the current organisation. Due to the nature of the tasks, particular attention should continue to be paid to the morality and ethical conduct of civil servants, and in this connection the sector's values are an essential factor.

### **Values as a civil servant's ethical code**

Apart from the fact that values function as a management tool, it is important to get them internalised by the management as well as by the whole personnel. This goal is reached partly through management, e.g. in performance discussions. To create as extensive impression as possible and to facilitate common understanding of values, they can be illustrated with the help of a rule map. A map complements the above-mentioned management elements.

The Ministry of Transport and Communication's rule map, which was created as a result of Values to be Part of the Daily Job, is an example of a tool with which internalising of the values among all the personnel can be improved. How values work in practice is a rule map containing the Ministry's values and a description of the content of each value and its manifestation in practice (Diagram 8).

**Diagram 8. The rule map**



The objective of the Ministry of Transport and Communications' project is to implant values in such a way that they strengthen the Ministry's procedures in support of co-operation, reinforce mutual respect and trust and deepen co-operation and openness in the entire Ministry. The objective is for the practical implanting of values also to be manifested in the form of a growth in job satisfaction. Implanting of values refers here to internalisation of values, their manifestation in decision-making and proceeding as agreed.

People within a department need to be notified of values and their content as effectively as possible. These can be placed, for example, on internal web pages. They should also be publicised on external web pages and otherwise, so that citizens, customers and other stakeholders know what the unit's values are and how they are manifested in the activity.

How are good procedures that meet high ethical standards created so that each civil servant can internalise them? After the unit's own values have been confirmed, the objective is for the values to be made an essential and everyday part of routine work. In practice, this includes the following sub areas:

- Values are on the agenda in result objectives, result and development (performance) discussions and in all other activity by managers;
- The position of values and activity according to them in everyday work is confirmed by incorporating them systematically into training of managers and personnel;
- Effective internal monitoring fosters activity according to the ethics of a civil servant, even though the main emphasis is on guiding people towards good procedure through internalisation of values;
- Discussion of guidelines and rules in co-operation organisations promotes internalisation of values and monitoring of activity according to them;
- Values are described so that they express the procedure both in the unit's core tasks and as a work organisation - "our way of doing things";
- The results of the value debate can also be recorded as a "ethics code"; and
- The units engage in a continuous value debate, in which the content and significance of values are considered and given repeated prominence.

### **Implementation of values is monitored**

The third recommendation of the Working Group, follow-up of the values, is as important as the two previous ones, and it is an essential part of taking values into action. Focused work for implementation of values in the work presumes that implementation is being followed regularly.. If there is lack of internalising and appearance of values, follow-up makes it possible to intervene and improve the situation. The positive development found from the follow-up is suitable for improving the matter also in future e.g. because of the working atmosphere.

The Working Group built its recommendation on monitoring at two levels. These are firstly, **each individual bureau** as an operational unit and secondly, the **State Employer's Office** as a central organisation. Continuous monitoring should be made at both levels when building a monitoring system with vast coverage in the State administration.

### ***Responsibilities of a State bureau***

Implementation of values can be monitored with the aid of different meters. Apart from this, implementation of values is monitored as a matter of course in the daily **work**. This means that each member of the work organisation can give feedback to his or her colleagues and also ask questions about whether some procedure is in line with the values. Values can also be used in improving and monitoring the quality of the activity.

Proper meters for following the implementation of values include **personnel job satisfaction and managers' barometers** in which the same questions about implementation of the values are asked at regular intervals. The results of the barometer can be analysed at joint meetings for the entire personnel and at result and development discussions (performance discussions) between the unit's manager and his or her immediate subordinates. These barometers function also as management tools. Credibility of them depends on management taking actions against the disadvantages that have arisen, and trying to improve the situation with any available help. In Finland there are examples of bureaus, whose results of the job satisfaction barometers have become better since the value process was started and management has committed itself to implementation of values (e.g. Customs p. 20)

At the level of the operating unit, monitoring can be conducted using **self-assessment** according to the quality manuals.

