

JOURNAL

PROJECT

Urban Growth-GSIP
Vantaa - Growth and
Social Investment Pacts
for Local Companies in
City of Vantaa

📍 Vantaa, Finland

TOPIC

Jobs and skills in the
local economy

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BY GABRIEL AMITSIS

The GSIP Project Journal 4: How has an innovative idea enriched the local jobs and skills discourse

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This is the fourth (and final) Journal of the EU (Urban Innovative Actions - UIA) funded GSIP (Growth and Social Investments Pacts) Project, one of the main instruments used by the City of Vantaa in Finland to develop a solid local jobs and skills agenda applying a labour market innovation discourse that interrelates innovation with inclusive business growth.

It was compiled by the UIA Expert of the Project within the context of the Task B' "Capturing knowledge" (development of documentation and outputs that will capture and disseminate the lessons learnt and good practices for a wider audience) that UIA Experts shall perform during their activities.

The main aim of the UIA Initiative is to provide urban authorities across Europe with space and resources to test bold and unproven ideas addressing interconnected challenges and experiment how these respond to the complexity of real life. It relates to the topics that EU Member States, local authorities, NGOs, European and national associations of cities have identified within the frame of the European Urban Agenda. The GSIP Project is focused on the topic "Jobs and skills in the local economy", a key challenge for sustainable inclusive growth in Europe.

Journals produced by UIA Experts are the main written output analyzing the development of the Projects; their objective is to make interested readers understand how an innovative and integrated urban project is implemented and addresses key challenges.

This fourth Journal concerns the implementation of the GSIP Project during 2022. It summarizes the findings of a multi-level analysis of key Project deliverables (Milestones Review Reports, thematic Reports, Work Packages) and first-hand experience of the Project life, as evidenced particularly during various web meetings between the UIA Expert, the Project Management Team and selected Project Partners.

The Journal has six thematic Chapters across a number of sections. The first Chapter provides a brief introduction to the Project and the second Chapter presents the key Project results as identified by internal and external monitoring and evaluation processes. The third Chapter discusses the major Project achievements and the fourth Chapter identifies lessons of interest to local leaders and urban practitioners through the lens of its implementation challenges. The last Chapters summarize key policy and operational recommendations that could strengthen the role of municipalities as drivers of change in the regeneration of urban labour markets across Europe.

1. A brief Project profile

The GSIP Project reflects the City of Vantaa key policy decisions: i. to promote growth and competitiveness of local companies; and ii. to improve level of education of workforce and offer better training possibilities for low-skilled employees, employees with outdated skills and unemployed persons, through the design and

implementation of a new, innovative and exceptional service and incentive model (*Growth and Social Investments Pacts - GSIPs*). The GSIPs were tailored for Vantaa based companies employing 10-200 people, particularly companies involved in human intensive and routinely operated industrial sectors and IT-companies which have workforce of outdated skills caused by rapid changes in technologies and future business. They focused on three interrelated policy priorities: a) Recruitment of unemployed persons with low skills and education - The GSIP model No. 1; b) Training of existing staff - The GSIP model No. 2; c) Use of digitalization processes in the business routine - The GSIP model No. 3.

The GSIP Project Partnership includes the City of Vantaa (acting as the Main Urban Authority) and representatives of the following sectors:

- the academia (the Metropolia University of Applied Sciences and the Laurea University of Applied Sciences);
 - the research community (the Research Institute of the Finnish Economy “ETLA” and the Labour Institute for Economic Research PT);
 - the vocational training sector (the Vantaa Vocational College Varia);
 - business networks (the Helsinki Region Chamber of Commerce);
 - the private market (ISS Services Ltd, Infocare Ltd, Solteq Plc. and Finnair Cargo Ltd)
 - a municipal company (Vantti Ltd).
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2. Monitoring and evaluation results

The GSIP Project started in November 2018 and ended on 31 July 2022. All Work Packages focused on one of the key challenges for the development of a sound local labour market, namely low-skilled workplaces and an under-educated workforce. This challenge causes major risks for the [Vantaa-based SMEs’ competitiveness in the current era of digitalization and automation](#).

