

NORWAY

**1. General context**

**1.1. *The situation to present and prospects for the near future***

- the spare capacity in the Norwegian economy is limited;
- there is a considerable pressure of citizen's expectations on the public sector;
- there is a strong growth in the use of disability benefits, sickness benefit, possibility for early retirement and for reduced working time for employees past the age of 62;
- altogether the freedom of action in drawing up the budget is to a large degree limited.

**1.2. *Future developments in the labour market***

- In the future, the growth in the labour force (age 16-74) will be much lower than we have previously seen. The total growth from 2000 to 2010 is estimated at 4.5% (105 000 increase, from 2 330 000 to 2 440 000 people).
- There will be a substantial need for additional labour force, especially in the health care sector, estimated at an extra 70 000 employees.
- The relative number of people aged 50-66 years will increase substantially in the coming years.

**1.3. *Some of the most important problems to be addressed and activities needed***

- How do we counteract/reduce the number of people leaving the work force?
- Measures to strengthen the policy of retaining people must have a high priority.
- In connection with the Competence Reform in Norway, it is important to achieve a situation where learning takes place connected to the work place and the work situation, also to avoid long periods of absence from work.

**Please note:** In the following description of the situation in the public sector in Norway, we mainly concentrate on the situation in the central government sector (the state sector).

## 2. Problems identified (or challenges faced) in terms of competitiveness of the public employer

### 2.1. Information from some research projects

To analyse the situation more closely, the ministry has initiated some research-projects. One deals with mobility within and between the public and the private sectors, another analyses the attitudes of government employees concerning working conditions and other important human resource issues in the government sector, a third looks at the development in retirement age. The first and the third projects are based on statistical information and the second on interviews with a representative selection of state employees.

To illustrate the situation, we will present some results from these projects.

First, *the project about mobility* shows that in the period 1989-1997:

- There was clearly a difference between the mobility of men and women. The public sector was more successful in competing for female than for male employees.
- The mobility of **men from public to private sector** shows the highest level of mobility, although perhaps not being *very* high, varying from 2.5% to 5% per year. It also seems to be effected by the market situation: It rose after 1993, when we know unemployment decreased. The mobility of **men from private to public sector** is constantly low, around 1% per year.
- Mobility of female employees between sectors was more alike among public and private employees (2-3%), but the move from public to private increased when unemployment decreased, while the move from private to public decreased somewhat.

Some of the results from interviews with a representative sample of state employees in 1998 are interesting in connection to this:

- Nearly 80% wanted to continue working in the government sector, only 11% specifically wanted a new job outside the state sector. (In a similar investigation in 1977, the numbers were 93% and 3%).
- When choosing a new job, most of the respondents would put most emphasis on:
  - relationship to colleges (75%);
  - possibility to use their knowledge (73%);
  - possibilities for developing in the job (69%);
  - the relationship with leaders/subordinates (67%);
  - a secure job (66%);
  - independence and variation in the job (both 65%);
  - wage conditions does not score as high, 58% say that this is of great importance.

- Among those 48% who wanted a new job or position (less than one-fourth of them specifically wanted it outside the state sector), the two most frequently given reasons were *higher wage* (61%) and *to learn something new* (48%). In 1977 these two answers also came at the top, but had significantly lower scores, 45% and 28%.
- When asked how they believe people outside the state sector evaluate being employed in the state, and how people evaluate their own jobs (position, profession), only 9% believed that being a government employee gives high status, while 36% believed that their own occupation gives high status. In 1977, the answers to the same questions scored 19% and 27%. The belief that state jobs give high status has obviously fallen and the belief that the status of one's *own occupation has increased*. Occupation as *scientist, in the health sector, the police and the military*, had particularly high scores (from 70% to 50%).

A research **project on the development concerning retirement age (pensioning)** shows that state employees, on average, retire before they are 62. Reforms (based on tariff agreements), and increased use of disability pension, lowered the retirement age by **more than one year** in the period 1996-1999. In the school sector (municipal sector), the retirement age in the same period sunk by **two years and four months**.