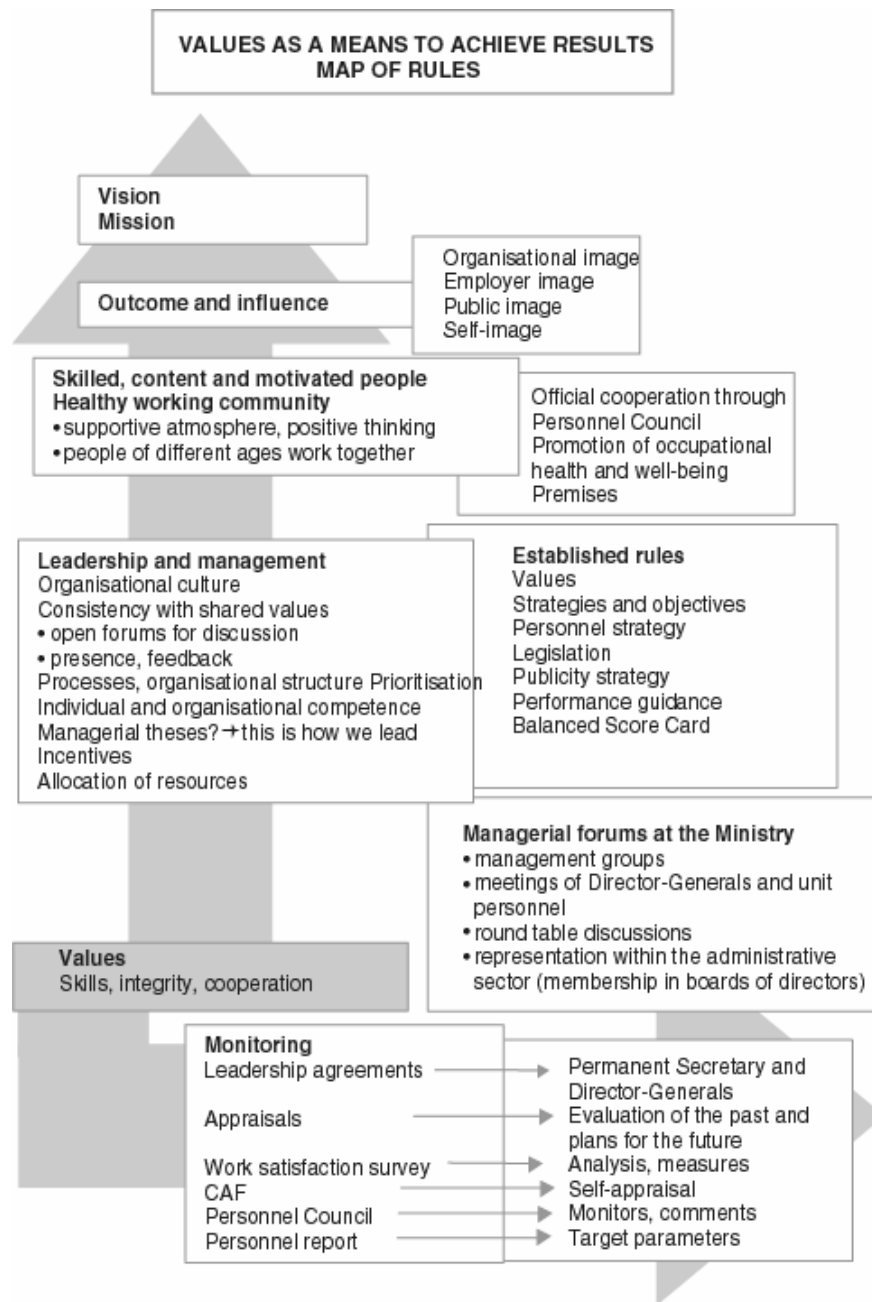
**Customer satisfaction** with the activity can be gauged by quality feedback surveys at regular intervals.

The reports of **the State Audit Office and auditors** act as a guide. Procedures can if necessary be altered to correspond better to the values and ethical principles.

Monitoring of values is rendered more forceful by the fact that **the annual report** includes a reference to how activity according to the values has been furthered during the year and how successful it has been.

An example of a practical way to monitor is the **Rule map of the value process**, developed in the project. The map describes the values in the form of a process. The value process rule map is a tool enabling personnel to monitor how values are implemented and to tackle any defects they observe.

Diagram 9. Map of rules



### **How implementation of values is assessed annually at organisational level and in the activity of an individual civil servant**

The value process includes regular assessment of the implementation of values. The effectiveness and implementation of agreed values can be fostered by the following activities:

- Values are taken into account in management group work and its decision-making;
- The unit's personnel policy is built upon the values;
- The values and their practical implementation are publicised. For example, the annual report and internal web pages serve as information channels;
- The values are incorporated into the personnel selection procedure;
- The values are taken into account when assessing the conduct required by the Act on civil servants;
- An item on values is included in result and development discussions;
- At organisational level, implementation can be monitored, for example, by the self-assessment of the EFQM quality manuals and by quality feedback surveys targeted at customers. Procedures and processes are altered if necessary so that they will in future comply with the values and ethical norms;
- The values are discussed in the department's internal management training and in assessment of management;
- Values are emphasised in result planning and quality work;
- The effect of activity or conduct contrary to the values and the unit's attitude towards it are investigated;
- The personnel barometer survey can also be used for assessing the activity of immediate superiors and the unit's manager. The values are discussed in, for example, claims assessing the impartiality and fairness of superiors towards their subordinates as well as the good model provided by their own example of how to proceed in the unit.

### ***Responsibilities of the State Employer's Office***

The State Employer's Office monitors implementation of values in the state administration as a whole. The Working Group recommended the following actions to be taken:

- The State Employer's Office's personnel policy barometer will include a question about monitoring of implementation of the values: Should implementation of the values be measured in a) managers' work and management, b) in the work of all officials?
- The Working Group's final report together with pilot annexes and a booklet containing the State administration's values and ethical principles will be distributed to departments.
- The results of the project will be presented at suitable fora in collaboration with the pilots. The State Employer's Office will assess the effectiveness of the project as regards the pilots and also more broadly.



## ANNEX

## CONTACTS OF VALUES TO BE PART OF THE DAILY JOB PROJECT

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