

## **New forms of employment**

### **Employee sharing, Finland**

#### Case study 8: Andelslag Labour Pool

*Andelslag Labour Pool has been recruiting seasonal and production staff for companies in Finland since 2002. However, uncertain economic times have caused some employers to withdraw from the scheme, and it faces growing competition from temporary work agencies.*

### **Introduction**

In Finland, the concept of a ‘labour pool’ is used in the context of the labour market generally, and in terms of social policy. There is a need to increase labour mobility and the number of young people entering the labour market, especially in times of economic uncertainty (Valtioneuvoston kanslia, 2010). It is also important to find ways to match the demand for, and the supply of, labour more effectively.

However, the term ‘labour pool’ (also sometimes called a ‘labour bank’), has also been associated with the efforts of the state, municipalities and the third sector to help the long-term unemployed and people with special needs to find employment with the support of public financing. Labour banks, in the transitional labour market, are private or public companies that offer wage subsidised work and aim to help their employees enter the open labour market by hiring them to client companies cost-effectively. If there is no demand from the client companies, the employee can work at the labour bank company if there is work available. The employee can also receive training organised by the public employment service and, if necessary, unemployment benefit. (Työ- ja elinkeinoministeriö, 2012; Sosiaali- ja terveystieteiden ministeriö, 2012.) The labour bank model is considered a positive step in increasing employment, but it is still new and under development (Filatov, 2013; Sosiaali- ja terveystieteiden ministeriö, 2012).

The labour pool in this case study, the Andelslag Cooperative labour pool, was founded in 2001. It began as a project supported by the European Social Fund (ESF) and continued like this until 2010. From 2011, the companies involved decided to continue their activities independently as a cooperative. The labour pool assists member companies with recruitment, particularly for production and seasonal jobs. As of December 2013, there were eight companies involved, from the food industry, metal and retail sectors.

This form of cooperative labour pooling by companies is quite rare in Finland. However, the benefits for participating organisations have already been recognised. A high-ranking official from the Ministry of Finance considers this particular labour pool an effective model, especially as it has employed many people without a professional education. The Andelslag labour pool demonstrates how to effectively match the demand for, and supply of, labour. This is important especially in times of global economic uncertainty (Hetemäki, 2010). Some other Finnish labour pools have operated with ESF funding, but almost all of them have faced difficulties in continuing after the funding ceased (Valtioneuvoston kanslia, 2010).

Andelslag labour pool differs from the labour banks of the transitional labour market as it does not act as an employer itself, but helps member companies in their recruitment processes. However, it cooperates with some transitional labour market actors when looking for employees.

At national level, there are alternatives to labour pools to help employees and employers adapt to uncertain economic conditions. Employees can try to secure their income by creating cooperatives (Näppilä and Järvensivu, 2009). Employers, besides using fixed-term work contracts, can hire personnel from temporary work agencies, which have been growing in number in Finland, especially in the 2000s. Although temporary work agencies clearly satisfy a need for flexible ways of recruiting, and benefit employers and employees, problems have been reported regarding the status of the employees in client companies. The hired employees are sometimes treated differently to a client company's permanent personnel. In some cases the temporary work agency contracts do not guarantee work for the employee at all (Työ- ja elinkeinoministeriö, 2013). The Andelslag pool differs from temporary work agencies in that the employees are hired out directly to the member employers, and are treated the same as permanent staff.

This study is based on information gathered from interviews with the management of the labour pool, two employers, two employees, and two officials of the Ministry of Employment and the Economy. The main literature sources for this study includes a report of Prime Minister's Office (*Valtioneuvoston kanslia*, 2010), a report of the Ministry of Employment and the Economy (*Työ- ja elinkeinoministeriö*, 2012) and an article by Hetemäki (2010).

## **General characteristics of the Andelslag cooperative labour pool**

The Andelslag labour pool was founded in 2001 and began operating in 2002. The pool helps companies recruit staff by looking for employees, particularly for production and seasonal jobs. Usually the job offers are fixed-term, but the pool aims to find subsequent positions in other pool companies for employees with work contracts. Ideally these contracts become synchronised, with employees circulating seamlessly from one company to the other. Work contracts are always made between the specific company and the employee. The pool offers its services on demand, to any member company. Its recruitment services are highly tailored as it aims to find the most suitable person for the given position, taking into account the needs of both employer and employee.