Project Partners have adopted a comprehensive monitoring and evaluation mechanism (M&E) comprising of three complementary components:

1. [Self-evaluation and analysis](#) conducted by the Project Management Team
2. [Impact assessment](#) carried out by the two independent research partners of the GSIP Project, the Research Institute of the Finnish Economy “ETLA” and the Labour Institute for Economic Research PT
3. An external ex-post evaluation process, with the aim to analyse the implementation of the Project using four pre-defined criteria (relevance, effectiveness, efficiency and impacts) as well as to support recommendations for continuity, replicability and the scalability of the Project’s results and findings.

PCM helped Project partners to ensure that all activities were relevant to the agreed strategy (as laid down in the Project application form) and to the problems of selected target groups. It supported to a great extent their adaptation to the COVID-19 challenges, given that the achievement of project objectives is always subject to influences beyond project manager’s direct control (assumptions and risks). It is therefore important to monitor this ‘external’ environment to identify whether or not the assumptions that have already been made are likely to hold true, what new risks may be emerging, and to take action to manage or mitigate these risks where possible.

(a) The Project was implemented according to relevant UIA terms and conditions, taking advantage of an internal monitoring system to oversee and follow implementation and to support project management. It has used the Project Cycle Management (PCM) approach, which represents the whole of management activities and decision-making procedures used during its life cycle. A comprehensive M&E plan was designed and put into practice during the first implementation phase of the Project (<https://uia-initiative.eu/en/news/gsip-expert-journal-1-get-know-project-and-what-happened-first-6-months>), given that the initial Project Plan did not include a comprehensive M&E plan that would allow also systematic collection and analysis of qualitative data.

(b) The City of Vantaa has contracted the independent agency MDI ([Etusivu - MDI](#)) to perform an external evaluation process of the GSIP Project. The key objective of the external evaluation was to produce an independent analysis of the Project using four pre-defined assessment criteria: relevance, effectiveness, efficiency and impacts. In addition, it addressed recommendations for continuity, replicability and the scalability of the Project’s results and findings.

The evaluation was conducted as a qualitative evaluation and a variety of qualitative methodologies, such as interviews and document analysis, were used. Information was collected from GSIP Project managers, partner and pilot companies, the UIA Expert for the GSIP Project, the UIA secretariat and experts on lifelong learning (e.g., Sitra, OECD). The evaluation has also utilized several participative methods. The collection of the evaluation materials and the findings were based on material produced by and the views and experiences of different stakeholders.

The main conclusions of the external evaluation process are classified as follows:

CONCLUSION 1. The project's demand-driven operating model and tailoring of the services provided to participating companies supported the Project's ability to meet the needs of its target groups. Adopting this demand-driven approach in planning and executing services for companies creates prerequisites for better effectiveness in the long run.

CONCLUSION 2. The Project supported the project partners ability to manage, carry out and participate in challenging experimental and co-creation processes in cooperation with a diverse range of stakeholders. In addition, the project improved the understanding of the target group among the project partners.

CONCLUSION 3. The Project activities have created a large amount of experiential learnings and observations that can be further utilised when creating and producing models and services for competence development.

CONCLUSION 4. The innovativeness and novelty value of the Project are linked to the adaptation of new operating models and approaches.

CONCLUSION 5. The Project partners have seized on the opportunity to change plans when a planned activity has not worked out. In this sense, project implementation has been agile, flexible and adaptable and thus highly suitable for innovative-type projects.

(c) Etla and Labore adopted and applied the counterfactual (outputs and outcomes in the absence of the intervention) impact evaluation method (CIE) during the project implementation period to provide solid information about the impacts produced by the intervention by comparing GSIP participants (Vantaa based companies employing 10-200 people, particularly companies involved in human intensive and routinely operated industrial sectors and IT-companies which have workforce of outdated skills caused by rapid changes in technologies and future business) to a randomly assigned control group. In practice, companies were randomly divided into two groups: the treatment and control groups. Only the companies in the treatment group were offered the service and incentive models. Due to the randomization, treatment and control groups were on average similar, and thus, comparing the changes in the mean outcomes of the groups, provided reliable information on how well the developed models work. Both extensive administrative data and multi-round survey data were used in the analysis.

