



2016

The Employer Monitor of the Local and Regional Authorities





Preface

The Employer Monitor of the Local and Regional Authorities is a statistical fact sheet published annually by The Norwegian Association of Local and Regional Authorities - KS. The fact sheet has been published since 2012, making this our fifth edition.

The Employer Monitor of the Local and Regional Authorities depicts recent developments and summarizes key employer-related issues among municipal and regional authorities. The statistics featured in the Monitor stem from three main sources: a country-wide survey of municipal chief executives and county chief executives, the KS PAI register (Personnel Administrative Information System) and Statistics Norway. This year, the survey conducted by Ipsos collected answers from 242 municipalities and 13 counties.

The publication is intended to increase awareness and understanding of key employment policy issues and opportunities. In addition to reporting on seven major topics each year, each edition of the Monitor also features a special focus area. This year, KS has chosen to conduct a qualitative study of municipalities that employ refugees. Hopefully the issues in the special focus section will motivate further efforts to employ refugees.

With the aid of key figures for each individual municipality and county, available on the KS website, municipalities and counties can use the Monitor to plan, implement and follow up their own policies as employers. This allows all municipalities and counties to compare their performance in several areas with others in their own municipal-state reporting bracket and with the national and county averages.

We wish you a pleasant and informative read, and the best of luck with your ongoing efforts.

September 2016

LASSE HANSEN
Managing Director

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Labour force and recruitment



By 2026, we will need to have increased the number of full-time positions by approximately 45,000 in order to maintain current levels of municipal services, not taking into account new methods of solving the tasks of tomorrow. Municipalities are now finding it easier to recruit various types of engineers compared with recent years. Nurses are currently the employee group municipalities are finding the most difficult to recruit.

DEMOGRAPHIC TRENDS

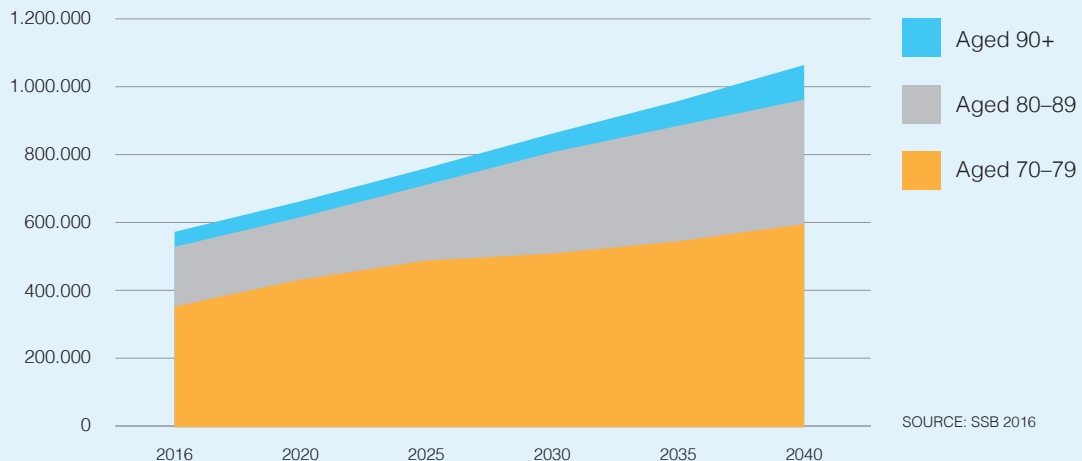
The way in which the population is developing poses challenges for local governments when it comes to meeting the growing demand for welfare services. Local and regional authorities require knowledge of projected population growth in order to accurately estimate the volume of services and plan their future skills and manpower needs.

There are two main factors contributing to future population growth: relatively high net immigration, and the birth rate exceeding the death rate. The growth rate up to 2040 is primarily expected to be higher in towns and cities, with the biggest growth projected for the major centres. While many of the municipalities in proximity to the regional centres are expected to undergo significant growth, nearly 70 municipalities are expected to see a drop in population of over 5 percent. Growth is projected for all the counties, but to different degrees. The counties with the greatest population will experience the highest growth, both by numbers and by percentage. Oslo and Akershus are the counties with the highest expected growth rate

at 30 and 29 percent respectively, while Nordland and Finnmark will see the lowest growth at around 7 percent (Leknes 2016).

The age structure of the population is likely to change significantly over the coming years. The continuing increase in life expectancy, combined with the large birth spur post-World War II, will lead to a significant increase in the proportion elderly people as an overall share of the population. Statistics Norway (SSB) has estimated that the proportion of the population aged 70 years and older will increase from the current 11 percent to 19 percent in 2060 (Tønnesen et al., 2016). Although high life expectancy entails that people are staying healthy and that we have good welfare schemes in place, an ageing population also means that there will be more people experiencing illness and needing health care services. The decline in the proportion of people of working age compared with the percentage of retired people is likely to pose a challenge - both in terms of personnel in the health care sector and in terms of the welfare state and the general economy.

FIGURE 1
Projected population aged 70 and above, the middle alternative



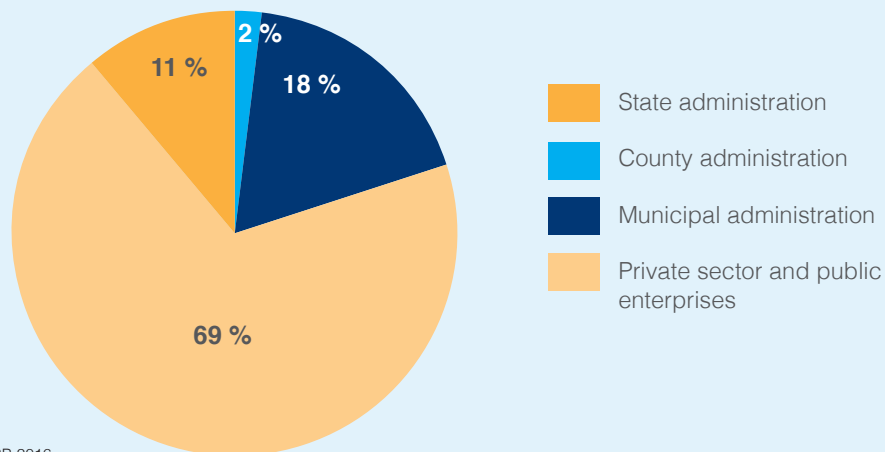
LABOUR IN THE MUNICIPAL SECTOR

Employees in the municipal sector constitute one-fifth of all employees in Norway. This proportion has remained relatively stable over time (SSB 2016). According to the KS Personnel Administration Information System (the PAI register), close to 460,000 employees were registered as working in the municipal sector as of 2015. Because many of these people work part-time, this makes up approximately 362,000 full-time equivalents (FTEs). In 2015 the municipalities combined employed close to 419,000 staff in 325,000 FTEs. The counties employed 42,000 staff in 37,000 FTEs.

Health care and education are the largest areas of employment, making up 136,500 and 126,000 FTEs respectively in 2015. The health care sector has experienced the largest growth in the number of FTEs over the past year, about 2,150. The education and kindergarten sectors have shown somewhat less growth.

In the municipalities, more than half of the employees work part-time. Calculations made by KS show that an increase in the percentage of full-time employment has a significant impact on general recruitment needs. Increasing the average percentage of full-time employment in the health care sector by 5 percentage points in the next ten years, combined with a slight increase in retirement age for all employees, will reduce the need for new staff recruitments by approximately 27,000.¹

FIGURE 2
Percentage of employment by sector



SOURCE: SSB 2016

¹The occupations that this calculation is based on are nurses, health care workers, social educators/occupational therapists and unskilled staff working in the health care sector. For more information on recruitment needs, see <http://www.ks.no/fagomrader/Arbeidsgiver/analyse-og-statistikk/>

FIGURE 3

Number of positions, employees and FTEs in municipalities and counties over time

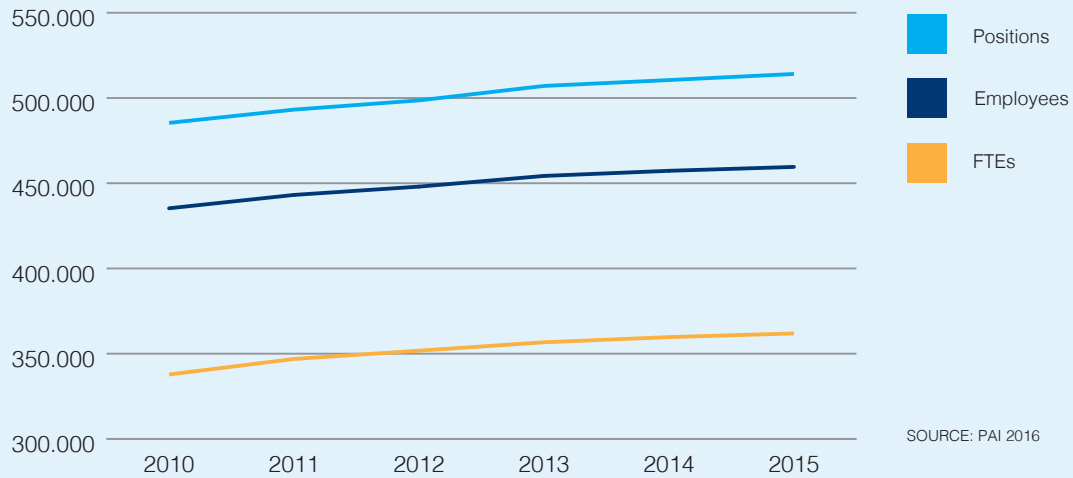
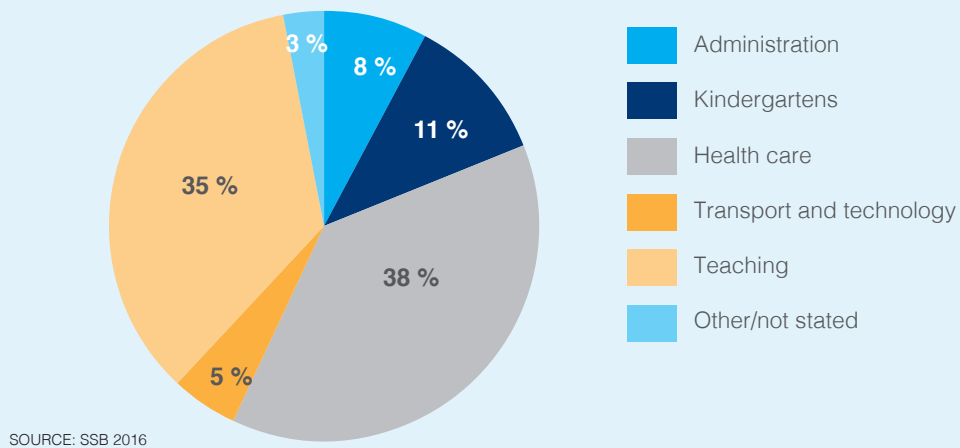


FIGURE 4

Percentage of FTEs in municipalities and counties contracted, by service area





In the local and regional public sector, 77 percent of the employees are women. The health care and child care sectors have the highest overall share of female employees, whereas there is a significant predominance of men in the technical sector.

A FEMALE-DOMINATED SECTOR

In the local and regional public sector, 77 percent of the employees are women. In the municipalities, 78 percent of employees are women, whereas in the counties the figure is 60 percent. The health care and child care sectors have the highest overall share of female employees, whereas there is a significant predominance of men in the technical sector (PAI 2016).

One-third of the municipalities have taken steps to recruit more men to service areas dominated by women, particularly to child care, education and health care. This number represents an increase of almost 9 percentage points compared to 2012. There have been several types of measures taken, such as "active, deliberate recruitment", "applicants from the underrepresented gender to be given priority where two applicants are equally qualified" and "invitation to interviews for qualified applicants from the underrepresented gender." However, 65 percent of municipalities that have taken such measures have reported success in increasing the proportion of men "to a minor extent", while only 2.5 percent have achieved the desired result "to a very large extent".

23 percent of counties and 12 percent of municipalities report that they have taken steps

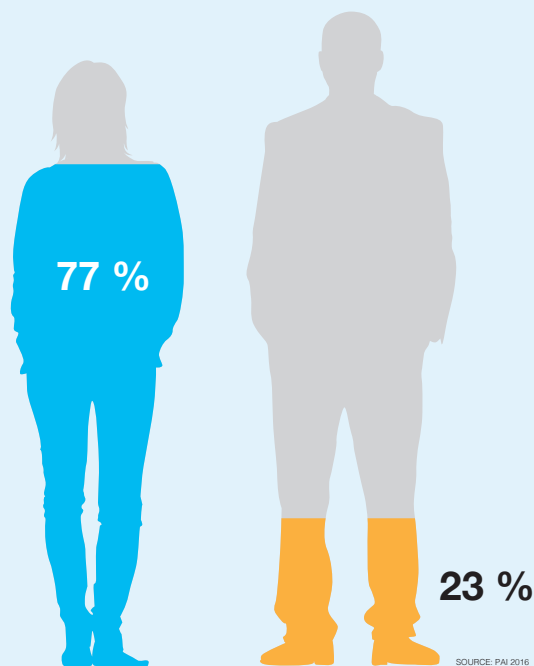
to recruit more women into male-dominated sectors. In 2012, the figure was 12 percent, both for municipalities and counties. Among municipalities, the measures taken are predominantly aimed at recruiting more women to management roles and the technical sector, whereas the counties have prioritised increasing the proportion of women in management. Just over half of the municipalities and two out of three counties say they have had "fairly good" success in increasing the proportion of women.

GENDER EQUALITY AND WORK

Norway has a high labour market participation rate compared to other countries. According to Statistics Norway's labour force survey, 70.8 percent of the population aged 15-74 were part of the active workforce in the second quarter of 2016.² The high level of employment, measured at 67.4 percent over the same period, is mainly due to high labour force participation among women and the older generations. The employment rate was 69.6 and 65.0 percent for men and women respectively, while the unemployment rate was 5.8 for men and 3.6 percent for women.

According to Statistics Norway's gender equality index, the differences between men and women in areas including workforce participa-

²The labour force is the sum total of the employed and unemployed – i.e. the number of people offering their labour on the market.

FIGURE 5**Gender distribution among municipal and county employees**

tion and income have decreased over time.³ There is some geographic variation in the degree of equality, as evidenced by the fact that municipalities in Eastern and Northern Norway have a higher score in the index, while municipalities in Southern and South-Eastern Norway have a lower score.

Generally, women more often work part-time, are more often employed in the caring professions, and are less often employed in management positions than men. However, we do see an increase in the proportion of female managers in the municipal sector.⁴ Women are also increasingly pursuing tertiary education more often than men.⁵

AGE DISTRIBUTION IN THE MUNICIPAL SECTOR

In 2015, the average age of municipal and county employees was 44.9 and 48.9 years respectively (PAI 2016). By comparison, the average age of all employees nationwide was 41.9 years.⁶

Over the last decade, municipalities have tended to recruit more young staff and retain a higher number of older staff. The 40-49 age-group is the largest, making up 28.3 percent of those employed in the municipal sector. In 2015, 17.6 percent of county FTEs were performed by employees aged over 59. In the municipalities, 12 percent of the FTEs were performed by employees aged over 59 (PAI 2016).

³ For more on the gender equality index, see <https://www.ssb.no/befolkning/statistikker/likekom/aar>

⁴ This is discussed in more detail in the chapter *Employer Strategies and Management*.

⁵ For more on gender equality and the labour market, see <https://www.ssb.no/befolkning/artikler-og-publikasjoner/kjonnsdelt-arbeidsmarked-tross-kvinnernes-utdanningsforsprang>

⁶ Average age of employees aged 15-74 years, whole country (SSB 2016).

FIGURE 6
Percentage of municipalities that have implemented measures to recruit more men into female-dominated sectors, 2012-2016

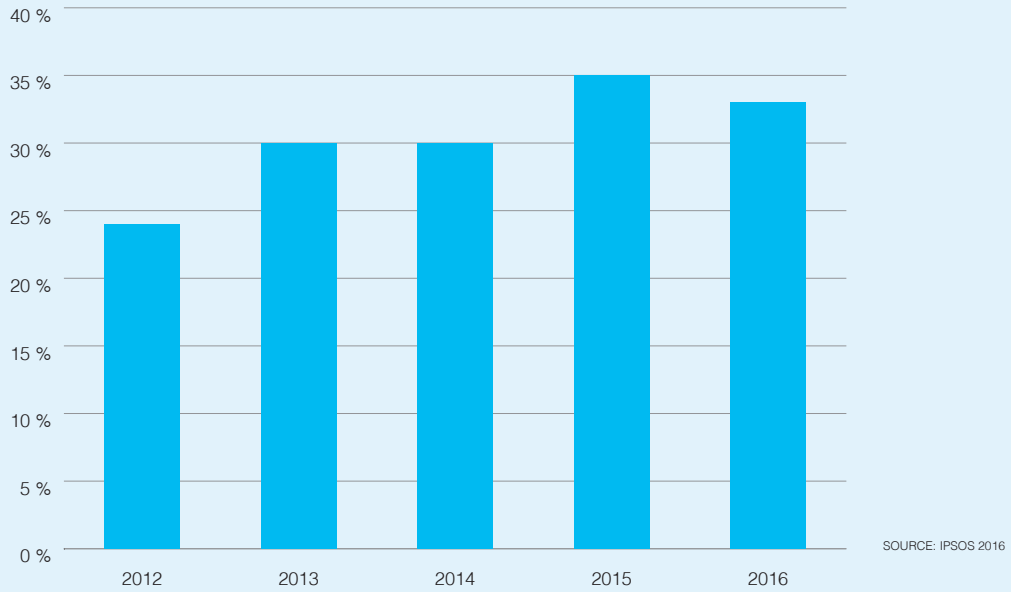
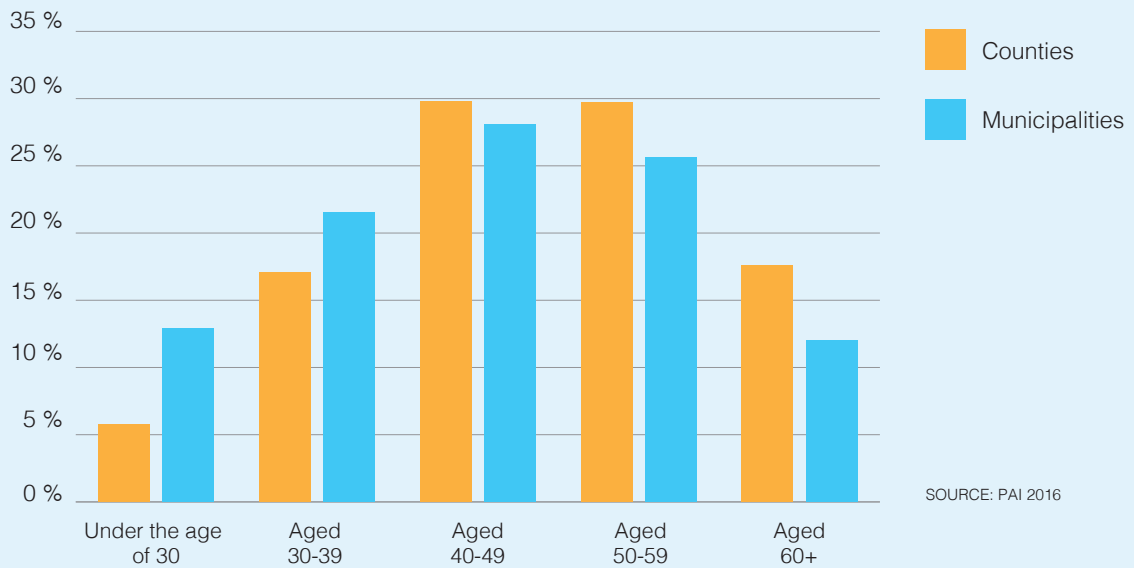


FIGURE 7
The proportion of municipal and county FTEs worked by the various age-groups





59 percent of the municipalities describe it as "very" or "quite" challenging to fill nursing positions, while 55 percent find it quite/very challenging to recruit specialist nurses.