As of December 2013, Andelslag had eight companies, all of which joined the labour pool in its early phase. The companies are in the food, metal and retail industries. The number of employees at each company ranges from a few dozen in a metal company, to several thousand in a retail company. The labour pool is in Uusimaa, a county in Southern Finland. The greatest distance between any two member companies is 90 kilometres.

The number of participating companies has fluctuated, reaching around 30 member companies at most. The number of companies joining and aspiring to join the pool has changed in line with economic development in the country. In recent years the number of companies has decreased slightly.

According to the manager of the labour pool, from 2002 to 2013, around 1,500 people were employed through the pool, and it currently helps about 100 people per year find a job. Around 50% of those employed between 2002 and 2013 did not have any occupational education, 14% had the education that corresponded to the task they were selected for, and slightly more than 33% had some other education. About 66% of the people employed were men and 33% women. Workers' ages in this period varied: 49% were under 25; 46% were 25–49 years old; and the remaining 5% were over 50 years old. Some 80% of all the employed people had been unemployed for less than a year. Around 25% of all the employed people have found a permanent job through the labour pool.

## **Spotlight on the case study companies**

This case study focuses on two companies in the labour pool: Ensto Enervent Oy and Arla Ingman Oy. The former is a middle-sized company which produces ventilation equipment and is located in a small town 50 kilometres from Helsinki. The company was founded in the 1980s and in 2009 it was acquired by another company producing electronic devices. Ensto Enervent employs around 85 people including office personnel (customer service, sales and buyers), engineers responsible for product development, as well as electricians and assemblers responsible for production. Assemblers do not require a specific educational background, while electricians need to have a vocational school diploma. Although the age of the personnel varies from 20 to 60 years old, there are more employees in their 20s and 30s. Around 66% of the personnel are male.

Ensto Enervent has experienced growth for several years and has been able to offer permanent employment to those that have been recruited. The number of production personnel, particularly, has increased because of its growth. As of January 2014, almost all employees are in permanent jobs. Usually the new employees are initially offered only a fixed-term job (which also serves as a trial period) because of unpredictable orders, but the company has been able to make the positions permanent. Last year the company's growth was slower, which resulted in fewer new recruits. In times of economic stagnation the company prefers to use temporary work agency personnel. Although Ensto Enervent does not trade with the other labour pool members, it trades with some other companies in the town and it uses their subcontracting services.

Arla Ingman Oy is a large company producing a range of milk products. Ingman was founded in 1929 as a family company and in 2007–2008 it was acquired by Arla, an international company in the same industry. In 2011, Arla Ingman's ice cream production was then sold to a company which is also a member of the labour pool.

Arla Ingman has experienced relatively stable economic growth over the years. It has about 140 employees, including process workers and packing shed personnel. People working in the packing shed are recruited by the line manager in cooperation with the Human Resources department. The HR department is responsible for recruiting managers, including the process workers, who have attended dairy school. The packing shed workers include engine operators and line surveyors. No particular education is needed for these tasks but, as the employees are trained for specific jobs, they need to be willing and able to learn new things and operate new machinery. It can be hard to recruit workers due to the remote location of the factory.

The majority of workers at Arla Ingman are employed on a permanent contract and only a few are on a fixed-term or temporary contract. The company tries to offer permanent positions, but its practice is initially to offer fixed-term positions usually lasting about a year. In the packing shed there is a slight majority of women employees, and the median age of the employees in the company is around 35 years. People tend to work for several years, even decades, in this company.

## **Employees interviewed for the case study**

One employee interviewed for this study was a woman in her 40s who had almost 20 years' work experience in the printing industry, and who had fixed-term and seasonal work contracts before finding a job through the Andelslag Labour pool. She had an elementary school education and, in January 2014, was working for Arla Ingman as an engine operator in the packing hall, on a fixed-term contract lasting almost a year. Another employee interviewee was a man in his early twenties who was employed as an electrician at Ensto Enervent after graduating from vocational school and completing military service. He had a vocational school diploma in electronics and telecommunications assembly. He was first recruited to the company through the Andelslag Labour pool for eight months with a four-month trial period. He was subsequently offered a permanent position.