The main conclusions of the impact evaluation process are classified as follows:

CONCLUSION 1. The quantitative targets set for participation of the key beneficiaries (local companies) were clearly achieved. 65 companies took advantage of the Project services, which surpass the goal set in the Project Plan by 8 percent. A large share of the participating companies was involved in more than one Growth Pact (<https://uia-initiative.eu/en/news/gsip-project-story-during-2021-journal-3>), indicating high level of satisfaction among the treated companies. Growing firms and firms that were making also other investments simultaneously were more likely to participate in the Project services.

CONCLUSION 2. The quantitative targets set for each Growth Pact were hardly achieved due to a variety of external factors strongly connected to the COVID-19 pandemic and its impact on the Vantaa labour market. In addition, the impact evaluation confirmed that companies still follow long-term strategies in terms of productivity and use of human resources, which are not eager to change drastically. Achieving changes in these fundamentals is a challenging and a long process.

CONCLUSION 3. Due to these challenges, it is believed that the businesses and the Vantaa area may have experienced improvements, not firmly validated by the impact evaluation process. A major lesson for any future local jobs and skills initiative must be to take into account also the requirements of an impact evaluation when planning the project.

3. Major achievements

1. Need for Skilled Workforce

The first major Project achievement was the full implementation of the GSIP model No. 1 "Need for Skilled Workforce", based on the results of the three preliminary processes (initial design, validation and pilot implementation) during 2019. Given that the innovative scope of this model concerns the integration of social goals in local active employment programmes through a) recruitment processes for unemployed persons and b) apprenticeships for students, it is well noticed that corporate interest about the scope and objectives of the GSIP 1 model was high, particularly before the COVID-19 crisis.

a) The model was designed according to the values and principles of the Co-creation approach, defined as a process to develop new business models, products and services with customers, clients, trading partners and other stakeholders (<https://uia-initiative.eu/en/news/how-did-vantaa-gsip-project-achieve-develop-active-employment-programmes-strong-social-impact>).

b) The model was validated through co-creation workshops, interviews and tests in the five Project Partner companies, and included business and workforce analyses; incentive modelling frameworks (sources and combination of national and city level subsidies, social appreciation), recruitment programmes (services designed: counseling, workforce search via networks, education packages, apprenticeship), coaching (topics covered: corporate social responsibility and sales) and training programmes for managers and employees (topics covered: Communication, Customer insight, Supervisory work, Lean and MS Office).

c) The pilot implementation phase focused on Vantaa based companies employing 10-200 people. Almost 90 companies were contacted by phone, approximately 47 companies were met and analyzed, from which 33 companies were involved in the testing process of the GSIP 1 model.

As a result of the GSIP 1 model, 41 companies have used the recruitment service offered by the GSIP Project through direct meetings, phone and email, while more than 20 companies have asked for and received advisory and guidance services on apprenticeship, financial support or use of other service. In addition, almost 100 unemployed jobseekers have been contacted during recruitment events, at least 100 job vacancies for specific categories of unemployed persons (i.e. migrants, partially disabled, low-skilled and long-term unemployed) were created, 47 new employment contracts were signed and specific apprenticeships were offered by participating companies (<https://uia-initiative.eu/en/news/committed-activity-benefit-company>).

2. Updating skills for employees

The second major Project achievement was the full completion of the GSIP model No. 2 “Updating skills for employees”, subject to three phases: initial design, validation through tests in two Partner companies and pilot implementation in 20 Vantaa based companies employing 10-200 people. The key target groups of the GSIP 2 model services are a) low-skilled employees and employees with outdated skills, b) higher qualified employees, managers, executives and entrepreneurs.

Despite the strong challenges of the COVID-19 pandemic and their impact not only on the broader Vantaa economy and social fabric but particularly on the demand of companies for human development services, the GSIP model No. 2 was performed in a very effective way (<https://uia-initiative.eu/en/news/municipalities-drivers-change-regeneration-urban-labour-markets-paradigm-gsip-project-0>):

1. 43 employees from 24 companies received tailor made services through the Executive Coaching sessions;
 2. 260 managers, team leaders and employees from 27 companies received tailor made services through the Growth Coaching;
 3. 137 employees from 16 companies received tailor made Services for developing professional skills;
 4. 87 apprenticeship contracts were signed;
 5. 56 persons attended the ‘Growth Clinic’ event in April 2021;
 6. 200 persons participated in the Morning Coffee Webinars.
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3. Technological Shift

The third major Project achievement was the full completion of the GSIP model No. 3 “Technological Shift”, subject again to three phases: initial co-creation, validation through tests in Partner companies and pilot implementation in 20 Vantaa based companies employing 10-200 people. The draft GSIP model No. 3 was finalized in January 2021, and the provision of supportive services to companies was completed as scheduled between February - June 2021.