STAFF TURNOVER

Over the past four years, municipalities and counties have on average had a turnover rate of 12.1 percent.⁷ This means that for every 100 people employed by a local or regional authority in a given year, there are about 12 people who will no longer be employed by a local or regional authority the following year.

The proportion of staff terminating their employment varies considerably among the different age-groups. Employees aged 25 years or younger have a high turnover rate of 38.6 percent. The proportion of staff terminating then decreases gradually with increasing age up until the age-group of 55-59, where the turnover rate is 5.1 percent. The turnover proportion then rises to 20.8 percent in the group aged 60+. The high turnover rate in the oldest age bracket is largely due to people in this age-group exiting the labour market and/or retiring. In other words, the propensity to change jobs decreases the older one gets.

Educational levels have a significant effect on the proportion of staff leaving the sector. Secondary education teachers with a bachelor's degree or a master's degree had a collective turnover rate of 6.4 percent, followed by management-level staff at 7.0 percent. At the other end of the spectrum, employees in positions

without specific training or educational requirements showed a turnover rate of 21.0 percent.

TODAY'S RECRUITMENT CHALLENGES

Municipal employers state that nursing is the profession into which it is most difficult to recruit staff. 59 percent of the municipalities describe it as "very" or "quite" challenging to fill nursing positions, while 55 percent find it quite/very challenging to recruit specialist nurses. Other professions where municipalities reported difficulties in recruiting staff are doctors, psychologists, engineers and social educators. Counties state that vocational teachers, dentists and psychologists are the groups they have the greatest difficulty in recruiting.

For a long time, both local and regional authorities have faced challenges in recruiting engineers. In 2012, 85 percent of municipalities and 71 percent of counties reported that it was quite/very challenging to recruit staff in these groups. In this year's survey, 43 percent of the municipalities state that it is quite/very challenging to recruit engineers, and 37 percent report that it is quite/very challenging to recruit civil engineers. However, we see definite geographical variation where the municipalities in Rogaland, Hordaland and Vest Agder naturally have the greatest access to engineers [due to petroleum industry on the west coast of

⁷ By turnover rate we mean the percentage of staff leaving.

FIGURE 8
Staff turnover in municipalities and counties by age-groups

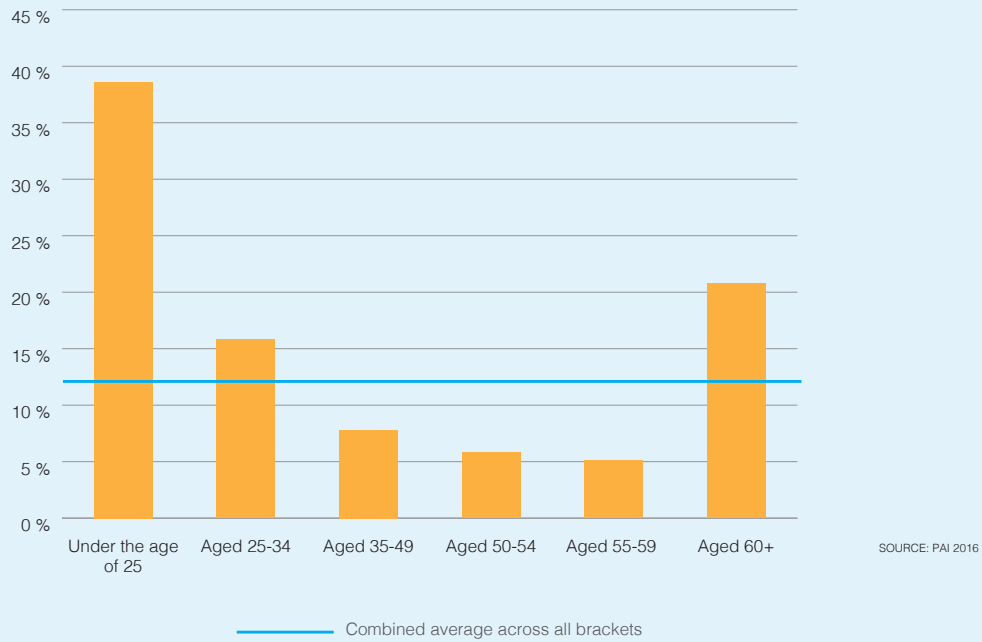


FIGURE 9
Municipal and county staff turnover, by General Collective Agreement occupation category

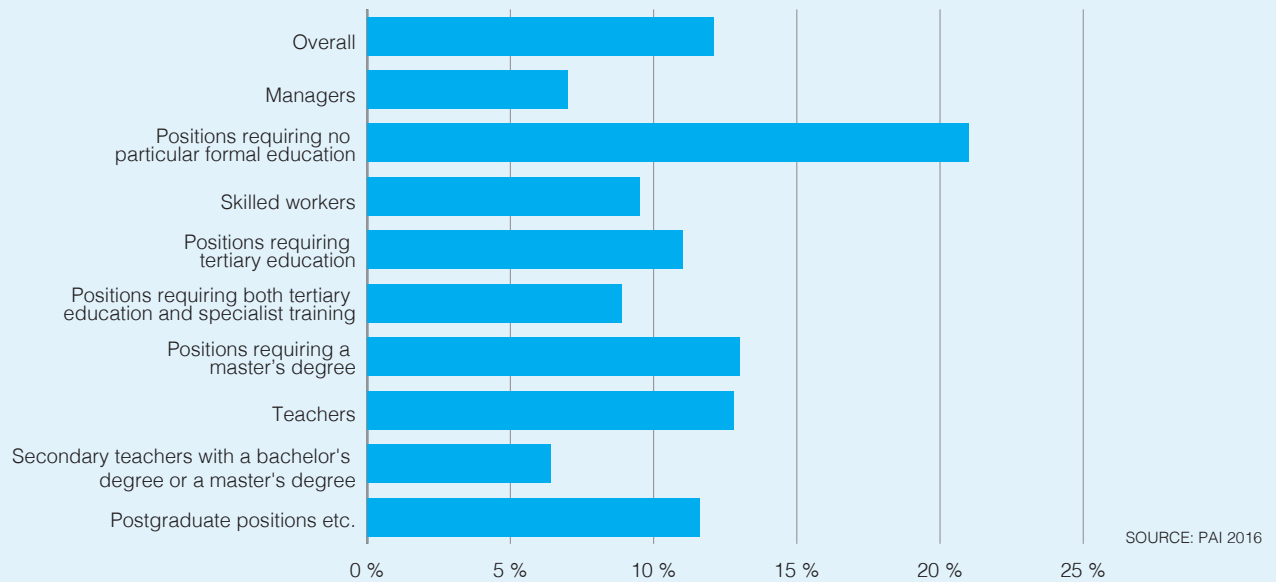
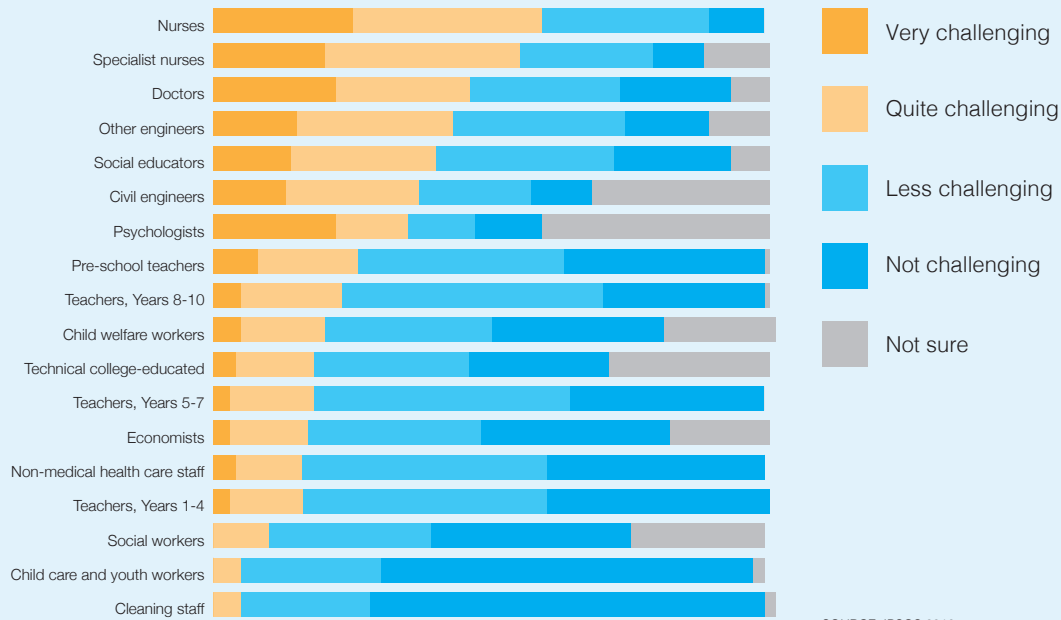


FIGURE 10

Is your municipality finding it challenging to recruit people to these professions today? If yes, how challenging? N = 241



SOURCE: IPSOS 2016

Norway], while municipalities in Nord-Trøndelag and Troms report the greatest recruitment challenges. This development accurately reflects the Norwegian Labour and Welfare Organisation's (NAV) description of the labour market situation in these counties. According to Statistics Norway (2016), a relatively high number of those who left the petroleum industry in 2015 have transferred to positions in public administration such as technical departments at the municipal level.⁸

The Employer Monitor's description of the supply of engineering expertise over time appears

to corroborate with the results of the annual demand surveys conducted by the Norwegian Society of Engineers and Technologists (NITO). The NITO demand surveys, carried out by Ipsos, shed light on what proportion of employers find it difficult to obtain the right kind of engineers. The proportion has been declining since 2013 and had a significant drop from 53 percent in 2014 to 34 percent in 2015. However, the survey shows that municipal employers represent the group finding it most challenging to recruit the right type of engineers, and that the greatest need for engineers is in the construction, water and sewage sectors.

⁸For more information, see <https://www.ssb.no/arbeid-og-lonn/artikler-og-publikasjoner/hvor-jobber-de-som-sluttet-i-petroleumsnaeringene>

FIGURE 11

Is your county finding it challenging to recruit people to these professions today? If yes, how challenging? N = 13

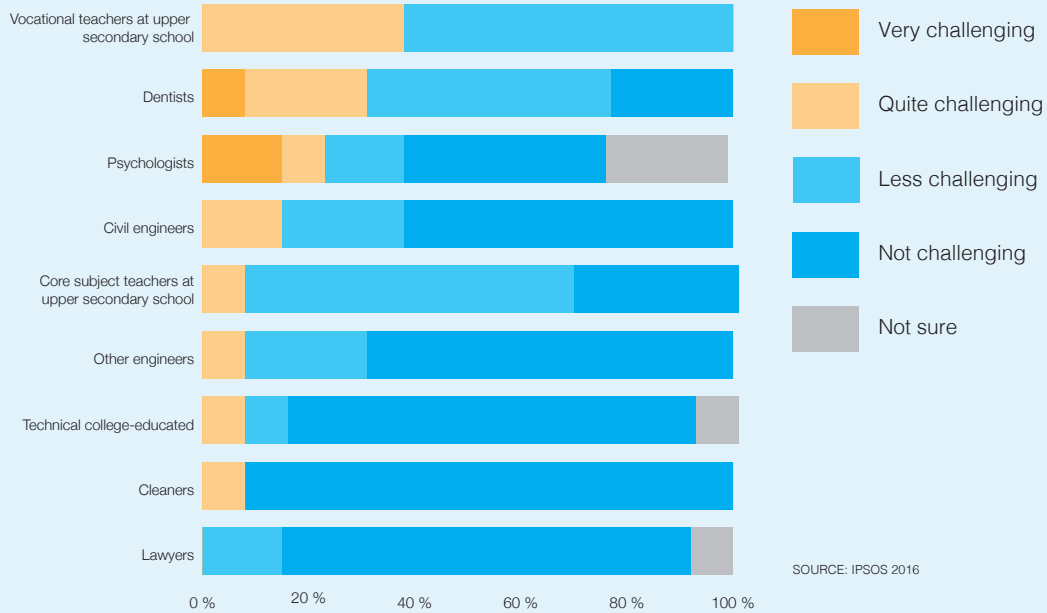
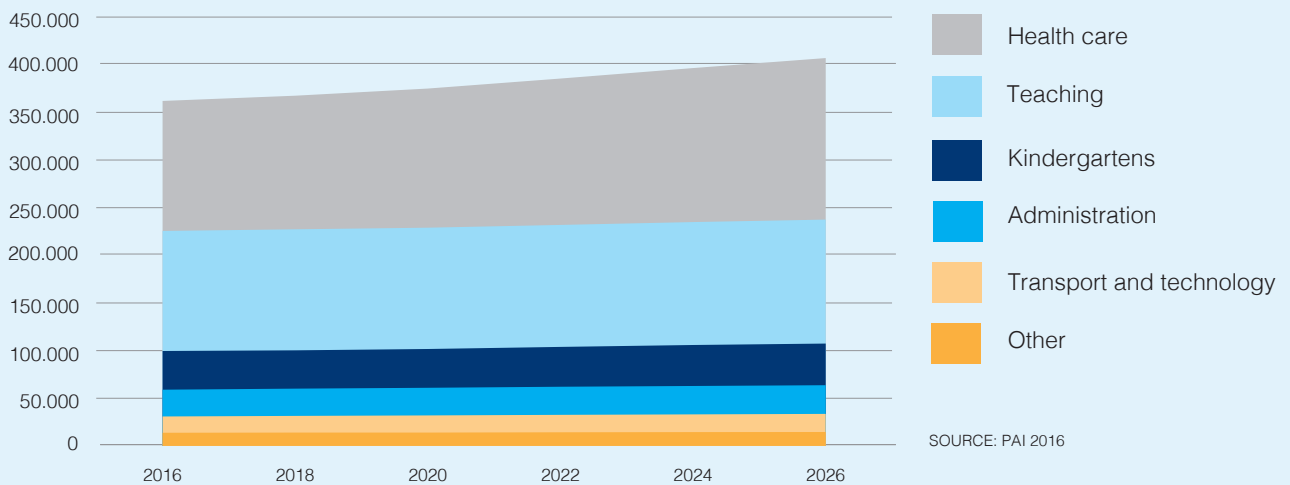


FIGURE 12

Projected number of FTEs in the municipal sector per service area, 2016-2026





Assuming that the average percentage of full-time employment, retirement age, productivity and turnover rate remain stable until 2026, approximately 60,000 more employees will be required in 2026 compared to today's numbers.

LABOUR NEEDED 2016-2026

Each year, KS compiles an analysis of the municipal sector's future need for skills and labour. The calculations, conducted using KS' recruitment model, provide a forecast for the number of FTEs and staff that will be required ten years from now.⁹ Any municipality can use the model to estimate their future skills and labour needs.¹⁰

By 2026, we will need to have increased the number of FTEs by approximately 45,000 in order to maintain current levels of municipal services, not taking into account new methods of solving the tasks of tomorrow. Based on an expected population growth of 9.8 percent, this represents an increase of 12.4 percent.¹¹ The fact that the need for manpower will increase faster than the general population growth in the coming decade is a consequence of the demographic age structure. The age structure indicates that the proportion of the elderly as a segment of the population is likely to increase significantly in the years to come. Accordingly, the labour intensive health care sector is expected to witness a major demand for labour.

The volume of FTEs needed in the different service areas is likely to develop very heterogeneously. This will entail a change in the proportion of FTEs per individual sector with respect to the total FTE volume. At the beginning of 2016, the health care sector made up close to 38 percent of the total FTE volume. Towards 2026, this share is expected to increase to nearly 42 percent. In the same period, the education sector is likely to decrease from about 35 percent of the total volume of FTEs to about 32 percent. The other areas are expected to require between 0.1 and 0.5 percentage points fewer FTEs than they do at present.

Regarding the need for employees, there are many and changing factors that can influence such requirements. If we take into account the uncertainty of those factors, the number of employees needed in 2026 will be somewhere between 500,000 and 540,000 people. Assuming that the average percentage of full-time employment, retirement age, productivity and turnover rate remain stable until 2026, approximately 60,000 more employees will be required in 2026 compared to today's numbers.

⁹ To calculate the demand for recruitment, the model makes a number of assumptions, such as basing itself on historical data on the age composition of the population and among employees, average percentage of full-time employment, retirement age, sickness absence, etc.

¹⁰ For more information on the recruitment model, as well as complementary articles and analyses, see <http://www.ks.no/fagomrader/Arbeidsgiver/analyse-og-statistikk/>

¹¹ The expected population growth is based on the main line of development in Statistics Norway's projected population growth.



**Over the past four years,
municipalities and counties have
on average had a turnover rate of
12.1 percent.**



The municipal sector needs to recruit and retain relevant and skilled staff, at the same time as it should facilitate the modernisation processes of services and working methods.