## Design and implementation process

The original idea of the pool was to facilitate the seasonal circulation of workers between the member companies. The employers aimed to benefit by getting returning workers who were familiar with their methods and did not need to be trained. Companies with a need for production labour wanted to free the production foreman from spending time on recruiting, instead of supervising the production process. The employees would benefit from the separate contracts with different employers being synchronised, which would make the arrangement resemble a permanent job.

The labour pool was initiated by two companies in the same region – a company in the metal industry and an ice cream company. The first needed 100 seasonal workers, starting every autumn for about six months. The second needed extra workers in the summer. The companies soon realised that, because of their differing high seasons, they could use the same workers in a cycle. If the workers experienced small intervals without work, they could perhaps attend some training arranged by the public employment service. When asked, the public employment service encouraged the companies to apply for ESF funding, which they got, covering about 70% of the new pool's administrative costs, with the member companies taking care of the remaining 30%. No particular feasibility study was done, the project itself being seen, in 2001, as a test of whether this kind of pool was feasible.

After securing ESF funding, the pool then hired an employee to identify companies which might also be interested in joining and in the first few years 20 companies joined from the metal, food, communications and chemistry sectors. During the pool's early years there was a shortage of labour in general, and this increased the number of companies interested in joining. Companies without a human resources department benefited significantly by having the responsibility for recruitment lifted from their production foreman. The larger companies considered it useful to be able to use several recruitment channels.

The member companies set common rules, and cooperated smoothly. Relevant trade unions had also been involved in setting up the pool and felt it could help unemployed people return to the workplace.

At this time, in 2001, this kind of pool arrangement was new in Finland, and there was no particular model to base it on. There was some knowledge of an arrangement in Lahti, in Southern Finland, where companies in the same industry shared employees. However, according to the manager of the Andelslag labour pool, this arrangement did not last long, because it had no coordinator.

In 2010, when the ESF funding ceased, member companies decided to continue collaborating and looked at different organisational forms. The idea of becoming a limited liability company was rejected because it complicated the ownership structure of the companies, and they also did not want to risk part of the ownership moving abroad through a sell-out. They tried to form an association and applied for registration, but were refused on the grounds that the labour pool is of too much economic benefit to the members. The idea of a cooperative was accepted by all parties. The manager says this made it easy to administer as it is a non-profit organisation.

Ensto Enervent Oy joined the labour pool because it was experiencing 20–30% annual growth and needed new employees. Arla Ingman Oy joined because of the seasonal labour needs in its ice cream production.

Ensto Enervent Oy is based in a relatively small town and saw an advantage in using the pool as an additional recruitment channel. It meant freeing the production manager to concentrate solely on supervising production. The decision to join was made by the former production manager, who saw clear benefits and few risks. The pool's fees were considered very reasonable.

Ensto Enervent recruits mainly from the labour pool for its production department, which can make these decisions independently. When the department has a clear long-term labour need, it turns to the labour pool instead of temporary employment agencies. However, the company also receives many direct job applications. Ensto Enervent's labour needs do not have a seasonal character, but the seasonal cycles of other member companies have an effect on the company. When the contracts of seasonal employees terminate at another labour pool member, Ensto Enervent might consider hiring them, even if it does not have any actual job openings.

Arla Ingman's decision to join the pool was taken by the former line manager. It alternated its seasonal ice cream workers, as previously mentioned, with a metal company. Now, as the ice cream production has been sold off, there are no seasonal changes in the work processes of this company. However, the company has continued using the labour pool's services, which it considers flexible and fast. The labour pool can send an employee in a week, whereas the company's own recruitment process taking much longer. Again the labour pool frees the line manager to focus on the production process. In addition, the labour pool understands what kind of employees the company needs, and has therefore been able to find suitable personnel.

One employee at Arla Ingman, interviewed for this study, originally found a job through the labour pool at an ice cream company for the summer season. After this seasonal work ended, the employee was out of work for a month before being told by the labour pool about a job as an engine operator at Arla Ingman. The pool arranged for her to have an interview and she got a job lasting much longer than the first one.

The Ensto Enervent employee applied to the pool, using its website, after graduating from vocational school and completing military service. He had also found work through a temporary work agency, but took the job with Ensto Enervent because it more closely corresponded to his education and he did not want to use temporary employment agencies.