Due to effective account management work, the Project succeeded in getting more companies joining available services than preliminary targeted. Account managers continued to approach potential customers and arrange meetings online. They analyzed experiences and needs and conducted closing interviews with pilot companies.

The clients were generally very pleased with the services received. There were approximately 260 sales meets organised in total, whereof 126 company needs were mapped in a general level (meaning interested in our services or the offered services were relevant to the company) and whereof 40 companies’ needs were analysed in detail.

4. Lessons learned

A. The use of innovative management techniques

a) The Project utilized the unofficial concept of “Asiallista kiva”- meetings [in English, Factual Fun], where project partners and project workers had the chance to share their know-how and experiences with other Project partners. This concept has brought different actors together and created mutual respect between organizations and individual workers.

b) The regular meetings at different levels within the Project Team as well as various workshops and working groups supported smooth cooperation across organizational boundaries. Further, co-creating the services with several organizations supported dissemination of the lessons learned across the organizations providing participating organizations with new perspectives.

c) Creating a shared understanding and working towards common goals over organizational boundaries and inclusion, namely that each member played a role and had a voice, all played a central role in the Project. Mutual interaction and communication were key to the success of the Project.

The results of the cooperative network of Project partners in the co-creation process are resulted in a creation of local ecosystem of continuous learning. According to available findings, working in an ecosystem promoted the development of agile solutions and innovations that in this case managed to address companies’ diverse competence needs successfully.

The ecosystem helps ensure continuity of the Project results. The challenge in development projects is their short implementation cycle, which is harmful to the long-term development and implementation of innovations. Cooperation in an ecosystem ensures continuity, proactivity, and reactions to changes in the business environment through continuous dialogue and cooperation.

d) A comprehensive, well-resourced Plan was drafted to ensure the continuity and sustainability of the Project results. This Plan included measures to improve the impact of project services, to scale up the effective service models, and to distribute the results of the project.

B. The Co-creation paradigm

The GSIP Project is a pan-European good practice about the use of Co-creation in designing integrated vocational training and employment programmes at the local level. The city of Vantaa decided to involve in the co-creation process academic institutions, businesses and research centres, which can bring expertise and knowledge to solving key issues.

The co-creation has taken place in three consecutive cycles addressing employment, competence development and digitalization issues. The co-created services combine elements supporting company growth and social investments. The main idea of all co-created training services is to bring training closer to working life and the other way around. In this context, the Project has reached 70 SMEs and provided training or support to 714 adults.

The co-creation ecosystem has provided support to both local SMEs and their employees. Due to SMEs’ resource constraints the competence development efforts need to be made easy. SMEs need an external partner, a one-stop-shop. The Urban Growth Vantaa Project has launched the idea of a project account manager, who makes a long-term effort being in contact with the company representative. The local ecosystem can help companies and employees in their specific learning needs, whether they are vocational or academic. SMEs are beginning to understand the value of making social investments in their own personnel and learning in the long run.

The Project maintained regular contact with companies, charted the competence development needs of the companies and personnel, and offered them the available services. The companies found it positive that the city showed an interest in promoting the competitiveness and growth of companies, which improved the profile of Vantaa from the perspective of local companies.

C. The identification of complex clients’ needs

The Project has paid attention to the needs of lower-educated adults, who cannot in all cases be referred to as learning adults, but rather working adults. Their learning needs differ from those of so-called continuous learners, as they may need stronger guidance and support measures than adults actively seeking learning opportunities. Working adults should not be left alone with the demands of lifelong learning or learning new

skills.

An example of supporting lower-skilled employees in continuous learning is the co-created apprenticeship services programme. Typically, apprenticeships are targeted at individuals as an opportunity to earn a vocational degree. Urban Growth Vantaa's solution is to contact companies to introduce the training idea with its benefits to the SME decision makers and employees simultaneously. Both their needs are recognized and addressed. Another example of addressing company and individual needs concurrently is "Growth coaching". Growth coaching provides training to employees based on the companies' business development needs.