There is a need for an employer policy that ensures diversity and equality, with equal opportunities for women and men to participate and develop in the workplace.

It is important to have measures that encourage men to seek employment in the health care sector and in schools/kindergartens.



Employer strategies and management



High absence due to illness and a high proportion of part-time employees are still the biggest challenges facing the municipalities as employers. For counties however, recruiting management-level staff is the biggest challenge. That being said, municipal and county employees show the highest job satisfaction scores nationally.

EMPLOYER STRATEGY AS A DEVELOPMENT TOOL

Approximately 64 percent of municipalities and 12 out of the 13 counties taking part in the Ipsos survey this year have adopted an employer strategy. This is virtually identical to how local and regional authorities responded in 2012. For employer strategies to have any effect, a high degree of implementation is cited as a key factor in previous surveys. Municipalities state that their employer strategy is most fully implemented among the chief executive’s offices, the municipal council, in administrative committees and among employee representatives. At the county level, employer strategy is particularly well implemented in the chief executive’s management group, in administrative committees, among HR and employee representatives.

Among municipalities and counties that have adopted an employer strategy, 77 and 92 percent respectively state that they have achieved desired results “to a great extent” or “to a fairly

large extent”. Nearly 7 out of 10 municipalities state that the employer strategy improves their leadership abilities. 3 out of 5 highlight improved cooperation as a positive effect. The increased ability to retain and develop employees also receives a relatively high score, as do appraisal interviews and performance reviews.

The feedback from the counties largely mirrors that of the municipalities. In addition, an improved ability to recruit staff is emphasised as a positive effect in several counties – this is a clear improvement compared to 2015. Both municipalities and counties believe to a lesser extent that their employer strategy has improved their capacity for innovation.

THE BIGGEST CHALLENGES AS AN EMPLOYER – TODAY AND IN THE FUTURE

Municipalities and counties report somewhat varying challenges as employers. For the municipalities, high absence rates due to illness, the high proportion of part-time employees, recruitment of senior managers and the capa-

FIGURE 13
Employer strategy implementation among municipalities and counties

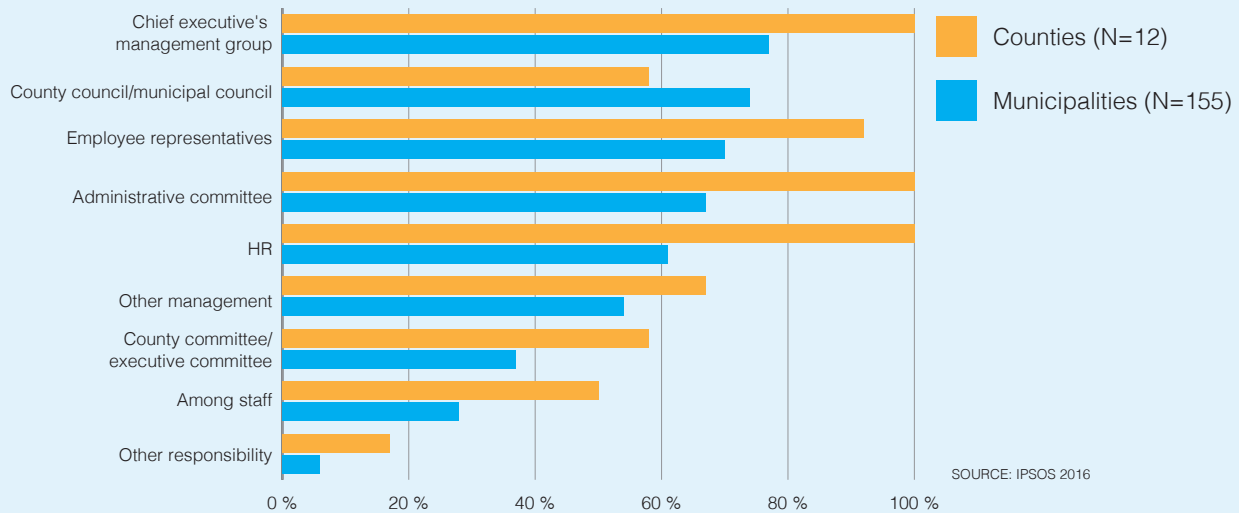
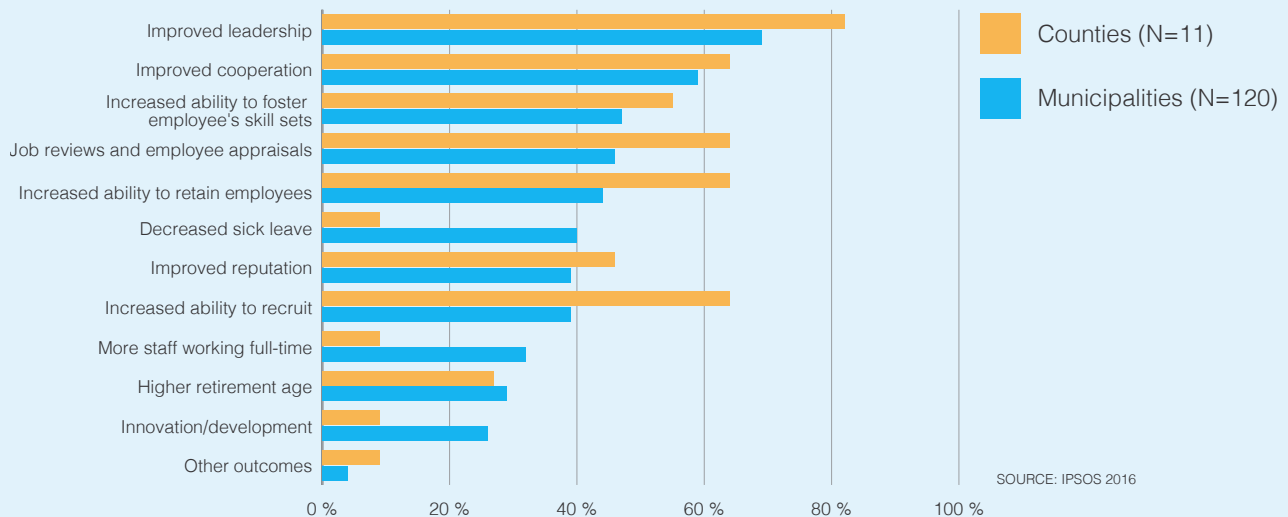


FIGURE 14

What results has the municipality/county achieved with its employer strategy?



city for innovation and creativity, continue to represent key challenges. Senior management recruitment and the capacity for innovation and creativity are also reported as being the most challenging issues for the counties, followed by organisational structure, diversity and inclusion.

With regards to issues considered the least challenging by municipalities, collaboration with employee representatives is particularly notable. This has been the feedback given each year since 2012, showing that administrative managers continue to see collaboration with union representatives as a positive experience. Neither are senior policies challenging. Over the last two years, the ability to retain qualified personnel has also shown itself to be a topic relatively few have experienced as difficult. For the counties, the high proportion of unskilled and part-time employees and the collaboration with employee representatives in particular have not presented any real challenges over the last five years.

When asked what future issues are likely to be the most challenging for local and regional authorities as employers, the respondents give rather disparate answers. The municipalities believe that high level of sick leave, the recruitment of skilled personnel and the capacity for innovation and creativity are likely to pose the biggest challenges in the period until 2020. The counties see future issues around recruiting directors, capacity for innovation and creativity and structuring as their greatest challenges as employers.

MORE WOMEN IN MANAGEMENT POSITIONS

In 2015 there were about 9,400 managers in the municipal sector, including senior managers, heads of sector and directors. As they hold the most senior administrative roles, municipal and county chief executives are the top managers in the local and regional government sector. Heads of sector typically work in senior health care management, in technical sector management roles or as school heads, while

FIGURE 15

Does your municipality, as an employer, find the following issues challenging at present? If yes, how challenging? N = 241

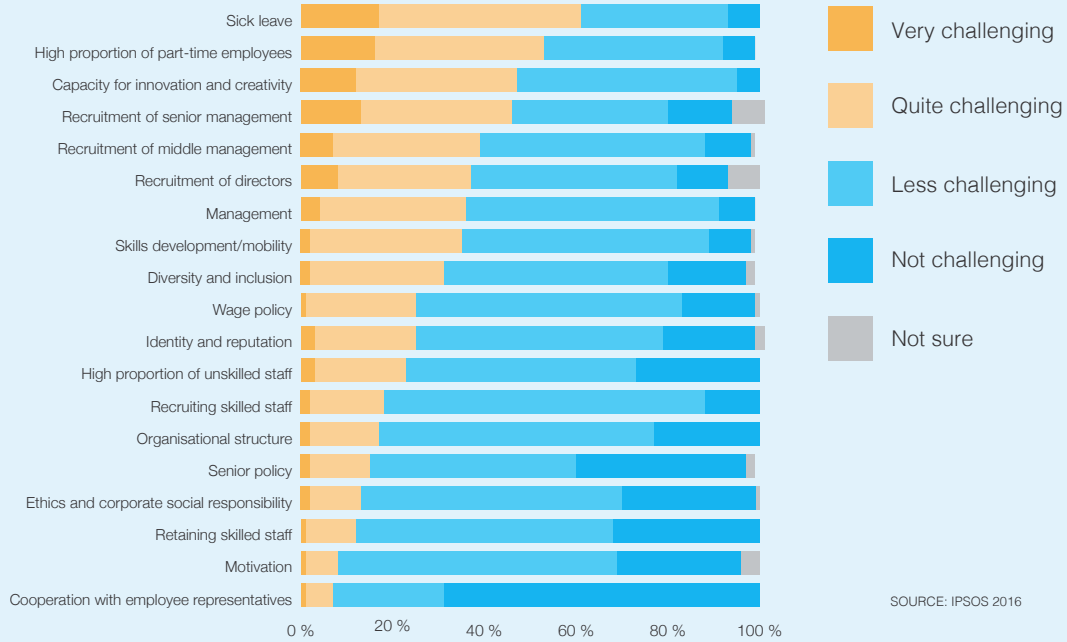
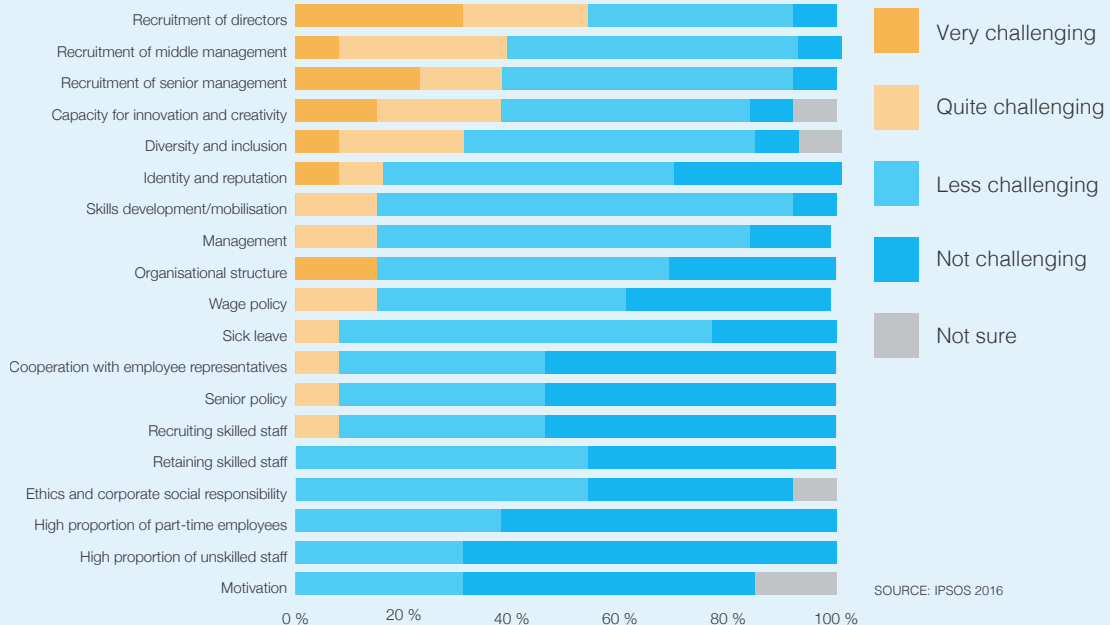


FIGURE 16

Does your county, as an employer, find the following issues challenging at present? If yes, how challenging? N = 13



directors manage institutions such as schools, nursing homes, kindergartens, libraries, etc. Directors make up the largest group of management-level positions, and there were just over 7,000 directors in the municipal sector at the start of 2016. There were around 1,900 heads of sector.

The proportion of women in management positions is increasing at all levels of management. Although the proportion of female municipal chief executives has increased since 2009, male senior executives make up 73 percent of this group. This applies in all municipalities, regardless of their size. Men also dominate senior executive positions at county level.

In 2015, the proportion of male heads of sector was 41 percent, a decrease of 7 percentage points since 2009. This reduction can be attributed to a decrease in male heads of sector within each of the service areas. By far the largest proportion of male managers can be found in the technical sector, at 81.5 percent. This is a clear decrease from 2009, when it was at 91 percent. The lowest proportion of male managers can be found in the kindergarten sector, at 5.1 percent.¹²

74 percent of all directors are women. As with sector managers, the percentage of female

directors varies greatly between the different service areas, and to a certain extent reflects the general gender distribution.¹³

Managers are on average slightly older and are less likely to be absent due to illness in comparison to other employees in the municipal sector.

MEASURES TO DEVELOP MANAGEMENT SKILLS

All of the counties and 93 percent of the municipalities have taken steps to develop their managers' expertise over the last two years. For the counties, this is the same result as we saw in 2012, whereas for the municipalities it represents an increase of 5 percentage points. In both municipalities and counties, drafting, developing and implementing a strategy for leadership is the highest-scoring measure taken to strengthen management skills. Internal management programmes continue to be seen as important, but to a lesser degree compared to results from 2012. Cross-sector management networks and external management training schemes are seen as the second and third most important measures to strengthen management skills. Only two percent of municipalities, and none of the counties, stated that they consider managerial support such as mentoring, coaching, guidance and counsel-

TABLE 1
Various municipal and county managerial levels by gender, in 2009 and 2015

	Percentage of women (%)		Percentage of men (%)	
	2009	2015	2009	2015
Top-level executives	18 %	27 %	82 %	73 %
Heads of sector	52 %	59 %	48 %	41 %
Directors	68 %	74 %	32 %	26 %

SOURCE: PAI 2016

¹² For more personnel statistics on heads of sector, see <http://www.ks.no/fagomrader/Arbeidsgiver/analyse-og-statistikk/lonn-og-sysselsetting/>

¹³ For more personnel statistics on directors, see <http://www.ks.no/fagomrader/Arbeidsgiver/analyse-og-statistikk/lonn-og-sysselsetting/>

ling as the most important measure. The same applies to systematic performance monitoring and rewarding management team members for good performance.

Of those who have implemented measures, 77 percent of municipalities and 12 counties answered that they “to a great extent” or “to a fairly large extent” had achieved the desired results. This is roughly the same as in 2015.

MASTERY-ORIENTED LEADERSHIP

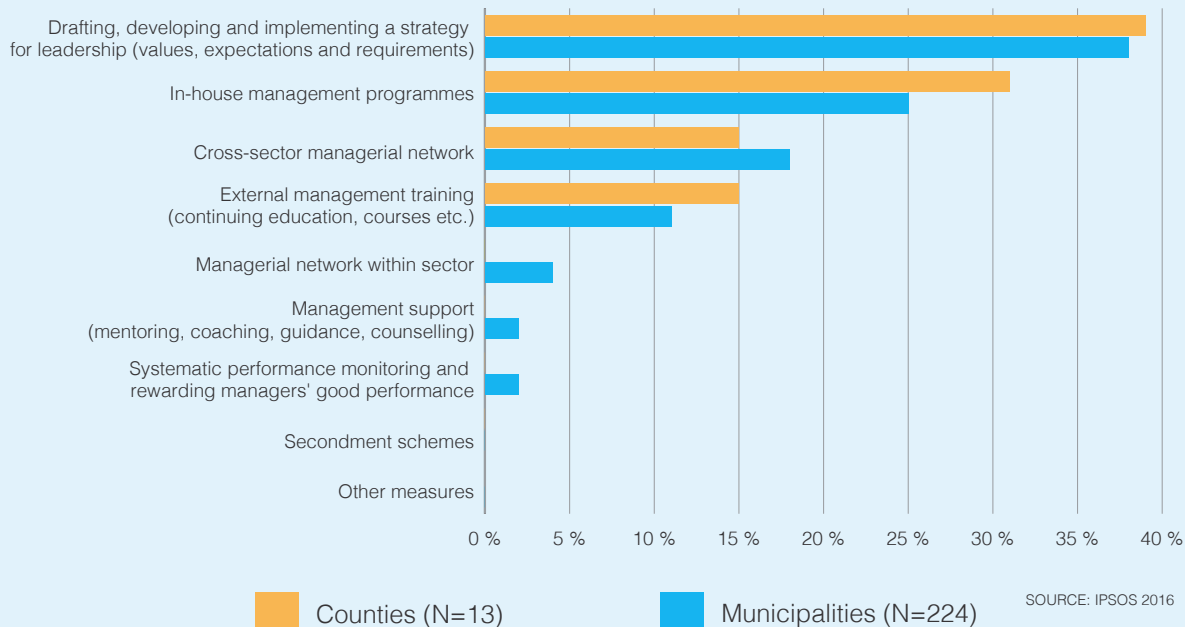
KS’ new employee survey, 10-FAKTOR, is a monitoring and development tool for both managers and employees. The survey covers ten factors either measuring employees’ perceptions of important issues in the workplace or measuring employees’ attitudes towards their own jobs. The aim of the survey, which is based on research into what input is important to

achieve good results, is to provide a foundation for employee, organisational and managerial development.¹⁴

One of the ten factors is *mastery-oriented leadership*, defined as leadership that emphasises individual employees’ ability to develop their skills and perform to the best of their ability, so that they experience a feeling of mastery and maximise their performance.

Each of the ten factors is measured on a scale from 1 to 5, with 5 being the best. Based on more than 47,300 responses, the average score for mastery-oriented leadership among all those participating nationwide was 3.9. For the service areas shown in Figure 18, the results are relatively close, ranging from 3.8 (home health care and technical organisations) to 4.1 (kindergarten sector).

