

Cooperation and directing labour flows within employment ecosystem

Project: Cooperation between educational institutions, employers, and public employment services in directing labour flows

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The research focused on the cooperation between different actors in the employment ecosystem and on the challenges involved — during the first year of the TE2024 (employment and economic development services) reform, particularly at the starting stage of the employment areas.

The project consisted of research and development phases:

I Research phase (spring–early summer 2025):

- We interviewed 19 participants from various
 - educational institutions,
 - companies,
 - organisations,
 - employment and business services (Tampere region employment area).

II Development phase (autumn 2025):

- Analysing the data and organising a workshop with participants from
 - educational institutions,
 - non-profit organisations,
 - representatives of employment services.

A network governance perspective on the employment ecosystem

- Network benefits:

Theory (McGuire & Agranoff 2011; Inkeröinen 2025; Maron & Benish 2022; Purdy 2012)	Observations from the interview data
The ability to solve complex problems through collaboration	Study modules developed through cooperation between educational institutions and companies
The development of trust and long-term cooperation	Relationships built through personal contacts, enabling student internships and recruitment
Planning activities and creating innovations in service development	A joint skills needs survey conducted among employers by educational institutions; sharing implementation between institutions as funding decreases
Integration of different forms of expertise, resources, and power, and the emergence of new negotiation arenas	Co-creation realised in both occasional and longer-term collaboration experiences: joint planning, sharing tasks and resources, and recognition of actors' needs
Stronger legitimacy, influence, and political support; also enabling smaller actors to participate and be heard	A new strategy for the Tampere employment area (2025), created collaboratively (but led by the employment area)
Stronger long-term impact and more sustainable outcomes	Sharing responsibilities among regional educational institutions in the times of shrinking resources

A network governance perspective on the employment ecosystem

- Limitations and challenges of networks:

Theory (McGuire & Agranoff 2011; Inkeröinen 2025; Maron & Benish 2022; Purdy 2012)	Observations from the interview data
Power asymmetries	Employment areas versus actors whose activities depend on their funding
Diverging goals and interests	Actors share a common goal, but operate on different timelines and rhythms; immediate employment versus longer pathways through rehabilitation and/or education
Inadequate technological systems	Information exchange between actors regarding individual clients is fragmented; lack of a central government information system for employer clients
Focus on ones own organisational priorities rather than client needs	Funding models push each actor to focus on their own activities
Different views on the relevance of performance metrics	When individual barriers to employment are successfully addressed (OECD 2021; NCM 2025), these outcomes are not captured by existing indicators (e.g. driver's licence, partial qualifications)
Bureaucratic constraints	Organisational boundaries diverge (companies – employment areas – educational institutions – wellbeing services counties)
Conflicts	Problems at new organisational interfaces become visible in the case of hard-to-employ clients

Three critical observations on the functioning of the employment ecosystem

1. Cooperation between different actors relies too heavily on informal connections
2. Challenges related to hard-to-employ individuals
3. Ensuring and developing the skills of the working-age population

1. Cooperation between different actors relies (too?) heavily on informal connections, and important aspects stay hidden

[*The field*] is a good example of how employment and recruitment there are quite... **fuzzy**. They're very much based on networks — **who knows whom and who gets recommended**. And the same kind of pattern is reflected in our own work in [*field*] education: it's essential that teachers have broad networks. (Educational institution)

And in a way, our labour market training programmes are a bit like... sometimes you feel like a kind of “**mini-employment office**”. Even afterwards, students come back and ask if you know of any job opportunities, and companies may also get in touch. (Educational institution)

We sort of match our staff with companies. So within companies, certain people responsible for specific areas know which teacher to contact on our side. [...] But if you think about it, if **you're that one person that everyone contacts**, then it's actually quite a **vulnerable system**. (Educational institution)

There are **familiar faces** there—people we know **who are now working as teachers**. And in recent years, we've really been present at almost all of their employer events. We've given alumni talks there and made ourselves visible. (Employer)

1. Cooperation between different actors relies (too?) heavily on informal connections, and important aspects stay hidden

Less visible aspects were seen as important for developing the employment ecosystem network.