D. The design and provision of innovative services

(a) The Project developed coaching services that matched the competence needs of companies and motivated employees to learn new skills. The effective contents were tailored to the needs of the company and personnel. Company-specific coaching was an effective implementation method, especially when the benefits of coaching were explicated to the company management. By including the employees, the coaching was integrated as part of the entire community's development work. Initiating the change was found to be easier and more effective when it was facilitated by an external and neutral operator. A business coach made sure that the team stopped to discuss their shared issues and sparked change.

(b) Companies were also offered tailored support and sparring for identifying digital development needs and planning technological solutions. Discussions with external specialists provided support for technological investments. Under the specialist's guidance, the companies created development plans and proposals for further action. In addition to a technological solution, the company's basic processes and business models were reviewed and, if necessary, redefined. By ensuring the groundwork and preparations for the technological investment were thorough, the companies were able to create competitive advantages through wise automatization of processes, among others. The changes were successful when the personnel were committed to competence development.

The provision of these innovative services shows that the overall GSIP model is a solid paradigm of the advantages that the coordinated use of key policy discourses may create during the design and implementation of local jobs and skills agendas. In this context, GSIPs were used:

- as comprehensive tools of local authorities to improve companies' growth (Sustainable Local Development);
 - as instruments that promote better match of skills needs and supply (Social Investment);
 - as mechanisms that provide incentives to create new jobs (Social Investment);
 - as opportunities to discuss and develop broader local partnerships on jobs and skills (Territorial Pacts).
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E. The design and use of communication tools

Project Partners have invested a lot in the design and implementation of communication and dissemination activities during the development of the Project. This process was smoothly developed during three steps, which may be used as reference actions for cities interested to implement local jobs and skills agendas (<https://uia-initiative.eu/en/news/municipalities-drivers-change-regeneration-urban-labour-markets-paradigm-gsip-project-0>):

FIRST STEP: The design of the Communication Strategy conceptual background

SECOND STEP: The identification and contact processes with key external Project stakeholders during the first implementation phase

THIRD STEP: The implementation of the Communication Strategy.

F. Up-scaling innovative ideas

Project Partners have designed a very comprehensive Continuity and Sustainability Plan to boost the continuation and scaling up of the good GSIP practices, models, and services. This Plan includes the following activities:

Activity No. 1 'Knowledge transfer and dissemination of results'

- Produce a Knowledge Report and a Policy Brief
- Implement findings of the external evaluation
- Participate in conferences, seminars

Activity No. 2 'Follow-up services for the companies'

- Implement Growth Service 2.0
- Close client relationships and refer to other services/projects
- Test forecasting of skills needs in competence management

Activity No. 3 'Support scaling up & replication of best practices/service models'

- Formulate/redefine key services through service design methods
- Draft and submit funding proposals for follow-up proposals
- Further develop POCs ideas and disseminate their implementation plans.

The Knowledge Report '[New Competencies for Growth](#)' was published in May 2022. It summarizes the Project findings and lessons learned during its implementation, of particular interest to local policy makers and practitioners, educational and training institutions, SMEs (in particular their management and HR specialists), as well as developers and experts in lifelong adult employee learning.

5. Policy recommendations

The results of the GSIP Project confirm the advantages of sharing a collaborative culture between (and within) different partners (local authorities, the academia, the social partners and the market) when designing local jobs and skills programmes. This Vantaa based initiative highlights that pluralistic and cooperation agendas are a key condition to sustainable inclusive growth at the local level (<https://www.uia-initiative.eu/en/news/how-may-policy-discourse-influence-local-jobs-and-skills-agendas-case-vantaa-gsip-project>).

In this respect, the Project's policy recommendations focus on the strong need for closer cooperation between companies, cities and educational institutions, because the competence development of companies requires the development of shared operational processes. The Project's tests showed that cooperation allows the education and training services to be customized to the companies' needs. The same services can also help companies to commit to competence development by making its benefits apparent.

Social investments by developing the competencies of the personnel support the growth of the company and improve the well-being of the employees. It is worth investing in a skilled workforce, as it is a factor in the company's success. Competence needs are constantly changing, so the importance of general working life skills is emphasized.