FIGURE 17
What is the most important measure your municipality/county has implemented during the past year to improve managers’ skill sets?



¹⁴ For more information on 10-FAKTOR, see www.10faktor.no/ks/hjem/

HIGH JOB SATISFACTION IN THE MUNICIPAL SECTOR

The *Global Employee and Leadership Index 2016* (Ennova 2016) shows that municipal and county employees still have the highest job satisfaction rates in Norway.¹⁵ For the eighth year in a row, the municipal sector scores higher on

the index than state and private sectors. The index is based on factors relating to the seven priority areas: reputation; top management; immediate up-line management; teamwork; day-to-day work; wages and employment; and professional and personal development.

FIGURE 18
Mastery-oriented leadership, national average score by service area

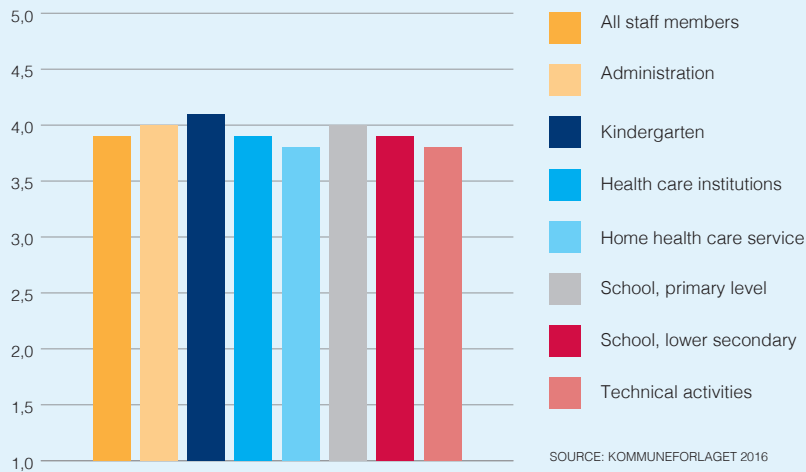
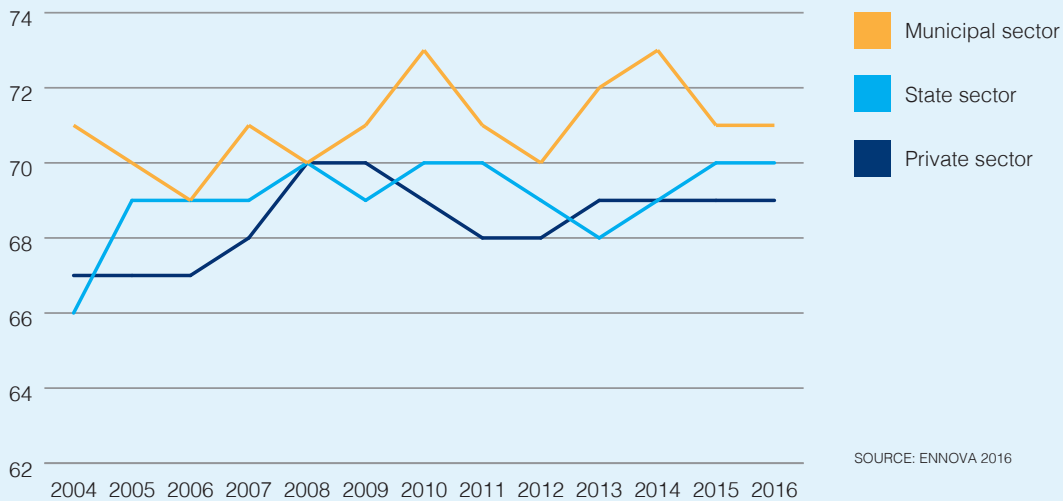


FIGURE 19
Job satisfaction index for different sectors



¹⁵ *Global Employee and Leadership Index 2016* is based on responses from 5,500 randomly selected Norwegian employees, and measures job satisfaction on a scale of 0-100.



As employers, municipalities should have a high degree of trust, positive interaction between elected officials and administration, and the best managers.

The municipal sector should be perceived as an attractive workplace for competent, autonomous staff by using current best practice and strategic employer policy.

Good management is about the ability to get things done, being a good leader, being clear in one's role as manager and facilitating employees' own mastery and motivation. In addition, it is important to foster a culture of innovation and learning, a positive working environment and high ethical awareness.

The aim is for 50 percent of senior management in municipalities and counties to be women.



Education and skills



There is a high and rising level of education among employees in the municipal sector. The proportion of new apprentices is increasing – especially in health care and youth development. The vast majority of local and regional authorities facilitate and encourage employees to obtain training certificate.

HIGH AND RISING EDUCATION LEVELS IN THE MUNICIPAL SECTOR

The majority of the employees in the municipal sector hold a tertiary qualification. 73.5 percent of FTEs at county level are carried out by employees with tertiary education, and among municipalities the figure is almost 50 percent. 31 and 19.6 percent of FTE work in the municipalities and counties respectively is performed by employees with a training certificate or equivalent qualification. Measured in percentage of FTEs, the past two years have seen the greatest increase from employees with a postgraduate tertiary degree. However, there are in some cases major regional differences in employees' educational background (PAI 2016).

COOPERATION WITH UNIVERSITIES AND COLLEGES

12 of the 13 counties that participated in this year's survey have cooperation agreements with the higher education sector (tertiary sector). All 12 maintain partnerships within youth development and education, while a few have also partnered up with the tertiary sector in the health care and technology sectors.

Among the municipalities that have replied, around half respond that they have obtained cooperation agreements. This is similar to 2012.

TABLE 2
Percentage of municipal and county FTEs by education level, in 2011 and 2015

	Counties		Municipalities	
	2011	2015	2011	2015
Primary school	5,3 %	4,4 %	14,2 %	12,7 %
Upper secondary school/ vocational training	16,5 %	19,6 %	29,5 %	31,0 %
University/university college, undergraduate degree	43,9 %	46,2 %	42,1 %	44,6 %
University/university college, postgraduate degree	22,1 %	27,3 %	3,9 %	5,3 %
Not stated	12,3 %	2,5 %	10,3 %	6,4 %

SOURCE: PAI 2016



According to the 2015 Career Barometer, technology students have a more positive view of working in the public sector than has previously been the case.

Municipalities maintain a huge level of cooperation with the tertiary sector in the areas of health care, youth development and education. 16 percent of municipalities have partnerships with the technical sector. In the report *Strategic recruitment of young people to the municipal sector* published by Fafo [Research Foundation] in 2016, collaboration and contact with tertiary institutions are cited as an important measure for recruiting young people.

According to the 2015 Career Barometer, technology students have a more positive view of working in the public sector than has previously been the case.¹⁶

COOPERATION YIELDS GOOD RESULTS

Cooperation with tertiary institutions yields the greatest benefits for the municipal sector in terms of developing education and training programmes in keeping with their own needs, increased advisory resources and increased research and professional development partnerships. Compared with last year's findings, the greatest change for municipalities concerns staff exchanges and secondments: we see a 10 percentage point increase in the proportion reporting this as a result achieved through cooperation with tertiary institutions. For the counties, the biggest change from last year was that the proportion emphasising improved advisory skills has declined from 63 to 42 percent.

NEED FOR EMPLOYEES WITH TERTIARY VOCATIONAL TRAINING

Tertiary vocational training is possible to undertake after completing upper secondary education or equivalent qualifications, and has a duration of up to two years. A majority of municipalities are experiencing a need for employees with tertiary vocational training in the health care and youth development sectors. More than 7 out of 10 municipalities have a "major or fairly major" need for such skilled staff. The corresponding percentages were somewhat higher in 2015 and 2014, when 78 and 76 percent respectively expressed such a need. 77 percent of the counties have the same need "to a limited extent" or "not at all".

MORE APPRENTICESHIPS

About 2 out of 3 municipalities have taken steps to increase the number of apprenticeships within their own institutions. This is an increase from 2015 figures. 69 percent of the counties have done the same.

The distribution of apprenticeship contracts between private, state and municipal sectors largely corresponds to the sizes of the respective sectors in terms of numbers of employees. The municipal sector accounts for one fifth of all apprenticeship contracts. The vast majority of apprenticeships, 71 percent, are carried out in the private sector, while the state sector accounts for 7 percent. However, there are great variations between counties and betwe-

¹⁶ For more on this, see <https://karrierestart.no/karrierebarometeret/1115-studentene-trekker-mot-offentlig-sektor-karrierebarometeret-2015>

FIGURE 20

What results has your municipality/county achieved through cooperation with the tertiary education sector?

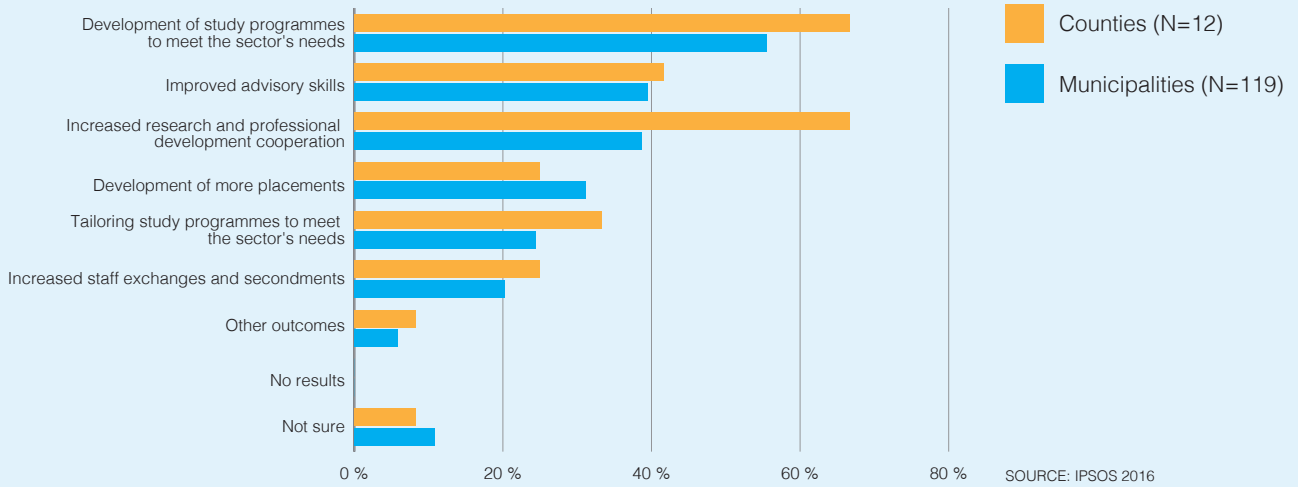


FIGURE 21

Percentage of municipalities reporting the implementation of measures to increase the number of apprenticeship contracts, 2012-2016

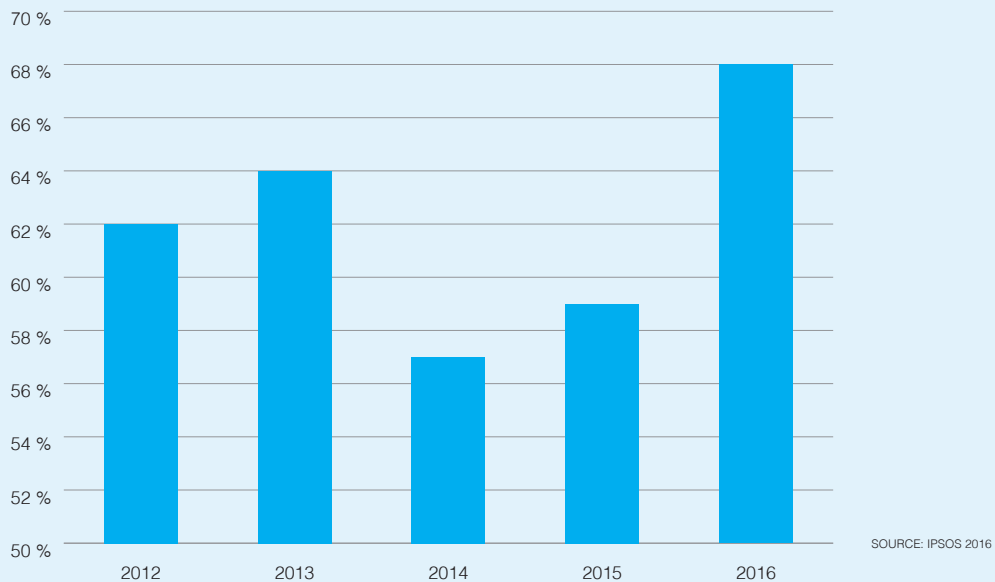
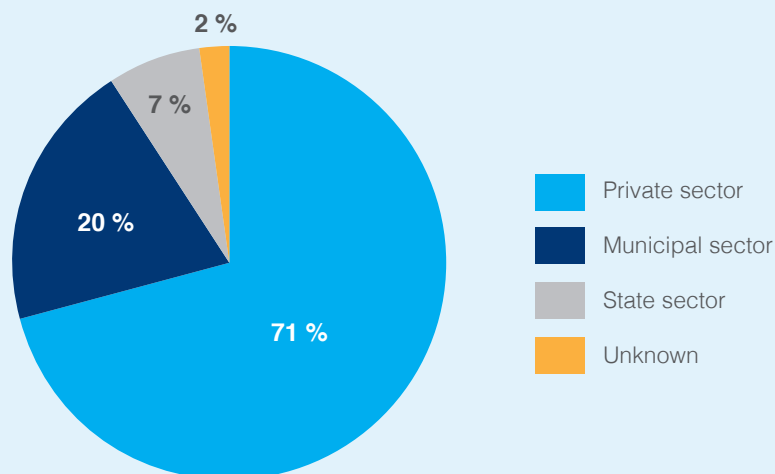


FIGURE 22
Approved apprenticeship contracts by sector



SOURCE: UTDANNINGSДИРЕКТОРАТET 2016

en different training programmes with regard to the volume of approved apprenticeships. Nationally, the number of approved contracts increased by 8 percent in the period 2011-2015. In the municipal sector in 2015, there were 29 percent more apprentices than in 2011, and in health and youth development there was a 37 percent increase in the number of apprentices over the same period.

At the end of 2015, a total of 38,950 apprentices were in training, and there were about 28,000 new applicants for apprenticeships. In excess of 18,950 new apprenticeship contracts were signed. In other words, approximately 2/3 of applicants in 2015 successfully got a placement (Directorate of Education, 2016).

In the spring of 2016, the Government and the social partners signed a new *Social contract for more apprenticeships*. The aim is for all eligible applicants to be offered an apprenticeship. This is to be achieved through the establishment of contact networks in all the counties.

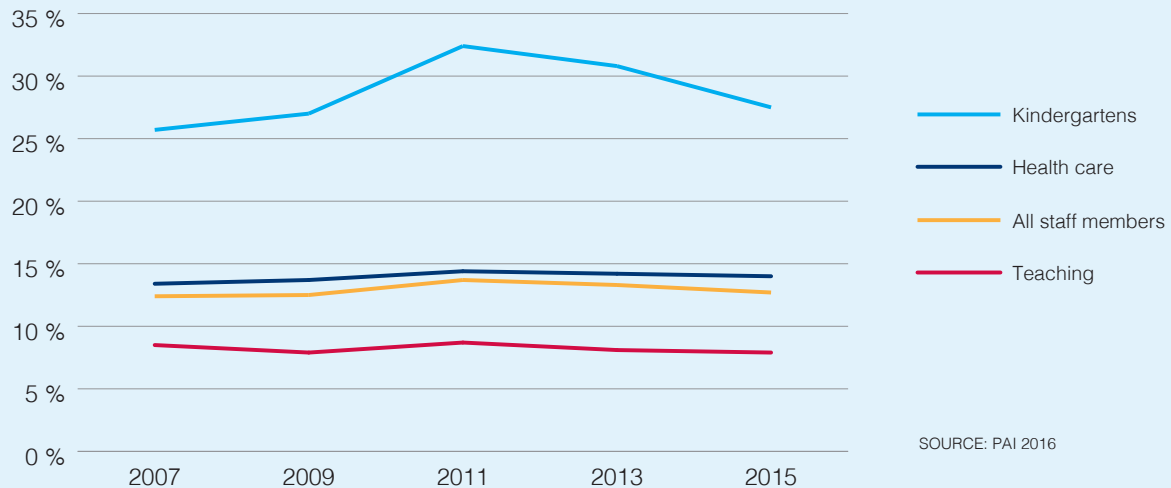
The aim is for the networks to work together to recruit more teaching establishments, and to launch more apprenticeships within training establishments.

MUNICIPAL SECTOR ENCOURAGES EMPLOYEES TO TAKE CERTIFICATE OF APPRENTICESHIP

98 percent of municipalities and 12 of the 13 counties in this year's survey encourage employees to obtain a certificate of apprenticeship and act as facilitators for this training. Most employees take qualifications as health workers, child and youth workers and cleaners.

The PAI register shows that 12.7 percent of the FTE work in the municipal sector is performed by employees in positions with no formal educational requirements. However, there are major differences between sectors. We find the highest percentage in the kindergarten sector, at 27.5 percent, followed by the health sector at 14 percent. The education sector has the lowest proportion, at 7.9 percent. (See Figure 23

FIGURE 23
FTEs performed by unskilled staff in primary employment in selected municipal and county sectors



for long-term trends within selected sectors.)

In recent years, the health care and kindergarten sectors have seen the largest increase in municipal employment. In these areas, the proportion of employees without professional training has also remained high and stable over time, although this differs between municipalities. Municipalities offering full-time or nearly full-time positions have a lower percentage of health care and kindergarten employees without professional training. Municipalities with a high percentage of immigrants and municipalities with a low level of general education have a higher proportion of workers without vocational education (NIFU 2015).

BETTER SKILLS PROVIDE CAREER BOOST

Changes in occupation category in the payroll system among employees in local or regional authority provide a general indication of the approximate number of employees who have completed vocational training and continuing

education. Over the last four years, an average of 4.8 percent of employees' job categories changed from one year to another. Most changes in job description have been due to new or improved skill sets.

On average over the last four years, we have noted the following changes from one year to the next:

- 9.9 percent of secondary education teachers with a master's degree (lectors) - about 240 people - have taken 30 ECTS credits and been upgraded to lectors with additional training.
- Among teachers without recognised teacher training, 5.9 percent (approx. 360 people) were employed as secondary education teachers with a bachelor's degree the following year.
- 4.1 percent of secondary education teachers with a bachelor's degree (approx. 1,250 people) have taken 30 ECTS credits and been upgraded to qualified secondary education teachers with additional training.