- Paying attention to these “fuzzy” elements were seen to help employment areas to identify, recognise, and maintain important and functional aspects of the employment ecosystem:
 - Question we asked from the employment area: Should good practices that emerge between individual actors in the ecosystem be shared more widely?
 - Funding streams and valuable, yet often overlooked activities are closely intertwined.
 - If funding streams are not secured, valuable (should not be lost) activities may also be lost.
 - At the micro-level of the employment ecosystem, there is also much “good” happening that may go unrecognised if it is not anchored in more formal and sustainable structures.

2. Challenges related to hard-to-employ individuals

- “It feels like **our group [hard-to-employ] is not really recognised**... their functional capacity is not properly understood... and working with them **requires time and support services.**”
- “In the past, **work trial periods** could be quite long — now **they’re one to two months**. For many, that’s simply not enough.”
- “It’s almost as if **a person needs to have a job lined up already** before they are even selected for training.”
- “There has been an assumption among employers that **"there the difficult cases are coming"**. And then they’re surprised when that’s not actually the case.”
- “People who have been unemployed for a long time also **get stuck with a stigma** — employers come in with stereotypical assumptions.”

2. Challenges related to hard-to-employ individuals

The employment area ecosystem has potential to support jobseekers who are close to the labour market

- The system runs into difficulties when jobseekers are more distanced from employment

There is a risk of job-seekers system dependency:

- in order to secure their livelihood, individuals remain registered as jobseekers even when their primary need might be support from healthcare, social services, or rehabilitation.

This is not a matter of certain actor's shortcomings or lack of competence, but rather the system's structural fragmentation.

- The current system increasingly relies on short-term interventions and the assumption of rapid employment.

3. Ensuring and developing the skills of the working-age population

“The person isn’t directly our student, but they complete the competence demonstration with us. [...] It’s a tool used in rehabilitative work activities, even though legislation restricts formal studying. [...] We assess the demonstration, and they receive an official certificate of their skills. [...] And in the other direction, our students may go to workshops, where learning has been ‘formalised’ so that they can complete parts of their studies there under guidance.”
(Educational institution)

“Students are in really difficult situations when they work as freelancers [...] — can they study at the same time as being unemployed? [...] Or participate in labour market training? [...] Skills development has been made extremely difficult in this situation.” (Educational institution)

“It [the university] may appear somewhat distant, but there are also **a few very strong partnerships** where we engage in continuous research collaboration, business cooperation, and joint project funding applications. There’s a lot of good work being done— so it really depends on the sector.” (University) vs. **“Companies are actually quite close to us.”** (Other educational institutions)

“And have employers really been asked whether that level of qualification is actually sufficient for them ?”
(Educational institution) vs. **“There’s quite a gap—**we reach a certain point with basic qualifications, but the required level of skills is actually higher.” (Educational institution)

“We try to plan things together with a fairly long-term perspective. [...] We had a customised vocational qualification for our field through an apprenticeship model—so we try to create pathways that anchor people in the labour market.”
(Employer) vs. **“In this field, people aren’t really being trained at all,** so there is definitely a need to start training people—and to do so with up-to-date tools.” (Employer)

Some reflections

- Power relations
 - Not all forms of cooperation or actors have a secured position in the ecosystem
 - For example, non-profit organisations felt that their funding—and the position of their clients—depended heavily on alignment with the employment area strategy. As of spring 2025, concerns about exclusion were still very real.
 - There is a need for more institutionalised structures and more stable funding flows
- Geographical boundaries of employment areas matter:
 - Established collaboration areas of educational institutions and companies may now be split across multiple employment areas
 - This can slow down and complicate the development of cooperation and interaction
- Measuring the effectiveness of rehabilitative work activities (or equivalent services) to make individual's skills and functionality development more visible
- Getting employers on board seems to be critical (NCM 2025):
- Investing in skills remains a key response to labour market change and skill mismatches
 - Completing a first qualification in adulthood is an effective employment measure (Ojala & Pyöriä 2021)
- Has the employment system become too geared toward those who would manage anyway?

Project outputs:

- A journal article manuscript submitted for peer review
- This slide show
- A policy brief presenting our recommendations for employment areas and central government on the development of employment and social and health services

<https://www.tuni.fi/fi/tutkimus/oppilaitosten-tyonantajien-ja-tyollisyyspalvelujen-yhteistyö-tyovoimavirtojen-ohjaamisessa>

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