## **Working method, processes and procedures**

### **General operation procedures in labour pool**

The role of the labour pool is to help member companies to recruit suitable employees. The pool itself has one employee, a manager, who takes care of all its daily operational tasks, the most important being the recruitment services (see also the section on his role, below). There are no particular laws governing this labour pool, but it follows general Finnish labour legislation. The laws on cooperatives obliges the Andelslag pool to be registered in the national trade register. In Finland, there are neither minimum capital requirements nor requirements regarding the number of members in cooperatives, therefore it is a flexible organisation form. Andelslag labour pool is a non-profit cooperative.

Work contracts in the Andelslag labour pool are always made between individual member companies and employees; the labour pool is not party to this. Most work contracts are initially fixed-term, lasting four months on average. Permanent positions are also sometimes offered straight away, but many employees are hired permanently after having worked in fixed-term positions. The jobs on offer often do not require workers to have had particular training as they usually learn the tasks in a few weeks at work. However, these requirements depend on the nature of each position.

The labour pool recruits employees by publishing job announcements on its website as well as using the public employment service. It also makes the primary selection of the applicants before sending them for a final interview with the employer. The labour pool also asks the public employment service and organisations that work with vulnerable people (such as those with special needs) about people who might be looking for employment.

Companies and employees tell the pool manager when fixed-term contracts are coming to an end. This helps him coordinate workers' continuing recruitment and circulation between the member companies. Meetings are held to discuss the companies' needs, and to exchange information about the available employees (see also sub-section 'Coordination between the pool and member companies' below). Companies and manager also contact each other directly if the need arises.

The labour pool keeps all job applications on its register for two years and these applicants are contacted if suitable job opportunities become available. As of December 2013 there were about 3,000 applications on the pool's register. People who have already been recruited through the pool are given priority when positions become available in member companies, following the pool's principle of linking work into a full-time job.

In general, the number of applications has not changed much over the years, but in 2013 there were more applicants under 25 years than before. In recent years many pool companies have not been able to offer as many jobs as before, mostly due to current economic uncertainty. The pool might get several hundred job applications for one open position, so there is an imbalance between work supply and demand.

The Andelslag labour pool has a common set of rules for each employment procedure. Every member company has to apply an equal treatment policy for each employee despite their sex, age or any other characteristic. This means that the workers recruited through the pool have the same conditions as the companies' core employees. Circulating employees who return to a company where they have previously worked do not, according to pool rules, lose any bonus or holiday pay they have accumulated in a company when moving to another one, but they are taken into account when returning to the first company. The employee is also entitled to at least the same wage level he or she enjoyed when previously working for the company. Another rule is that if an employee is working in a temporary job in one pool company, every other member company has the right to hire this employee for a permanent position, but in practice this is rarely applied.

There are no exclusively male or female workplaces. More and less physically demanding work tasks are found in each member company. Some former member companies operating in the metal industry were exceptions to this, offering mostly physically demanding tasks and therefore recruiting mostly men.

After employees are hired there are no longer any administrative relations between them and the pool. Wages and other related costs are taken care of by the employing companies. The work contracts follow the regular procedures of the employer and the collective agreement they are subject to. The collective agreements are also applied to other issues, such as dismissals and wage levels. There are no common wage levels in the labour pool. When founding the pool, the difference in wages was a matter of some discussion among the trade unions. In practice, this has worked quite well, however, because the work offered by the pool companies is mainly production work, and in these tasks there are no significant differences in wage levels.

Any conflict between an employer and an employee recruited through the pool are dealt with within the company following their normal procedures, although the pool manager is informed. If necessary, the pool investigates the situation and tries to find a more suitable job for that particular employee. The pool manager also has to be informed when the employer is in breach.

The pool manager said that the employers decided, from the outset, to hire workers directly because, in their experience, employees' motivation increases if the company they work at pays their salary, and staff morale generally is better when all the workers are the company's own; this is essential because a lot of tasks involve team work.

The employers who were interviewed said that the employees they recruited through the pool carry out similar work tasks to their core employees. Companies view the pool as just a recruitment channel, and after a worker is recruited how they arrived is of no importance. The

interviewed employees confirmed this. They had no connection with the pool once they were recruited and saw themselves as full members of the employer's work community.