- 3.4 percent of employees in positions without specific educational requirements (approx. 3,400 people) have become skilled workers.
- 1.3 percent of skilled workers (approx. 1,700 people) have moved on to positions calling for university college training.
- 1.2 percent of employees in jobs demanding university college education (approx. 740 persons) have moved on to university college positions requiring additional specialist training.

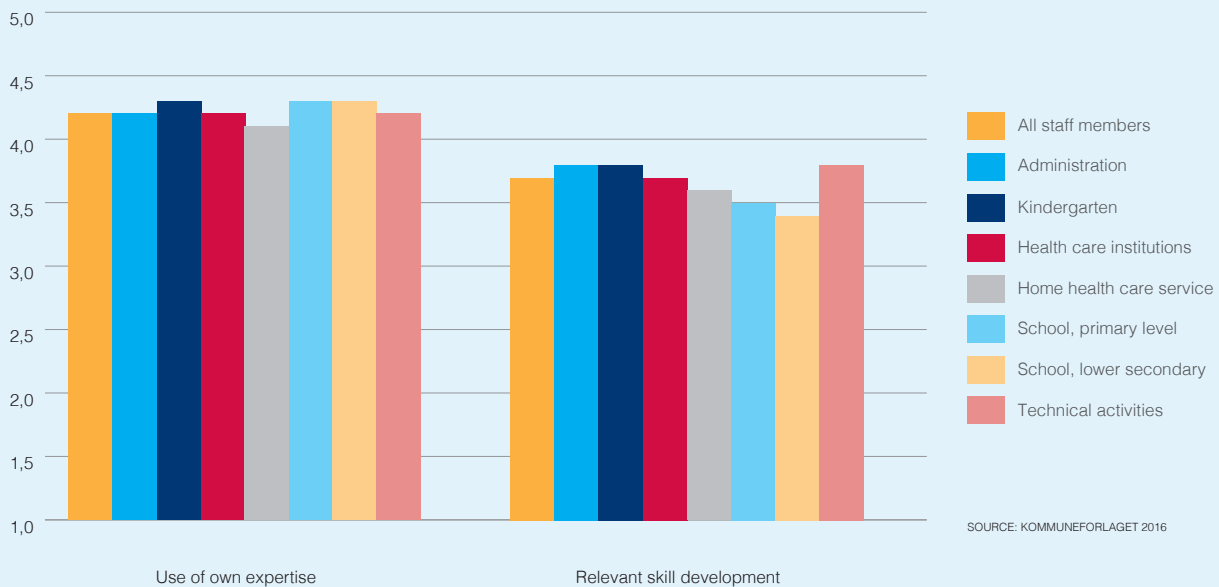
SKILLS DEVELOPMENT TO SOLVE TASKS

Use of own expertise and relevant skills development are two of the ten factors in KS' employee survey, 10-FAKTOR. The former measures the degree to which employees find that they get to positively utilise their job-rele-

vant skills in their current role. In turn, relevant expertise is crucial in order for employees to perform their duties to a high standard at any given time. The level of expertise also affects the quality of all types of services provided.

Among all employees the average score given for utilising own expertise is 4.2, and the score for relevant skills development is 3.7. All of the service areas depicted in Figure 24 score quite high on the use of own expertise, with school and kindergarten staff granting the highest scores. The results for relevant skills development are consistently lower than the results for using own expertise. Lower secondary school employees give the lowest collective score for relevant skills development, while kindergarten, administrative and technical roles rate this factor the highest.

FIGURE 24
The use of own expertise, and relevant skill development, national average score by service area



SOURCE: KOMMUNEFORLAGET 2016



Training programmes offered within higher educational institutions have potential when it comes to matching recruitment and skills requirements within the municipal sector.

The municipality should to a greater extent be used as a testing ground for developing skills, particularly towards the end of the study period. Supervised practice within the municipality must be adequately facilitated and financed, and responsibility should be directly transferred to the municipal sector, as opposed to training institutions.

Local and regional authorities are encouraged to increase the number of apprenticeships by at least two per 1,000 inhabitants per year.

There is a need for increased and modified financing in order to enhance the appeal of vocational training and customise training programmes to society's needs.





Full-time and part-time

In the local and regional authorities, half of the employees work part-time, with the volume of part-time work being greatest in the municipal health care sector. Having a lot of part-time staff is detrimental to the quality of services and makes it more difficult to recruit sufficiently skilled labour to the sector. The issue of developing a culture for working full-time is high on the political agenda both nationally and locally. Many municipalities are putting measures in place in order to resolve the challenge of the part-time working culture.

PART-TIME WORK IS UNEVENLY DISTRIBUTED

50 percent of employees in the local and regional authorities work part-time: 53 percent of municipal employees work part-time, whereas the figure is 30 percent for county employees.

The proportion of part-time work is unevenly distributed when it comes to gender, age-groups, education levels and sectors. It is primarily women who work part-time. The proportion of people working part-time is highest among employees aged 30 years or younger. That being said, the youngest employees constitute a low percentage of the overall number of employees, which means that we find the largest number of part-time employees among those aged 30 years or older.

Among municipal employees the highest rate of part-time work is seen among health care staff, where two out of three work part-time. This is followed by the youth development sector, where 42 percent of teaching staff and 40 percent of day-care staff work part-time. In the education sector, part-time employment is particularly common within after-school child-care programmes.

SOME WORK MORE – WHILE OTHERS WORK LESS

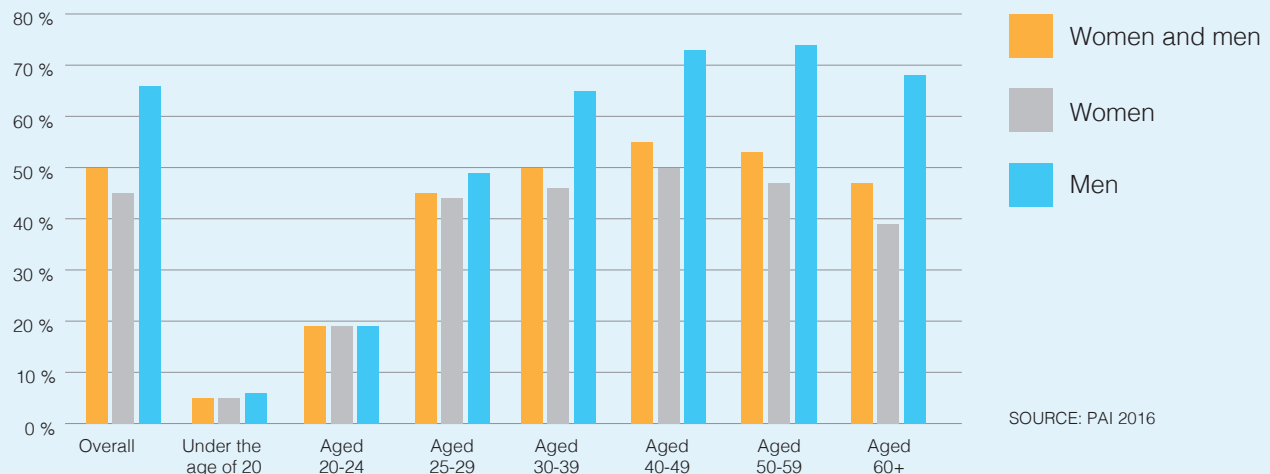
The average percentage of full-time employment in the municipal sector remained relatively stable from 2010 to 2015, at just under 79 percent. Yet we have noted changes among certain employee groups over the same period.

Whereas employees aged 30 years or younger had an average percentage of full-time employment of 67.8 percent of FTE in 2010, the size had decreased to 62.9 percent of FTE by 2015. However, if we look at those employees who were aged 30 years or younger in 2010, and who were still employed in 2015, they had increased their average percentage of full-time employment from 72.4 to 80.1 of FTE during this period. For the age-group 40-49 years, the average percentage of full-time employment increased from 81.3 percent of FTE in 2010 to 82.7 percent in 2015.

Staff who were employed in 2010 and still in 2015 increased their percentage of full-time employment on average from 82 to 83.5 percent of FTE. In this age-group, the average percentage of full-time employment increases with age up to the age of 52 years, when it begins to decrease until retirement.

TABLE 3
Percentage of part-time employees by service area

	Municipalities	Counties
Sum	53 %	30 %
Administration	23 %	12 %
Teaching	42 %	31 %
Kindergartens	40 %	-
Health care	67 %	35 %
Transport and technology	28 %	13 %
Other	38 %	20 %

FIGURE 25**Percentage of full-time employees in municipalities and counties, by gender and age-group**

The average percentage of full-time employment among part-time employees is 58 percent. Furthermore, the average percentage of full-time employment among employees who were working part-time in 2010 and still in 2015 increased from 60 percent in 2010 to 63.3 percent in 2015.¹⁷

GREATER DEMAND FOR FULL-TIME

85 percent of municipalities and 62 percent of the counties claim to have taken measures to increase the proportion of staff working full-time. This is an increase from last year, indicating that many local and regional authorities are making systematic efforts to ensure that more people are willing to and able to work full-time. The most commonly tested measures by the municipalities are: trans-department work, longer shift lengths [for medical staff] and more weekend shifts. Among the counties, trans-sector work and upskilling are the measures most commonly used to reduce the number of part-time employees.

Despite the fact that local and regional authorities are increasingly taking specific measures to facilitate full-time work, nearly 59 percent of

municipalities and 88 percent of the counties feel that the measures have had a "minor effect" or "no effect at all". Just over 1/3 of the municipalities stated that they had increased the share of employees working full-time "to a great" or "to a fairly large extent" through various measures. Developing a culture of working full-time is a long-term commitment. A lack of results in the long term may be due to a lacking sense of ownership, a failure to communicate goals and purpose, and insufficient prioritisation of resources (Fafo 2012).

INCENTIVES TO WORK FULL-TIME

To achieve a full-time working culture, it is necessary to rethink how vacant positions are advertised. When asked to what extent vacant part-time jobs are used to increase the percentage of full-time employment for those currently working part-time in FTE, rather than advertising new part-time positions, around 80 percent of municipalities and 69 percent of counties state that they do this to a "great extent" or "fairly large extent".

By being able to offer young graduates full-time positions, the municipal sector will be seen

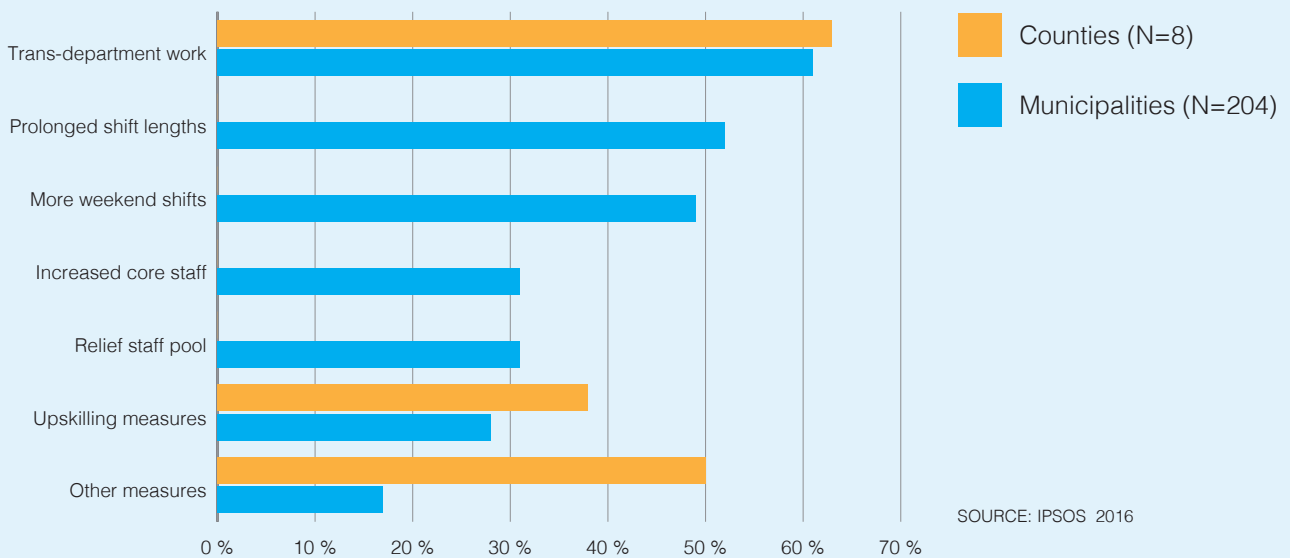
¹⁷ For more on average percentage of full-time employment, see <http://www.ks.no/fagomrader/Arbeidsgiver/analyse-og-statistikk/lonn-og-sysselsetting/>

TABLE 4
Average percentage of full-time employment among municipal and county employees, by service area

	All staff members	Part-time employees
Sum	79 %	58 %
Administration	88 %	64 %
Teaching	84 %	64 %
Kindergartens	83 %	65 %
Health care	69 %	56 %
Transport and technology	76 %	36 %
Other	74 %	52 %

Source: PAI 2016

FIGURE 26
What is your municipality/county doing to facilitate more full-time work?



SOURCE: IPSOS 2016

as an appealing employer. Among the counties that participated in this year’s survey, all of them state that they offer graduates permanent full-time positions “to a great extent” or “to a fairly large extent”. As for the municipalities, 61 percent report that they offer graduates permanent full-time positions “to a great extent” or “to a fairly large extent”. Just over one third of the municipalities state that they “to a minor extent” hire newly graduated students to permanent full-time positions. However, there are differences between sectors in how jobs are advertised that are not adequately reflected in these figures.

FULL-TIME WORK IS THE TARGET

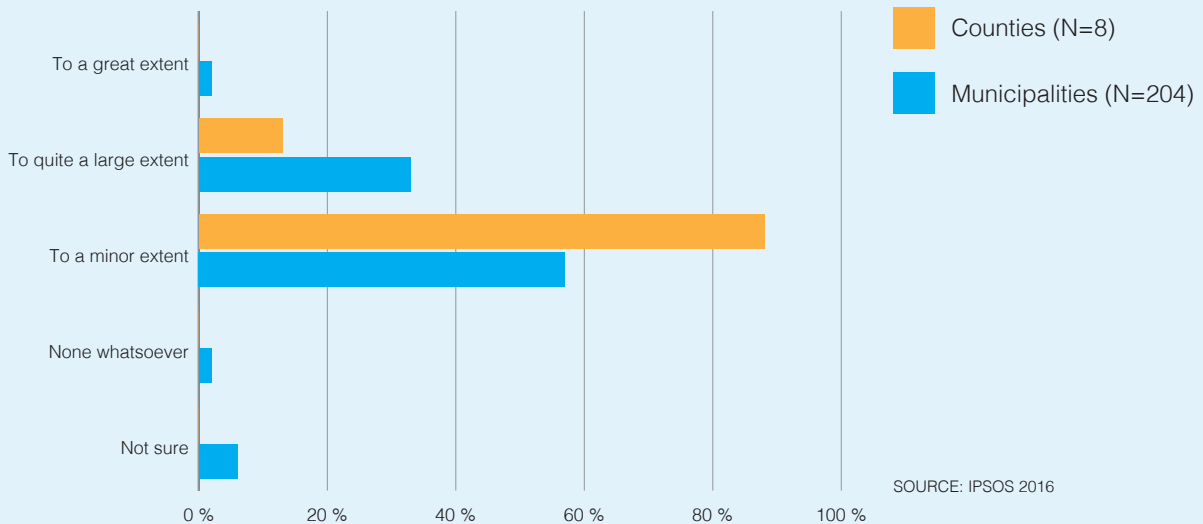
In autumn 2015, KS, the Norwegian Union of Municipal and General Employees, the Norwegian Nurses Organisation and Delta renewed the *Full-time declaration*, which was initially concluded in February 2013. The parties declare that the goal of developing a culture for full-time employment requires the effort and

commitment of all parties, both on a central level and locally. Good local routines and a sense of ownership among elected representatives are crucial factors in order to succeed. In conjunction with the declaration, a guidebook has been developed to help local efforts and to encourage a culture of full-time employment, and the parties have agreed to follow up the efforts within their own action plans.¹⁸

GENERAL COLLECTIVE AGREEMENT PROMOTES A CULTURE FOR FULL-TIME WORK

Several amendments have been made to the General Collective Agreement to support local efforts to promote a culture for full-time work. The focus has been changed from involuntary part-time work to a culture for full-time work, and the agreement specifies that local authorities now have to create their own guidelines. The parties’ guidebook is recommended as an important tool in these efforts.

FIGURE 27
To what extent has your municipality/county managed to increase the proportion of staff working full-time through active measures?



SOURCE: IPSOS 2016

¹⁸ The guidebook can be found on the KS website.



The municipal sector needs to be an appealing employer that attracts sufficient and competent staff. Full-time work needs to be the general rule in order to accomplish this.

A culture of full-time work arises from good local processes and a high level of ownership among leaders, elected representatives, elected union representatives and employees.

The municipal sector needs to increase its commitment to full-time positions.

The working time provisions are an important instrument for achieving the goal of a full-time culture in the municipal sector in general and in the health care sector in particular.





Sick leave, impaired functionality/disability and retirement age

A high level of sick leave is the biggest challenge facing municipalities as employers. The high level of absence is mainly attributable to a high percentage of women and high average age, and to the fact that there has been a significant increase of employees in the health care sector and kindergartens – where we find the highest percentage of absence.

HIGH ABSENCE DUE TO ILLNESS AMONG MUNICIPAL STAFF

Sick leave in the municipal sector for the period Q2 2015 to Q1 2016 was at 9.7 percent, totalling about 8 million workdays annually. This is an increase of 1.2 percent on the corresponding period the previous year. Among the municipalities, the sick leave rate totalled 10.0 percent, while the total sick leave rate among county employees was 7.4 percent. However, it is sick leave beyond the period financially covered by the employer that is increasing among both municipal and county staff.

To achieve the objective stated in the IA (Inclusive Workplace) Agreement (2014–2018) of a 20 percent reduction in sick leave compared to 2001 levels, sick leave among local government’s employees must be reduced to 6.7 percent in 2018.