## 2.2. *Summing up the current situation*

### 2.2.1. *Recruiting and retaining*

Generally speaking, the Norwegian central government is not at present experiencing large problems in recruiting and retaining skilled and competent personnel. Recruiting is, however, considered easier than retaining people with **2-4 years experience**. The turnover of the last group may, however, to a large extent be considered as a natural part of the career pattern of the newly educated. In fact, we consider it positive with a certain mobility in the workforce. In general, this mobility could preferably have been larger than at present in the central government sector. This applies especially to the age group **40-50**. A recent study shows that during a five-year period, about 85% in this group remained in the same state sector, approximately 2% had changed state sector, while a little more than 10% had left state employment.

We do, however, have some problems with recruiting and retaining some types of specialists, like IT-experts, in some types of control activities (for example tax control), and engineers.

The most important problem **in the future** will be to reduce the staffing in the sectors that are stagnating or diminishing in importance, and at the same time increase the staffing in the public sectors that are growing in importance. How do we recruit people to jobs in the expanding health care sector? How do we achieve mobility from the diminishing areas to the expanding areas? How do we create a positive image of working in, for example, the health care sector?

These problems are, of course, connected with the demographic development, including more elderly to care for, at the same time as the number of recruits to the labour force is diminishing. This development is already creating problems, problems that will increase in the coming years and become even larger in a longer perspective, especially towards 2010 and after.

### 3. Strategies and/or programmes adopted to cope with these problems or other plans

#### 3.1. General strategies

A large range of different strategies and measures are being used to recruit and retain, and to develop public sector employees. This is, of course, on a permanent basis, a central goal for personnel policy. Therefore, this goal has a central focus in **the wage policy**, both in the wage negotiations carried out centrally and in local negotiations. At the local level, reforms have been made to give the agencies greater freedom to choose measures to address problems recruiting and retaining personnel. Other important areas where we are making efforts in this direction is improving the possibilities for **developing employees' competence, welfare arrangements (a family-friendly personnel policy), flexible working conditions, etc.**

In some areas, special effort has been made in the form of specific programmes to forward important personnel policy goals. There are also more broad programmes, concerning the whole public sector, or the whole of working life that play an important role. In the following section, we will present some of the more important of such programmes and strategies. In general, these efforts can be seen as part of the overall **programme for renewal of the public sector**.

##### 3.1.1. Renewal of the public sector

The Norwegian Government has, in recent months, launched a programme for the renewal of the public sector. The overall objective is to increase efficiency, effectiveness and flexibility in the public sector according to the needs of the national economy and the expectations of the citizens.

The main focus of this initiative is:

- to increase responsiveness to citizens' needs. It must be made easier for the public and the business sector to relate to government agencies. Attention will be given to co-ordinating public services and to simplifying government regulations. This implies more extensive use of IT to facilitate communication and to develop new and improved services;
- to reduce centrally prescribed rules and regulations in order to increase the scope of action and the ability to perform at the local level;
- to reallocate resources from internal administration to service production.

The renewal programme includes a large number of projects covering different segments of the public sector. In the personnel area, focus is on developing the personnel resources, developing leadership and strengthening the sectors' ability to compete in the labour market. All strategies presented in this document can be seen as part of this effort.

### 3.1.2. *The Competence Reform in Norway*

The reform is based on a report from a government committee, and a report to the Norwegian Parliament, which was debated in January 1999. The agreement reached between the government and the social partners in connection with the 1999 and 2000 wage settlements also forms an important basis for the reform. The main objective for the Competence Reform is to meet the need for competence in society, in the workplace and by the individual.

Reform measures – legislative changes and arrangements for financing:

- Individual right to education on primary lower-secondary school level (implemented from August 2002), and to upper secondary education for adults born before 1978.
- To set up a national system for the documentation and recognition of non-formal learning both in the working and educational system. As of the autumn of 2001, it is possible for applicants over 25 and without upper-secondary education to commence studies at university or university college, if their non-formal learning is approved.
- A legal amendment giving workers, on certain conditions, the right to three years of study leave. The Act was implemented 1 January 2001.
- Since the autumn of 2000, changes have been made to the rules for educational funding in order to better adapt these to adults' need for competence building.

In the state sector, a plan of action in four points has been set up:

1. Strengthening of management of competence and developing state agencies as learning organisations.
2. Testing of new forms of learning and imparting knowledge by using new technology.
3. Strengthening the co-operation about learning centrally and regionally.
4. Bettering of the “competence to order” (for example from suppliers of education).