The pool manager underlined that, when hiring employees through the pool, the member companies have used very few of the government's financial incentives (such as wage subsidies) to encourage firms to take on those in a vulnerable position in the labour market. The pool's policy is that if there are real labour needs in the companies, the companies should be able to afford the pay.

In the event of many workers' seasonal contracts ending at the same time, it is customary for the employer to contact the labour pool and arrange a meeting, generally on company premises, to inform the employees about potential new job opportunities. Representatives of the public employment service are also present to give advice and information on how to apply for unemployment benefits. The employees may also contact the labour pool to ask about new job opportunities.

During the first years of the pool, training was given to pool employees whose contracts had terminated and who had no immediate job opportunities with any other labour pool companies. This training included teaching work life skills and were financed by the public employment office. As of December 2013 such training has been put on hold, mostly due to financial constraints. The number of job openings in the pool has also affected the possibility of organising such training.

The circulation of employees, when it takes place, does not usually last for many years. If the employee proves to be good, he or she soon gets hired permanently. However, there are some employees who specifically wish to circulate between companies and who do not want to settle for a permanent job. They are often young with no family commitments and are looking for variation in work tasks. Sometimes, the employees move within the pool to work closer to home, as some companies are far apart.

According to the pool manager, the idea of circulating workers has not been achieved particularly well, as many employees who were recruited for a fixed-term position later found a permanent job in a pool company or in another local company because of the work experience they have gained in the pool. When a good employee finds a permanent job, the labour pool perceives it as a loss, but then the pool just has to find and recruit another employee. According to the manager, the employers' priority is to have permanent employees. The pool also considers a permanent job as the most ideal solution for the employees, despite the idea of seasonal circulation.

Potential member companies are identified through existing members' business networks. Publicity about the pool has also created interest. The pool, in its search for members, does not limit itself to any particular sectors, although it does look for companies that do not directly compete with each other because of possible problems caused by shared employees transferring sensitive knowledge. In addition, companies accepted by the labour pool need to have a good reputation and treat their workers fairly and legally. For example, it would not be acceptable for a company to terminate workers' contracts just before the holiday season and then start them again after the holidays are over, thus avoiding holiday pay. The starting point of the labour pool is that both the employers and the employees should gain from the pool, so the rules for the employers (see above) must be followed. Apart from these requirements, practically any company may be considered for membership. The pool looks particularly for companies that have seasonal labour needs at different times as this makes it easier to circulate employees. The fact that the pool has only one administrator, because of limited financial resources, also limits how many companies the pool can deal with at any one time. The pool manager estimates 15 companies would be optimal, depending on their size (there are currently eight). When the pool had ESF funding it had two personnel and therefore more scope to act.

The pool is funded through the member companies' annual fee plus a small fee for each worker recruited through the pool. As of December 2013, half the finances of the pool consisted of grants from the municipalities where the workplaces are located, with the other half coming from the membership and recruitment fees. All the funding is used for the pool administration.

### **Role of the pool manager**

The most important task of the pool manager is to administer the recruitment process and to try to match the needs of employers and employees. The pool manager contacts job applicants, interviews them and then sends the letters of recommendation to the companies. He also takes care of all the other administrative tasks, including payments, invoices and writing funding proposals for the municipalities. The manager also makes his own salary payment and takes care of the other employer fees regarding his own work contract. He visits member companies and their production sites to keep up to date with them, and calls them daily by phone. He also trains workers in member companies who want to gain licences in occupational safety and fire prevention; this is done for an extra fee when there is spare time. He also attends various recruitment events to promote the labour pool as an alternative to temporary work agencies. He works closely with the public employment service, and relations between the two have been carefully maintained and function well.

In some cases, the manager accompanies job applicants to final interviews if, for example, they have been unemployed for a long time and find the prospect particularly stressful. The pool has also succeeded in finding employment for applicants with special needs. The pool's recommendations have a notable role in the recruitment process and may lower the recruitment threshold of the companies.

### **Coordination between the pool and member companies**

The Andelslag labour pool meets two to three times a year to discuss administration, funding, the general recruitment situation and availability of suitable employees. Member companies also decide here on whether to accept any applications by prospective members. This process is generally quite fast and straightforward, and usually the decisions have been positive. The cooperative also has a board, comprising representatives from member companies, which deal with certain operational issues such as preparing the cooperative meetings.