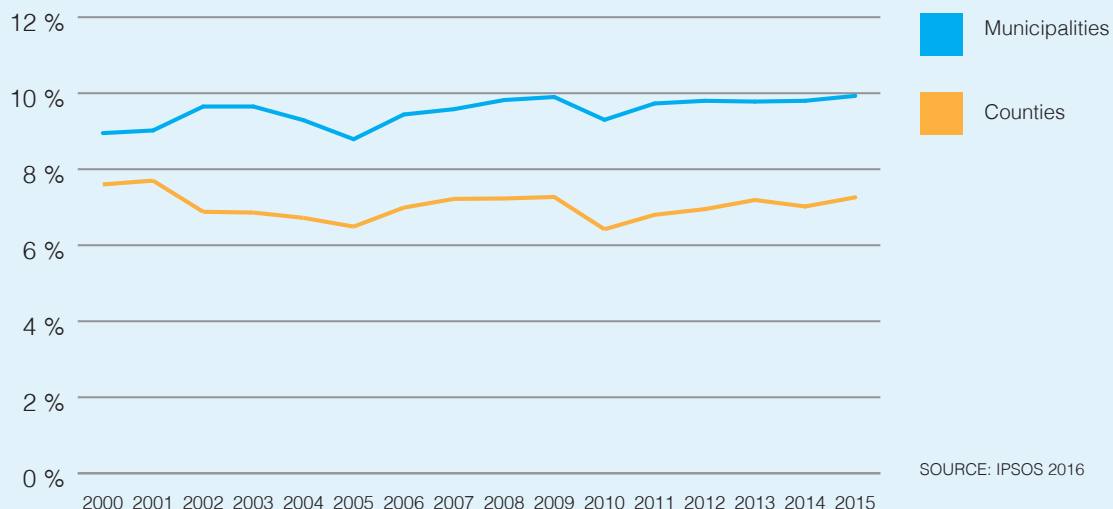
TRENDS IN SICK LEAVE

Sick leave in the municipalities varies between different service areas, and is higher in the health care sector and in kindergartens than

in management and the technical sector. The sectors with the highest proportion of females also have the highest absence rates. Over the past years there has been a relatively large increase in the size of the workforce in sectors with high sick leave rates compared to sectors with low sick leave rates. This suggests a general increase in the total sickness absence rate, and explains about half of the increase in sick leave in the past five years.

Studies have shown that the causes of absence due to illness are complex. This makes it challenging to find out what is driving the trends, and why there are such large differences between municipalities and between sectors. Municipalities and counties are inclusive organisations that do a good job of facilitating an optimal work-life balance for their employees. There is a large potential for local authorities to fill their employment needs by reducing sick leave, recruiting more people with reduced functioning/disabilities and by increasing the average retirement age.

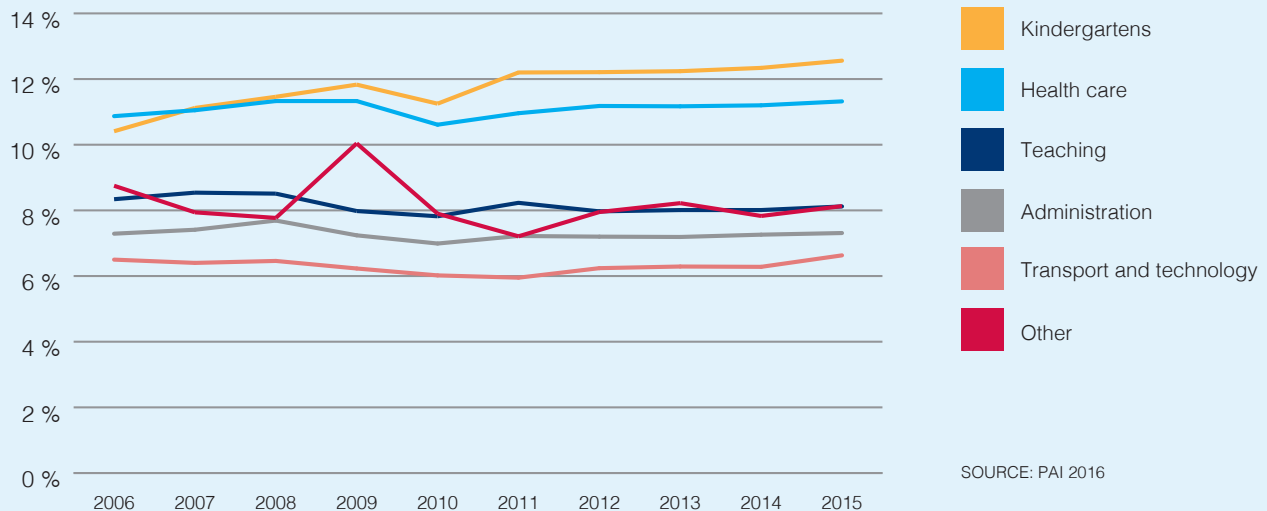
FIGURE 28
Trends in total sick leave at municipal and county level, Q4 to Q3



SOURCE: IPSOS 2016

FIGURE 29

Total sick leave within different sectors at municipal and county level, Q4 to Q3



WOMEN HAVE A HIGH SICK LEAVE RATE

Women take sick leave significantly more often than men. This is statistically consistent throughout the international labour market. The total sick leave rate among female and male municipal employees was measured at 10.9 and 5.9 percent respectively in the period Q2 2015 to Q1 2016. Women take sick leave 84 percent more often than men. Despite considerable research on this topic, there is no clear explanation as to why the difference is this large.

EMPLOYEES WITH IMPAIRED FUNCTIONING/DISABILITIES

Statistics Norway's 2015 labour force survey shows that nearly 16.6 percent of the population aged 15-66 report having a disability.¹⁹ Of these, just over 43 percent are in employment, compared to about 74 percent of the total population in the same age-group. The lowest difference in employment rate between per-

sons with disabilities and the total population can be seen among those aged 15-24, while the highest difference is measured among those aged 40-54 (SSB 2015).

The municipal sector employs a higher proportion of persons with disabilities than the private and government sectors. All sectors however, showed an upward trend in the employment rate for persons with disabilities from 2014 to 2015. In Q2 2015, 12.5 percent of municipal employees had some form of disability. This is an increase of 1.3 percentage points from the corresponding period in 2014. During the same period, the percentage of employees with a disability in the private sector rose from 8.4 to 9.1 percent, while the percentage in national government jobs rose from 7.7 to 8.2 percent (Bo and Håland, 2015).

27 percent of unemployed disabled people in 2015 expressed a desire to work. This percen-

¹⁹ Impaired functionality/disability [Norwegian: nedsatt funksjonsevne] is defined as physical or mental health issues of a more permanent nature.

tage has remained stable since the survey began 14 years ago. In the overall population, 36 percent of unemployed persons aged 15-66 years expressed a desire to work (SSB 2015).

FIGURE 30
Total sick leave among municipal and county employees, by gender and age-group, Q2 2015 to Q1 2016

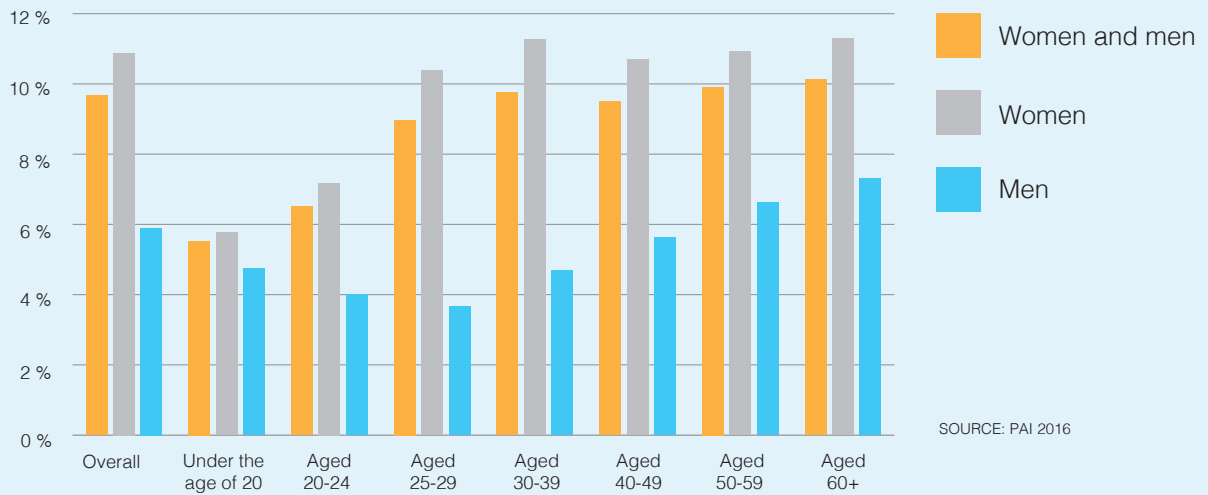
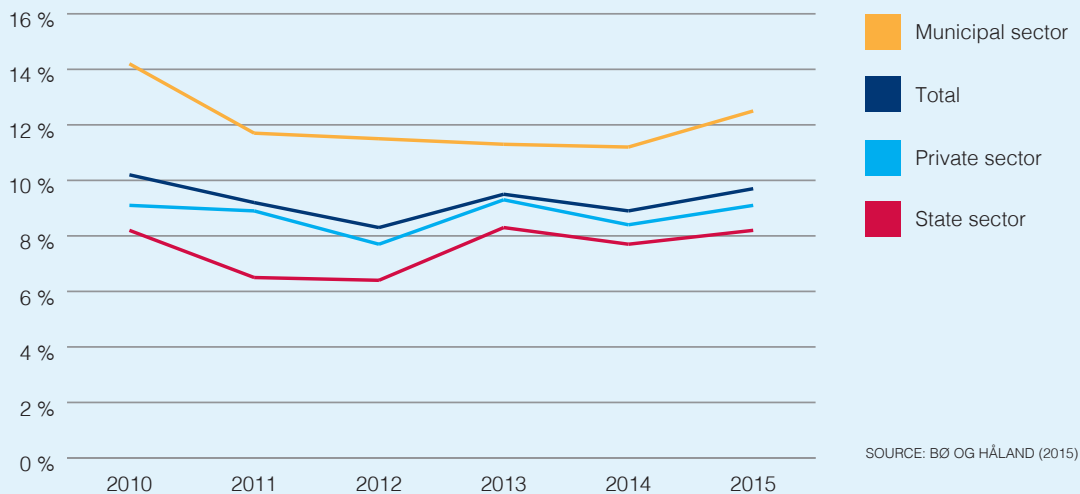


FIGURE 31
Employees with disabilities as a proportion of total employees, by sector



HIGH RETIREMENT AGE IN MUNICIPALITIES AND COUNTIES

The average retirement age for employees over 55 years in 2015 was 63.4 years across the municipal sector as a whole. On average, the retirement age was 63.7 years for men and 63.3 years for women. The retirement age averaged 63.3 and 63.8 years for municipal and county employees respectively. Although this is a slight decrease from the previous year, the

long-term age trend is rising. Municipal employees have shown a relatively steady increase in retirement age from 2008 to 2014.

Teaching staff in 2015 had an average retirement age of 63.2 years, which is slightly lower than the previous year. Health care personnel and kindergarten staff had an average retirement age of 63.0 and 61.2 years respectively (PAI 2016).

FIGURE 32
Average retirement age among age-group 55+

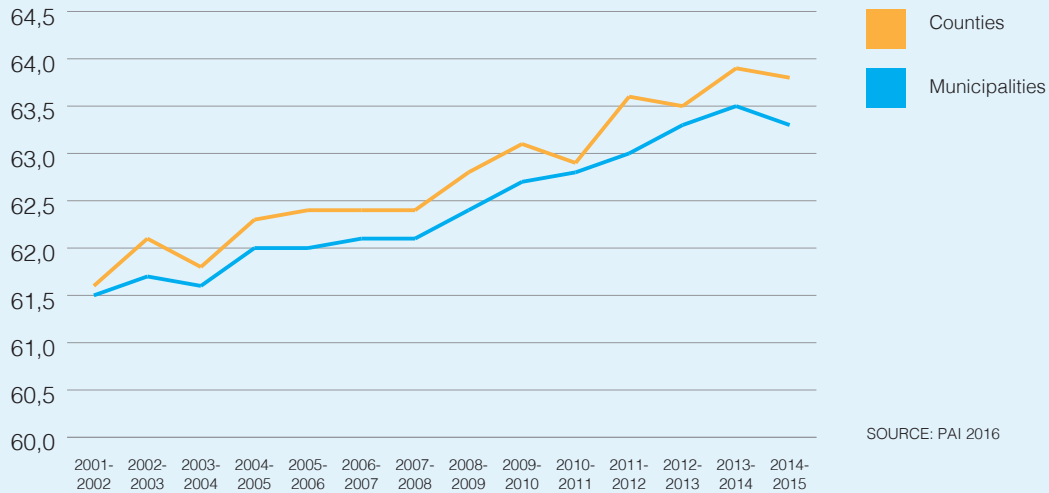
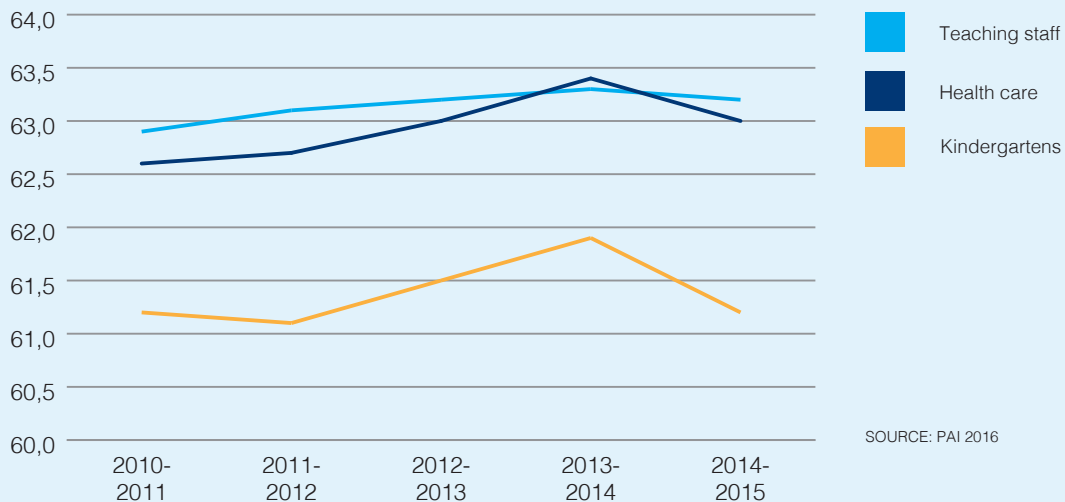


FIGURE 33
Average retirement age among age-group 55+, by service area





Extra efforts are needed to reduce sick leave rates.

A larger proportion of municipalities and counties need to show a reduction in sick leave rates.

There is a need for better correlation between the manpower requirements in the municipal sector, the education programmes offered at all levels, and the range of NAV incentives available to support inclusion in the workplace.





Salary and working conditions

Salary is one of several factors having an important impact on retaining and recruiting employees. Figures from the Norwegian Technical Calculation Committee for Wage Settlements (TBU) show that the general pay rise trend among municipal employees in the 2010-2015 period was in line with the pay rise trend in other major wage negotiation sectors. Total wage costs make up more than 60 percent of municipalities' operating budgets, and it is important to ensure a targeted allocation of salary funds.

SALARY TRENDS

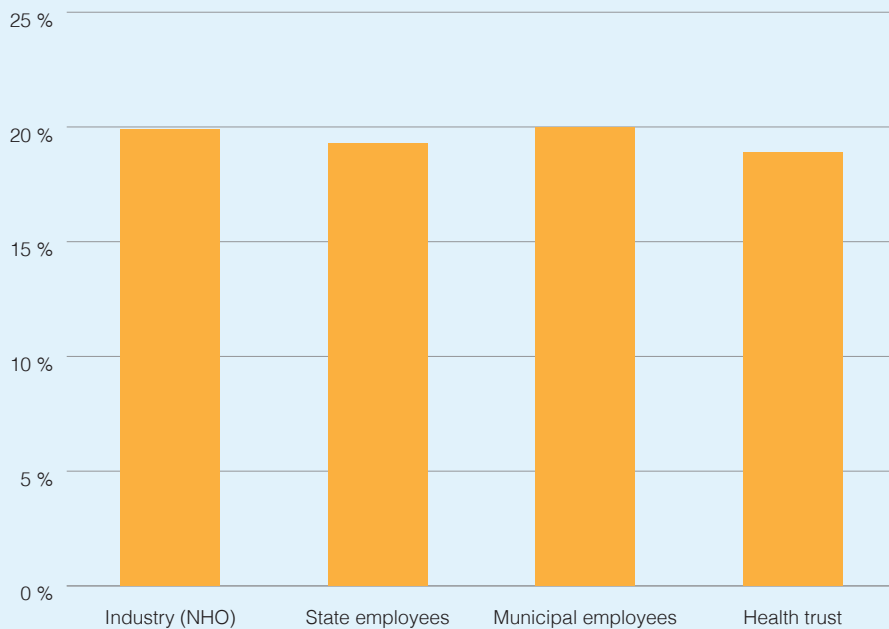
In the 2010-2015 period, the overall salary of municipal employees increased by 20.0 percent. This equals an average pay increase of 3.7 percent per year. In comparison, annual salaries for government employees were 19.3 percent over the same period, which represents an average pay increase of 3.6 percent per year.

Among full-time employees in the municipal sector with more than four years of tertiary education, the date-to-date salary increase from 2010-2015 came to 17.7 percent. This is a higher increase than in private industry, state sector and hospital sector. The salaries of municipal employees with tertiary education of up to four years have increased by 17.2 percent as of today. The salaries of municipal employees with secondary school education increased by 18.2 percent in the 2010-2015 period (TBU 2016).



In the 2010-2015 period, the overall salary of municipal employees increased by 20.0 percent.