## 3.2. *Specific programmes*

### 3.2.1. *The national stimulating plan for older workers (45+) 2001-2005*

The subordinate goal for the plan is to stimulate to good working conditions and a good personnel policy in agencies in order to make it attractive for the individual employee and the agency to prolong the working career. The stimulating plan shall contribute, creating circumstances that will encourage more employees to continue working longer.

Since the 1970s, a progressively lower number have remained in the work force after the age of 60. With a development in the population of an increasing number of elderly and a decreasing number of young people, it is becoming more and more important to stimulate older people to remain in work. Focus must be directed from processes of phasing out towards actions that may contribute to strengthening the possibilities of older people remaining in the work force.

The programme is anchored in the top management of the major social partners, the co-operation between the parties in working life is established, and five ministries are working together to finance the programme.

### 3.2.2. *Women, quality and competence in the government sector in Norway*

#### **Preliminary results - March 2001**

This is a **four-year project**. The aim is to increase the number of women in top and middle management jobs in the government sector **from 22% in 1997 to 30% within the end of 2001**.

A survey showed in 1997 that the government aim to have gender balanced top and middle management teams was not reached in the government sector. The number of women in top management positions in the individual contract-based pay system was between **10 and 12%** in the 1990s, and the number of women in middle management jobs within the ministries was about **33%**. Representatives from our ministry discussed the goal and the measures with the Secretary-General of every ministry in 1997.

To increase this number, the **Ministry of Labour and Government Administration** has worked with the following measures:

- Each ministry and its agencies have committed themselves to increase the number of women in top- and middle-management positions within four years, and report annually on the results. Our ministry received the **third report of results 1 January<sup>st</sup> 2001, and the number has increased from 22% to 29%. In all the categories, the number has increased.**
- Our Minister decided in 1998 to give the **Centre for Gender Equality** the task to build a central database consisting of names of competent women, where one can search for leadership candidates and specialists. The opening of the database was 17 June 1999, and there are more than 2 300 women registered, including researchers.
- There is, for the first time, a **Mentoring Programme** for women in middle management jobs aspiring for higher positions in the governmental sector in 1999. This training programme started in 1999, continued with new group in 2000 and in 2001. It is operated by **the Directorate of Public Management in Norway**.
- The ministry offered in 1998 **net-work meetings** for seven ministries and seven agencies in order to develop local pilot programmes to increase the recruitment of women into middle and top management jobs. Networking continued in 1999.
- The ministry initiated **research** on recruitment, mobility and development of equal pay in the government sector, and this has continued in 1999 and 2000 and will continue in 2001. Several reports have been published.
- In 2001 there will be organised meeting-places for women in leadership positions. The aim is net-working and discussions.

### ***Trainee-programme in the Norwegian Civil Service***

The Ministry of Labour and Government Administration has initiated a trainee-programme for the ministries in Norway. Eight out of 16 ministries participate in the programme designed for younger employees. The programme was to start in August 2001, and would last 14 months. The main focus will be on learning by serving in three different ministries. In addition to the periods of service, six thematic gatherings will be arranged with focus on such issues as public administration, economy, relevant laws, challenges in the Norwegian public service, project management, international reforms, personal development such as presentation, negotiation techniques, networking and the development of future career plans. Each trainee will be provided a personal mentor during the whole period. Eight trainees will be recruited from the civil service, while the other 10 trainees will be recruited with a different background.

The main reason to start a trainee programme is to keep and develop talented candidates. Private employers have used trainee programmes and other educational opportunities as a strategy for recruitment for some time. We believe that the Civil Service needs to be more future-oriented in the strategies chosen to be able to recruit among the best qualified.

The programme is directed towards people with an academic education of at least four years. The trainees must be under 35 years of age, and their ministerial service should be less than four years.

### ***The Plan of Action for Recruiting Persons with an Immigrant Background in the Public Sector***

The central plan of action is focused on:

- a description of the unemployment situation today;
- inhibiting factors;
- measures which are given priority on the basis of a previous analysis.

The objective for the state plan of action is to contribute to employing more people with immigrant backgrounds in state enterprises. In this regard, it is important to bolster the local enterprise recruitment policy, to contribute to reducing inhibiting factors in today's rules (especially in regard to having professional and training skills forms from abroad assessed, security clearance), and to stimulate local enterprise to give people with immigrant backgrounds working-experience.