It is also possible at these meetings to exchange experiences of employees directly and informally. The labour pool's company network is such that it is easy for companies to make enquiries about job candidates who previously worked for other members. This enables more informed recruitment decisions.

There is no direct coordination between companies on the placement of workers, but the manager acts as the linchpin. He has the best general knowledge as he is told about contracts which are about to end. The mediation of the pool manager and his judgement is also needed because usually the companies operate in different industries and they have different production processes and corporate cultures. There have been occasional cases of hiring an employee from one company to another in case of urgent need but, in these cases, the companies have operated in the same industry with relatively similar production processes. This hiring was also mediated by the manager of the pool.

### **External support**

The labour pool does not need external expertise for its operation. The manager has been involved with the pool since its founding. He has prior experience as a human resources manager and he possesses the necessary competences and knowledge for running the pool. As has been mentioned, the trade unions were consulted when the pool was set up, and they publicly



expressed their support for its working methods. The labour pool has to reapply regularly for financial support from the municipalities, and to some extent this creates a sense of insecurity. The pool has sought additional funding from the training it offers on occupational safety and fire prevention, but the assistance from the municipalities is essential. At the beginning, the ESF funding was essential for testing the pool's feasibility and sustaining it.

## **Outcomes**

The most significant outcomes of the pool have been the successful recruitment of workers and the matching of work supply and demand. The managers interviewed expressed their satisfaction with the suitability of the employees that have been recruited through the labour pool, which has generally managed to find skilled employees. The employers also felt that by recruiting through the labour pool they could more easily assess whether an applicant would be suitable for long-term employment in the company. One interviewed manager said recruiting through the labour pool was very fast and efficient (although another felt that the recruitment process had not always been fast enough, and had occasionally to turn to a temporary employment agency). One manager felt that using the labour pool's services was cost-effective because of the quality of employees and because the pool's services allowed managers to focus on the production process. However, the cost-effectiveness was questioned by the other company, which felt that it was not receiving service fast enough.

One company considered the pool's occasional media publicity as a bonus, increasing their visibility in the area as a growing company looking for employees. The opportunity for networking with the other companies of the area was also mentioned as a positive outcome of the labour pool.

Another company felt a little isolated from the other pool companies as their factory was far away from the others. However, this company was satisfied with the efficient recruiting and they were not excluded from other positive outcomes arising from the pool. The company had used the pool from the very beginning. In the beginning, its objective had been to acquire seasonal labour, but now the need for seasonal labour had ended and it used the pool for recruitment in production generally. The labour pool had sustained its position as a recruiting channel as it was familiar and effective.

Both the interviewed employees felt they benefited from using the labour pool. It had led to employment for both of them and had meant they were able to improve their previously unstable situations (one of them had been unemployed and the other had worked for a temporary agency). One employee had thought she might be too old to get a new job and was surprised about the ease of the recruitment process with the labour pool. She was happy with her current job and was hoping to get a permanent position, which seemed possible. Another employee felt the labour pool's role was crucial to him getting a permanent job which closely corresponded to his education. Both employees lived close to their workplace, which enhanced their work-life balance.

## **Strengths and weaknesses**

The interviewed officials of the Ministry of Employment and the Economy considered the labour pool as an interesting model. They perceived it as an effective recruitment channel, particularly for a small group of employers operating in the same region. In comparing the labour pool and the public employment service the officials said that, although the public employment service is bigger and its range of services is more comprehensive, the labour pool is valuable because it can more easily respond to the temporary and seasonal labour needs of a fixed group of employers. The labour pool is important in supporting the networking of companies in the region, and a coordinator that is accepted by all parties is essential. The idea of having back-to-back contracts

is beneficial for workers, because unemployed jobseekers are often not interested in short-term contracts, as claiming unemployment benefit again after a short-term contract can mean a delay in income. The labour pool reduces these shortcomings associated with fixed-term employment relations by trying to ensure that there are no gaps between contracts. Another advantage of this particular labour pool model may be the ability to react to changes in the economic situation and moderate the effects of the fluctuations for both employees and employers in the pool.

The procedures of the pool are now considered to be well established. This is largely due to the skills and experience of the pool's manager. There are some challenges, however. One of them is the inability to respond to the labour demand of the member companies at short notice.