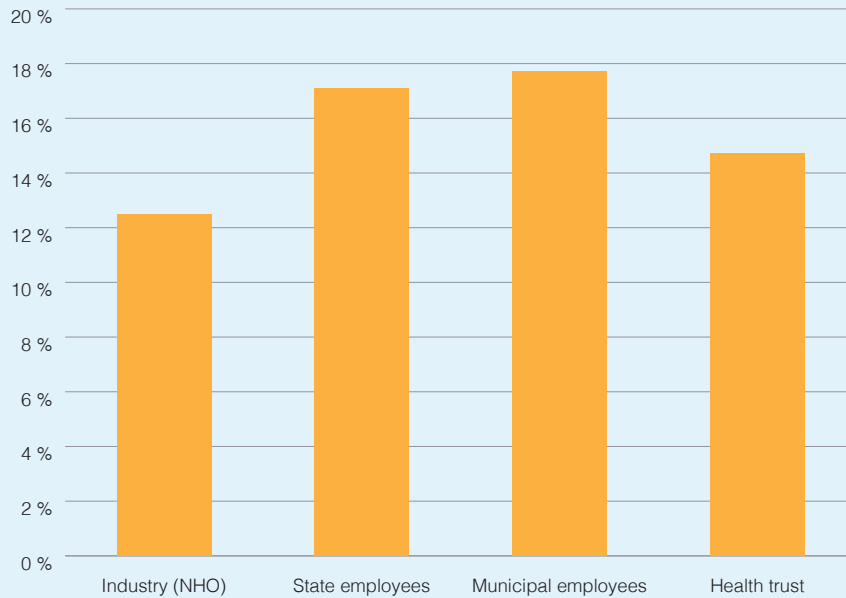
FIGURE 34
Annual salary increase in percentage 2010-2015 for key wage negotiation sectors



SOURCE: TBU 2016

FIGURE 35

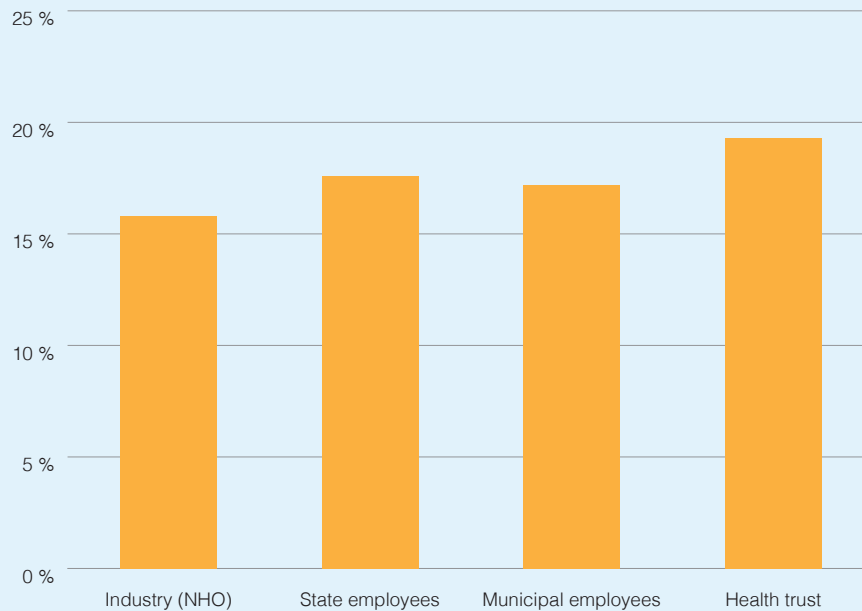
Overall date-to-date salary increase in percentage from 2010-2015 for full-time employees with more than 4 years of tertiary education



SOURCE: TBU 2016

FIGURE 36

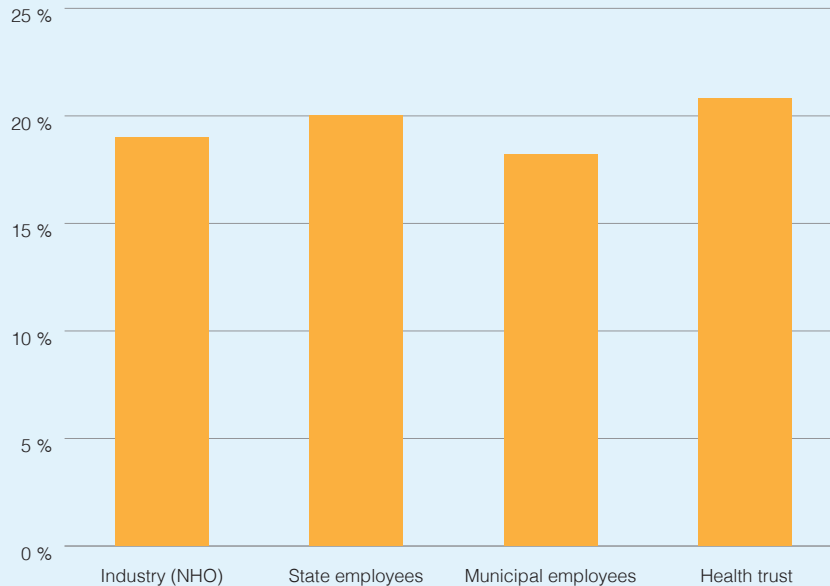
Overall date-to-date salary increase in percentage from 2010-2015 for full-time employees with up to 4 years of tertiary education



SOURCE: TBU 2016

FIGURE 37

Overall date-to-date salary increase in percentage from 2010-2015 for full-time employees with secondary school education



SOURCE:TBU 2016



In 2015, the average annual salary for municipal employees was NOK 477,500.

WAGE LEVELS IN THE MUNICIPAL SECTOR

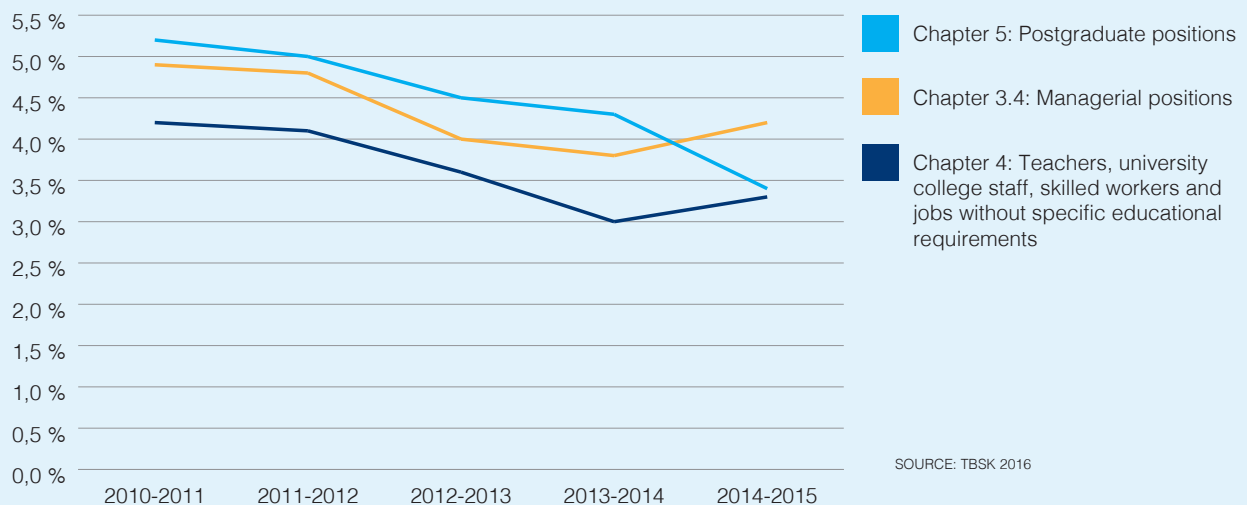
In 2015, the average annual salary per FTE for municipal employees was NOK 477,500. The average pay level in the municipal sector is lower than in the private industry and the state sector. Some of this disparity is due to differences in work duties, which entail different position structures with different wage levels. Furthermore, there is a higher percentage of employees working in positions with no particular educational requirements in the municipal sector than in the national government.

Education levels and positions differ between women and men. The result is that women and men are employed differently and have different pay levels. For instance, 80 percent of assistant positions were occupied by women, while the proportion of men in municipal chief executive positions is 73 percent. If such differences are taken into account, women's monthly earnings total 98 percent of men's monthly earnings. If such differences are not taken into account, women earn 93 percent of what men do.

ANNUAL PAY RISE UNDER GENERAL COLLECTIVE AGREEMENT

Figure 38 shows the annual salary increase in percentage for the various occupations negotiated under the General Collective Agreement. The groups covered by the centralised salary increase system, categorised in Chapter 4, had an average annual salary increase per year of 3.6 percent from 2010 to 2015. For the categories of postgraduates listed in Chapter 5, whose salaries are only set locally, the average salary increase per year in the same period was 4.5 percent. Leaders categorised in Chapter 3.4 had an average annual salary increase of 4.3 percent from 2010 to 2015.

FIGURE 38
Annual salary increase for various chapters in the General Collective Agreement



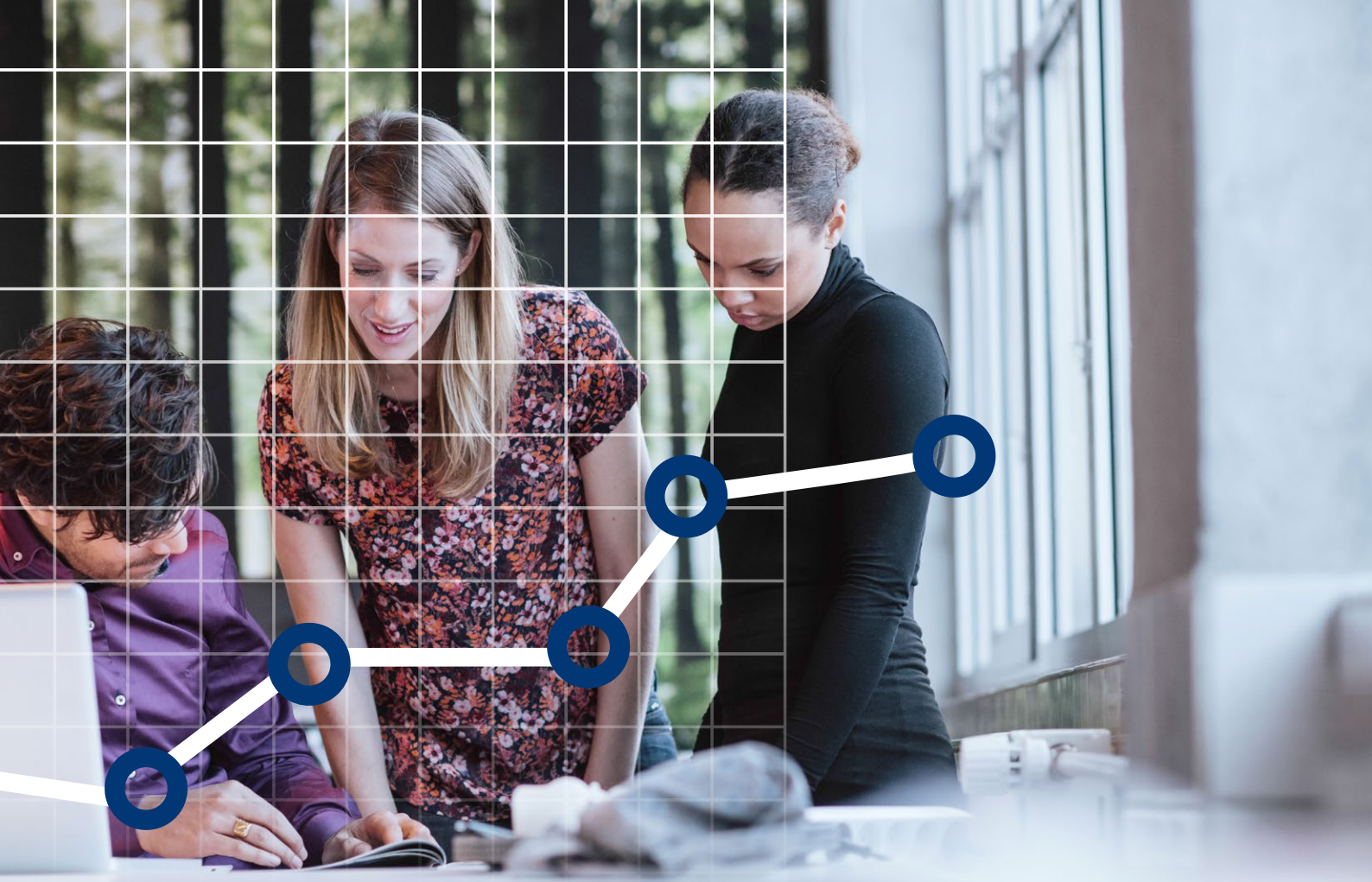


The general collective wage and negotiation system is one of several measures to retain and recruit employees, and is intended to give local authorities the flexibility to ensure and provide the necessary skilled labour.

The General Collective Agreement needs to meet the requirements of today's and tomorrow's workforce. This entails that the provisions in the agreement have to be continually developed and adapted.

The implementation of wage settlements is the responsibility of the parties involved. The Norwegian model for wage settlements (Frontfagsmodellen) implies that salaries can only be at the level that sectors exposed to international competition can cope with in the long term. Parties to the agreements in such exposed sectors therefore conduct their wage negotiations first, and the results of those negotiations set a benchmark for the remaining sectors.





Immigration

2015 figures from Statistics Norway show that the proportion of employees in the municipal sector with immigrant backgrounds was 11.8 percent. This is a slight increase from the previous year and an increase of 1.9 percentage points since 2011. The employment rate for people with immigrant backgrounds is lower than for the general population. Increased employment of immigrants can provide a valuable influx of new staff for the municipal sector.

NORWAY'S IMMIGRANT POPULATION

At the beginning of 2016, people with immigrant backgrounds made up 16 percent of the Norwegian population. This means that roughly 848,200 people have either immigrated to Norway or were born in Norway to two immigrant parents.

People originating from a total of 223 different countries and autonomous regions live in Norway. By far the biggest group of immigrants come from Poland, followed by Lithuania, Sweden and Somalia. There are immigrants living in every single municipality nationwide. The highest percentage is found in Oslo and Drammen, where people with an immigrant background account for 32.5 and 28 percent of the population respectively.

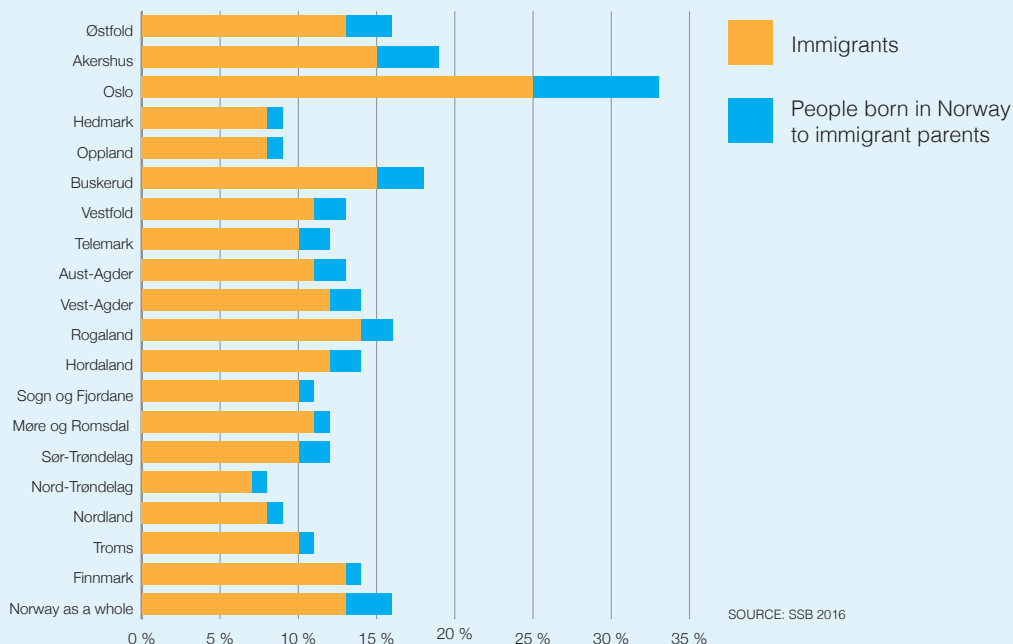
Immigrants and people born in Norway to immigrant parents are, on average, significantly younger than the population as a whole. 50 percent of Norway's immigrant population is currently aged between 20 and 40, and only 9 percent are aged over 60. People born in Norway to immigrant parents are even younger: more than half are aged under 10, 80 percent are aged under 20 and only 1.7 percent are aged over 40 (SSB 2016).



At the beginning of 2016, people with immigrant backgrounds made up 16 percent of the Norwegian population.

FIGURE 39

Immigrants and people born in Norway to immigrant parents in percentage of the population, by county



SOURCE: SSB 2016

PROJECTED IMMIGRANT POPULATION

Immigration has an important effect on municipalities' demographic development.²⁰ In the next three decades, the immigrant population is expected to double compared to today's figures. Statistics Norway has estimated that this group of the population will increase from the current 700,000 to 1.4 million by the mid-2040s, and to 1.7 million by 2060. The number of persons born in Norway to two immigrant parents is also projected to increase significantly, due to a relatively high net immigration expected in the years to come. However, the immigration projections are highly subject to fluctuation, so there is considerable uncertainty associated with the estimates (Tønnessen et al., 2016).

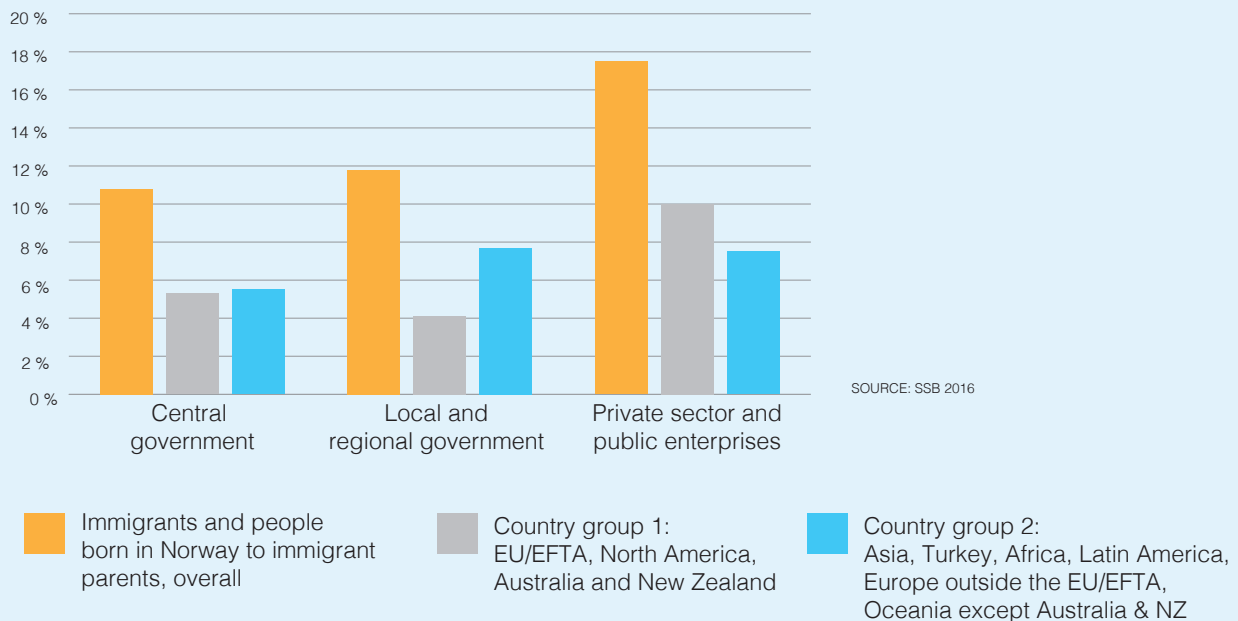
Immigrants are usually relatively young when they arrive in the country, which helps to slow

the overall aging of the population. Despite the fact that net immigration increases the size of the country's active workforce in proportion to the size of the retired population, we are still likely to see a decrease in this ratio between active workforce and retired population.