The plan consists of 20 measures. Some of them are for working out tools which can help local enterprise in their work with recruitment, pass on experience from enterprises which have used local action plans to others, effectuate and improve the assessment of education from abroad, try to make the procedure for security clearance more efficient and simple, and bolster the contact between jobcentres and local enterprises.

### 3.3. *Methods for monitoring*

In the state sector, the Ministry of Labour and Government Administration, seeks to follow the situation in the personnel area in different ways:

- We have statistical registration, which is updated every year, and gives information about for example the employee's age, gender, wage, education, type of job, agency, etc. From these statistics it is possible to make analyses about career-pattern over time, turnover, etc.
- As previously described in Part 2, the ministry is engaging research institutes to analyse more closely, for example patterns of turnover and mobility, the development towards early retirement, etc.
- The ministry has regular contacts with personnel leaders about the situation in the personnel area.
- The regular contact with the organisations for the employees, naturally also gives opportunity to discuss how the situation in the public sector is developing.

## **4 Programmes and policies for acquiring lacking skills or competencies for the current personnel**

**The competence reform in Norway** has already been presented in Part 3.

### *A plan of action for ICT competence in the local and central government administration 2001-2004*

Within the coming years the implementation of e-government demands new ways of organising work and education as distant working and distant training are put into action. An open electronic administration with 24-hour access and improved efficiency demands co-workers with necessary competence. Executive officers also have a special duty to utilise the potential of ICT (Information and Communication Technology) within their own fields of responsibility.

In Norway, the Ministry of Labour and Government Administration therefore has prepared a plan of action to meet the future need for ICT competence among government employees. The plan is based on the competence needed today and in the future and in accordance with key trends in the field of information and communication technology.

The plan ascertains that the local employers are responsible for the competence of their own employees. The ministry will contribute on a macro-level in fields such as framework, substantial and praiseworthy bargain, or other needs of common measures and initiatives. The plan states the fact that the society in the near future will be in demand of ICT competence on all levels and in all occupations. That means that the society will need ICT specialists graduated from university as well as ICT specialists on the level of skilled workers. At the same time ICT competence will penetrate and become a necessary field of knowledge in all occupations. The plan of action therefore takes into consideration all government employees.

To recruit and retain ICT specialists in the state sector, the local agency has to use the comparative advantages of the government administration: Interesting tasks at work, a family friendly personnel policy and excellent training opportunities. The plan is pointing at the importance of the local employer to focus on the workplace as a learning arena.

An electronic government demands a higher level of ICT competence among all the employees in the government administration. The plan therefore proposes an e-learning network based on Internet where all the employees should have the opportunity to reach a competence level equivalent to a European Computer Driving Licence (ECDL). In addition, the plan proposes courses suited for top and senior civil servants in subjects as strategic ICT knowledge.

The plan for action proposes a number of appropriate measures in local and central government administration. In central government administration, establishing an e-learning environment based on Internet, stimulating the agencies to recruit apprentices and providing flexible working and learning conditions for the ICT specialists, will require most of the resources. On longer terms, the ministry will take measures to prepare for a higher standard of ICT knowledge among top and senior civil servants. On a national level, the plan will emphasise the needs of both a long-term and sustainable ICT development in the education system to meet the expected demands for ICT knowledge at all levels in the society, and a better gender balance among the applicants for admission to the study of ICT

## **5. Overall assessment on those strategies or programmes**

The general programmes presented are seen as fundamentally important for the future development of the public sector and the Norwegian society as a whole, and we are putting a large emphasis to them. Although they are still in the making, some important results have already been achieved, like adapting new legislation and rules for financing in the case of the competence reform. The stimulating plan for older workers and the plan for recruiting persons with immigrant backgrounds, has given more attention to and activity in these areas. As described, we are about to achieve our goals as regards the project for “Women, quality and competence in the government sector in Norway”. As regards the trainee-programme, we have got a very good number of qualified applicants for the first intake of trainees.

## **6. Issues to be discussed**

- Methods (used by other countries) to increase the competitiveness, especially the image, of the public sector.
- Transformation/recruitment to the job areas where there is growing demand (health sector), reducing the staff in areas where the demand is being reduced (need for downsizing).
- Furthering mobility between sectors.
- Effective strategies to compete in recruiting a sufficient workforce, in the areas we know are in, or will be facing, problems in the future.
- Create workplaces based on diversity that also include people with reduced working capacity.