Sometimes companies need substitute workers immediately, but it takes the labour pool several days to look for employees. This is largely because employees hired through the labour pool are not on the pool's register, but instead on those of the individual companies. Therefore, the labour pool does not have direct knowledge of the job situation of these employees. The pool keeps all the received job applications in its register, but it does not know whether these applicants are still unemployed and therefore available when there is labour demand. The pool also receives a large number of job applications and processing all of them is laborious. Finding and contacting potential employees is time-consuming, and although the pool may find an employee for a specific opening in a week by using its networks, this may still not be fast enough. In these cases the companies may turn to temporary employment agencies.

The second challenge is the distance between some companies in the pool. Public transportation does not cover the whole of the pool's area and a car is a necessity if one lives in Helsinki and needs to commute to Loviisa, a distance of 90 kilometres. This is particularly the case with shift work; also, a car is not something that an unemployed person would necessarily possess.

The third challenge relates to the funding model. Once the ESF-funded project ended and the cooperative was formed the pool's administrative burden increased. After forming the cooperative the pool has had to carry out regular funding applications, and this was considered by some interviewees as taking time from the pool's main services. This can lead to making the membership and recruiting fees for the companies seem less competitive in comparison with temporary employment agencies, even though the pool has been successful in recruiting.

The interviewees also said that the pool needs more publicity among jobseekers. For example, the interviewed employees were not familiar with the pool when applying for a job, and they had at first assumed it was a temporary employment agency.

One of the employees who was interviewed had a little previous experience with temporary work agencies and the other had none, but they expressed their clear preference for the working method of the pool compared with that of temporary employment agencies, as agencies offer more short-term employment than the labour pool.

The labour pool is of particular use to companies with seasonal labour needs and, possibly, without their own human resource department. Although the labour pool welcomes new member companies, there were differing opinions about how many more company members this particular labour pool could sustain with its current resources.

The officials of the Ministry of Employment and the Economy suggested that the pool model could also have potential within specific sectors, such as agriculture, where the employers have different production lines and therefore complementary demand cycles. More experiences from different sectors are still needed.

## **Future plans**

Both the employers interviewed wanted to remain members of the labour pool. However, the pool needs to develop its recruitment processes. Although the pool is considered a trustworthy recruitment channel, temporary employment agencies will remain the main competitors due to

their fast services. Also, if the manager of the pool should decide to step aside, this could cast some uncertainty on the future of the pool. Furthermore, the funding received from the municipalities is vital.

## Commentary

The Andelslag labour pool has been in existence for a relatively long time. After the ESF funding finished, it consolidated its activities, which has been a challenge for many other labour pools. It is networking locally with various stakeholders such as the public employment service and transitional labour market actors. This network is helpful in its efforts to match the needs of particular employers and employees.

The working method of the labour pool can be described as puzzle, where different pieces need to be carefully matched together. According to the manager of the labour pool, coordination skills are important in running the pool. Equally important is the availability of potential member companies in the region. The Andelslag labour pool may benefit from the fact that it operates in Southern Finland which includes the capital region, dense with potential employers and employees.

In an ideal situation, the companies would have clear seasonal labour needs without much overlap. However, this study shows that a labour pool may be a useful partner for employers with other kinds of needs as well. Growing companies regularly looking for new employees could outsource the time-consuming recruitment process to a labour pool.

It has been noted that the contacts and relations with companies are crucial in helping jobseekers with special needs to enter the open labour market (Filatov, 2013). The company network plays an important role in the Andelslag labour pool as well. It has been a channel for many young people, particularly, to find employment. The labour pool's services and evaluation of job applicants may, in some cases, lower the employer's threshold for recruitment. It seems that the local social capital that the labour pool possesses makes the recruitment more effective.

The Andelslag labour pool also faces some challenges. The uncertain economic times have caused some employers to withdraw, and it faces growing competition from temporary employment agencies. The labour pool has a distinct character compared to these agencies, however, with its seasonal circulation of employees. The labour pool has also made a serious effort to elevate the status of the fixed-term employees as close to permanent employees as possible. It is important that, while supplying seasonal labour, the pool hopes the employees it helps will find a permanent job, even though this means they will no longer be available to the pool. The needs of employees and employers go before those of 'the labour pool'.

## Information sources

### Websites

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