PARTICIPATION IN THE LABOUR MARKET AND EDUCATION

According to Statistics Norway's register-based employment statistics, 60.3 percent of immigrants aged 15-74 were in employment in 2015. By comparison, the employment rate in the total population was 66.1 percent. Among immigrants, the proportion of men in employment is considerably higher than the proportion of women. The disparity in employment is almost twice as high among immigrants in comparison with the overall population. Differences can also be seen based on country of

FIGURE 40
Percentage of employees by country of origin and sector



²⁰ NB: asylum seekers are not counted in population statistics before they are granted a residence permit.

origin: 69 percent of immigrants from country group 1 were employed in 2015, while the proportion among immigrants from Asia was 56 percent, and from Africa 42 percent.²¹

Among the Norwegian counties, Akershus and Sogn og Fjordane had the highest employment rates among immigrants in 2015, at 64.9 and 64.3 percent. At the opposite end of the scale we find Telemark and Aust-Agder, with employment rates of 52.0 and 53.5 percent respectively (SSB 2016).

When looking at various sectors, private enterprises employ the largest share of people with immigrant backgrounds, at 17.5 percent, followed by the municipal sector and state administration at 11.8 and 10.8 percent respectively. While the municipal sector has the highest percentage of employees from country group 2 at 7.7 percent, municipal administrations also have the lowest proportion of employees from country group 1, at 4.1 percent.²² Since 2011, the municipal sector's share of employees from country groups 1 and 2 increased by 0.7 and 1.3 percentage points respectively.

MEASURES TO RECRUIT IMMIGRANTS

Among the municipalities and counties that participated in this year's survey, 25 percent of municipalities and 31 percent of the counties stated that they have implemented special measures to recruit staff from the immigrant population. This is a slight increase from the previous year, but a decrease compared to 2012, when 29 percent of municipalities and 57 percent of counties had implemented measures to recruit migrant workers.

Both municipalities and counties list inadequate Norwegian language skills as the single greatest challenge in recruiting immigrants. In

similarity to 2015 levels, as many as 78 percent of municipalities and 69 percent of counties gave this answer. Moreover, they also report a lack of formal qualifications as a recruitment issue, and the same applies to assessing qualifications from educational institutions abroad.

Of the municipalities that have implemented measures, about 3 out of 10 municipalities have utilised targeted employment measures. Examples of targeted employment measures could be: inviting at least one person with an immigrant background to be interviewed provided they are qualified for the position, attempts to anonymise job applications, and establishing trainee schemes. 3 out of 10 municipalities have also implemented Norwegian tuition measures to recruit staff, and approximately 17 percent have initiated upskilling measures. There has been little variation in the types of measures implemented from 2015 to 2016.

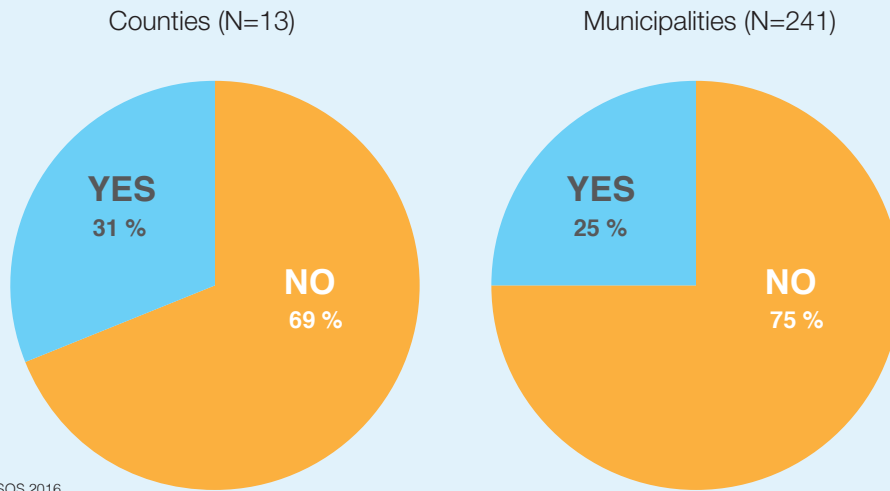
Regarding the extent to which municipalities have achieved the desired results of the implemented measures, the feedback is divided. 43 percent of the municipalities think that the measures have only had a "minor effect" or "no effect at all". A similar proportion (43 percent) believes that the measures "to a great extent" or "to a fairly large extent" have achieved the desired results.

²¹ Country group 1: EU/EFTA countries, North America, Australia and New Zealand.

²² Country group 2: Eastern Europe outside the EU, Asia (incl. Turkey), Africa, South and Central America and Oceania except Australia and New Zealand.

FIGURE 41

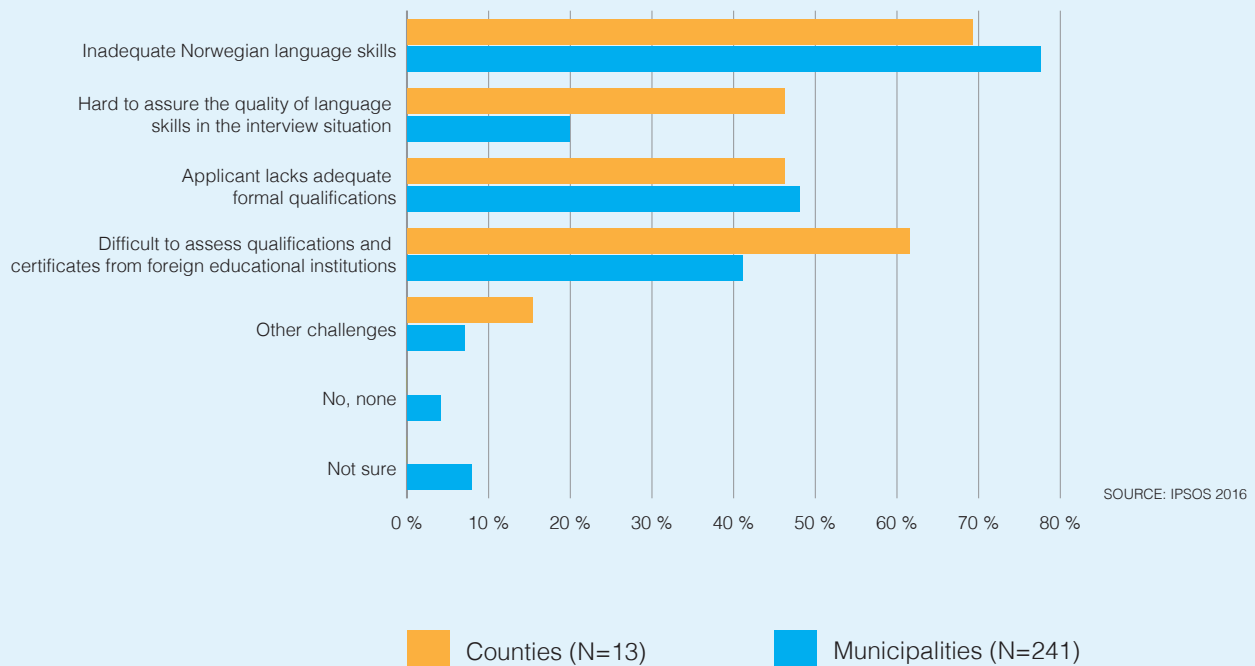
As an employer, has your municipality/county implemented targeted measures to recruit staff from the immigrant population?



SOURCE: IPSOS 2016

FIGURE 42

Has your municipality/county been experiencing any challenges in its efforts to recruit immigrants? If so, what are they?



SOURCE: IPSOS 2016



Municipalities and counties should provide apprenticeships that give immigrants vocational training in municipal professions and an opportunity to become familiar with local governments as employers.

Local and regional authorities should facilitate vocational training for people who lack basic education from their own country.

The government must ensure quicker, easier and more accurate recognition of refugees' stated education/training, and facilitate a 'fast track' into the labour force and employment.



SPECIAL FOCUS AREA 2016

Municipalities hiring refugees – some characteristics

To integrate refugees into Norwegian society, their participation in the workforce is important. Work is of value to the individual concerned, to the local economy and to society. Refugees' skills and expertise are also a resource for municipalities as employers. Inclusion moreover generates increased awareness and understanding of different backgrounds. In this year's Special Focus area, we would like to highlight some examples from municipalities that have employed refugees after completing the introduction programme.

ABOUT THE SURVEY

The aim of this year's Special Focus area is to identify important factors impacting municipalities' successful recruitment of refugees. Six municipalities have participated in a qualitative survey conducted by Ipsos. The municipalities were chosen because they have good experience in employing refugees, are geographically spread around the country, and vary in terms of population size. The survey seeks to investigate the scale of employment of refugees who have completed the introduction programme.²³

With any recruitment activity aimed at refugees, municipalities are aware that there "needs to be a job at the other end", and they are making concerted efforts to meet their municipalities' need for skilled labour. Role models,

inclusion strategies, attitudes, mentoring of refugees, language instruction, cooperation with the Norwegian Labour and Welfare Administration (NAV) and vocational work experience schemes are factors that promote the employment of refugees, according to the municipalities themselves.

SOME SPECIFIC MEASURES

One particular municipality has a scheme in place to increase cross-cultural understanding within the municipality and enable refugees and other minorities to get to know the municipality better. The municipality has established an *intercultural practice centre* at the local library, where NGOs promoting immigrants and their rights and the municipality collaborate to organise joint events. One notable effect of the

²³ Newly arrived refugees and their reunited family members aged between 18 and 55 are entitled to participate in a full-time induction program.

cooperation is that refugees have increased their knowledge of the organisation of the public sector, while the municipality has gained insight into several new cultures.

One city has an international school, where the Norwegian language training for refugees also takes place. When the school moved into new premises without a canteen, the municipality realised it was a nice opportunity to offer people work experience in the canteen. The municipality is also considering allowing interested people to have training in order to take a certificate of apprenticeship.

Another municipality has achieved good results by placing its HR manager in the chief executive's management team. This has improved the interaction between the different service areas and provided a more holistic perspective on the workplace and its employees, which in turn opens up for diversity.

TARGETED INITIATIVES TO MEET NEEDS FOR SKILLED LABOUR

It will be important to qualify refugees within areas where there are needs for skilled labour and manpower. One of the municipalities states a need for more *bilingual staff* within the health care services. This municipality is at the starting block of a potential partnership with the county carrier centre to enable assistants with native languages other than Norwegian to take health care worker training or nursing training.

Another municipality has initiated a programme for nurses who hold training certificates from their own countries to take refresher courses so that they obtain Norwegian professional authorisation.



WHAT DOES IT TAKE TO SUCCESSFULLY EMPLOY REFUGEES?

Although the six responding municipalities vary in size and specifics, they have some collective advice for other municipalities:

Awareness-building and reciprocal knowledge of the other's culture

"We need to be aware that these people offer unique skills and expertise."

- *Manager in a small-sized municipality*

Diversity in advisory roles and managerial positions encourages refugees

"Everybody stops at the lowest level. There's this glass ceiling. We need to showcase people who have managed to climb the ladder."

- *HR manager in a medium-sized municipality*

Municipal inclusion strategies and policies

"The management must work on strategies and policy making."

- *HR manager in a large municipality*

Mentoring, with a broad range of targeted measures and recognition of diplomas

"We know that mentoring pays off."

- *HR manager in a small-sized municipality*

Personal initiative and relationships

"Interaction between people fosters commitment."

- *Manager from a medium-sized municipality*



LANGUAGE AND QUALIFICATIONS

The qualification principle – that the best-qualified applicant for a municipal position should be hired – is perceived by some municipalities as an obstacle when it comes to hiring refugees to municipal jobs. Employers hold the opinion that the municipal sector requires a high standard of skills and training.

Insufficient *Norwegian* language skills among refugees presents a further challenge for employers. In the municipal services, communication is important. Language is paramount when selecting the candidate best qualified for a vacant position, according to one kindergarten director. Others emphasise that people's language skills develop when they are working, and that there is a tendency to overestimate the need for sufficient Norwegian language skills.

LARGER MUNICIPALITIES MAINTAIN BROAD COOPERATION

Employers highlight their cooperation with NAV as an important factor when it comes to recruiting refugees, particularly after completing the introduction programme.²⁴ One municipality highlights an example of well-functioning cooperation with NAV, where NAV offers assistance such as benefits for refugees in the period between finishing the introductory programme and commencing work/training. In this transitional phase, the two parties are collaborating on a solution that makes the refugee less vulnerable. Other municipalities are experi-

encing a need for closer cooperation with NAV for job recruitment.

One large city municipality cooperates with NGOs and asylum centre operators in order to facilitate measures such as schooling. During the high influx of asylum seekers in 2015, there was close cooperation between the municipality management and asylum centre operators. The municipality is also working with the Confederation of Norwegian Enterprise (NHO) to assist employees with minority backgrounds.²⁵ The programme can equip participants with greater expertise and valuable networks, and in turn participants become models for others.

WORK EXPERIENCE IN THE INTRODUCTION PROGRAMME

The level of basic skills, education and Norwegian language skills varies from individual to individual. Municipalities encourage language training and work experience in the introduction programme for newly-arrived refugees. This lays the foundations for future employment. The individual participant's own efforts, and employers who offer internships and mentoring, are important factors for a successful work placement. Leaders highlight the importance of work experience during the introduction programme in order to qualify for permanent work. Work placements are also useful for municipal employees because they allow them to get acquainted with, and potentially have responsibility for, the person completing the placement period.



Completing a work experience placement is a door opener. You get to know each other.

- director in a small-sized municipality

²⁴ The state employment scheme *arbeidspraksis i ordinær virksomhet* (work experience in real-life businesses) was replaced by *arbeidstrening* (job training) on January 1, 2016.

²⁵ *Global Future* is the Confederation of Norwegian Enterprise's talent scheme for recruiting highly educated immigrants to key positions and directorships in Norwegian industry.

Respondents mention vocational work placement as a good scheme. The placements allow refugees to perform duties relating to a particular occupation. Refugees often do placements or obtain work in fields such as cleaning, non-medical health care and kindergartens. They frequently find it difficult to find work placements or employment in other fields.

MASTER PLANS ARE IMPORTANT FOR RECRUITMENT

One municipality has an equality and diversity strategy in place. Among other things, the strategy entails that the municipality keeps statistics on the recruitment of various groups, including people originating from outside Norway. The municipality consciously aims to increase the number of people who complete work placements and apprenticeships. The municipality is also working with Vox (the Norwegian Agency for Lifelong Learning) on language courses for cleaning and kindergarten staff. The courses are aimed at people who are already employed by the municipality.

One municipality has interdepartmental cooperation in various municipal service areas such as housing, training, psychiatric and substance abuse. The cooperation is structured as a project with its own steering committee. The municipality has developed a 'roadmap' of ways for refugees to find work. It summarises current needs against the number of available candidates in the municipality.

One municipality has developed a refugee reception and inclusion strategy. Its strategic aim is to highlight professional services. The municipality encourages refugee mentoring. The broad portfolio of measures includes work placements in combination with, for instance, parental guidance, mental health courses, physical activity, and depression or stress management courses.

FACTS: INTEGRATION OF REFUGEES IN NORWEGIAN MUNICIPALITIES

The settlement of refugees in Norwegian municipalities is based on voluntary allocation. Most Norwegian municipalities agree to a share of refugee settlements.

Since the *Introduction Act* [Norwegian: *introduksjonsloven*] entered into force in 2004, all local authorities receiving refugees are obligated to provide a full-time introduction programme to all adult refugees. The programme lasts for up to two years. The aim of the programme is to manage the transition to employment or regular education/training through language tuition, courses in Norwegian culture and society, and measures preparing the participants for life in the Norwegian labour market.

Municipalities that settle refugees receive an integration bonus from the government to cover the costs related to settlement and integration.

Settlement

- In 2015, the municipalities received 11,334 refugees.
- The municipalities have agreed to settle 16,446 refugees in 2016. Of these, 2,893 places are reserved for unaccompanied minors.
- The largest groups of refugees originate from Syria, Eritrea and Afghanistan.
- Almost half of the refugees who are settled in 2016 are single adults.
- 69 percent of the refugees who are settled are men.

Introduction programme

- In 2015, approx. 11,000 adult refugees attended the introduction programme.
- 45-50 percent of participants in recent years have gone directly to employment or education after completing the introduction programme.
- Approximately 60 percent of participants are in employment or education one year after completing the programme.
- The goal of integrating refugees into work life or education after the introduction programme is significantly more often achieved for men than for women, and there is relatively large variation between municipalities.

Sources: The Directorate of Integration and Diversity and The Norwegian Directorate of Immigration

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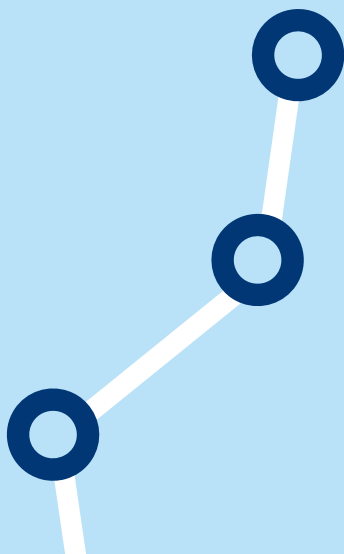
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