In this context, the Project proposes that the recognition of different cooperative networks and supporting closer cooperation in them should be one of the focus points in Finnish competence development. Continuing to move closer to competence development in a continuous learning ecosystem is in everyone's best interest. In addition, EU and national policy makers should investigate suitable funding models to enable test innovative initiatives at the local level.

Key policy recommendations

1. Working adults should have regular access to education and training services based on their needs
 2. Cities should actively contact SMEs and chart their needs in order to prevent or address key economic and social challenges
 3. SMEs should receive support to develop a culture of learning at the workplace
 4. The technological development of SMEs should be enhanced by local initiatives.
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6. Operational recommendations to other urban authorities across Europe

1. Urban authorities should design and put into practice during the first implementation phase of innovative local jobs and skills initiatives a comprehensive internal M&E plan, which would allow also systematic collection and analysis of qualitative and quantitative data (<https://uia-initiative.eu/en/news/management-and-monitoring-models-local-jobs-and-skills-initiatives-lessons-vantaa-gsip-project>).

2. Urban authorities should apply integrated concepts of impact evaluation processes during the design and implementation of innovative local jobs and skills initiatives, which may combine both counterfactual impact evaluation and theory-based impact evaluation methods. Like any other evaluation, an integrated impact evaluation should be planned formally before the adoption of an initiative and managed as a discrete activity with

the following phases: a) Describing what needs to be evaluated and developing the evaluation brief; b) Identifying and mobilizing resources; c) Deciding who will conduct the evaluation and engaging the evaluator(s); d) Deciding and managing the process for developing the evaluation methodology; e) Managing development of the evaluation work plan; f) Managing implementation of the work plan including development of reports; g) Disseminating the report(s) and supporting use (<https://uia-initiative.eu/en/news/use-impact-evaluation-local-jobs-and-skills-initiatives-paradigm-vantaa-gsip-project>).

3. External evaluation is very supportive to the formulation and throughout the implementation of local jobs and skills initiatives. For example, the proactive impact assessment model and the indicators to be defined for it, would be a useful tool to model the logic through which the desired impacts are generated and how the generation of impacts should be monitored. This model takes into account the different impact paths (resources-activities-results-indirect impacts-final impacts) through which the project objectives are achieved and to set indicators along the paths. This kind of model can also clarify the roles of different actors in generating the impact. Especially in the case of experimental activities, it is important to be able to identify at a very early stage of the implementation of the experiment, whether the solution to be tested works or whether the experiment should be modified.

4. Local policy leaders should involve Universities and research organizations in the formulation of local jobs and skills agendas. As the European Research Area legacy shows, strong cooperation between municipalities and Universities is very important in regional development projects. Universities often have tools, practices and networks that enable this cooperation (<https://www.uia-initiative.eu/en/news/how-universities-participate-development-local-jobs-and-skills-agendas-lessons-vantaa-gsip-1>).

In addition, research centres can support practitioners to promote and improve competitiveness, productivity and efficiency in local labor market. Evidence-based policy making benefits local stakeholders and may advance the practical implementation of innovative ideas (<https://uia-initiative.eu/en/news/how-could-independent-research-organizations-contribute-development-local-jobs-and-skills>).

5. Local policy leaders should involve Municipal Companies (MOCs) in the design of local jobs and skills agendas. MOCs are defined as "organizations with independent corporate status, managed by an executive board appointed primarily by local government officials, and with majority public ownership". Cooperating within multiple sectors and fields through networking processes with MOCs can produce valuable results for local (private) companies. New ideas and different approaches open up novel paths for further cooperation and for developing business networks or clusters (<https://uia-initiative.eu/en/news/contribution-municipal-companies-local-jobs-and-skills-agendas-lessons-vantaa-gsip-project>).

6. Local policy leaders should develop cooperation models between municipal Employment Services and national / regional Employment Services when designing local jobs and skills agendas. This approach will strengthen synergies and take advantage of the high experience and expertise that municipal Employment Services usually offer to local stakeholders, companies, employees and unemployed people (<https://www.uia-initiative.eu/en/news/how-could-european-cities-promote-solid-active-inclusion-model>).

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