

# Overcoming expertise barriers in the Finnish legislative processes

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## Abstract

In a rapidly evolving and chaotic environment, demands to make sophisticated legislative decisions fast is the new status quo. For example, new innovative and disruptive technologies are released daily, which is a pace that legislators cannot keep up with. Consequently, the abundance of releases leads to legislative decision making circumstances, where not all the necessary information is available to the legislators. The parliamentary officials<sup>1</sup>, (hereafter: officials) consisting of experts from all fields of society and as an institution, incorporates knowledge required to make sophisticated legislative decisions. Therefore, a demand for a knowledge transfer process of tacit and explicit knowledge must be conducted from officialdom to the legislative decision makers. Democracy in Finland works to its fullest potential, as any person regardless of their socioeconomic background can be elected to the Parliament<sup>2</sup>. This study examines the induction process in the Finnish legislative system between these two bodies of actors and proposes best practices to adopt in legislative decision making.

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<sup>1</sup> Parliamentary officials, Finnish '*eduskunnan virkamieskunta*', in the context of this research, officials who work for the government in the context of legislation.

<sup>2</sup> The Finnish Parliament, Finnish '*Suomen eduskunta*', the legislative body of Republic of Finland

## **Introduction**

Knowledge management has attracted academic interest owing its critical role in knowledge-intensive organizations and processes. The legislative process is knowledge-centric and immensely dependant on fluid knowledge transfer between officials and MPs. Thus, effective knowledge management in any legislative system is of paramount importance.

Little research has been conducted on how the Finnish legislative system transfers knowledge between officials and the decision makers. There is a need to make effective decisions and this requires a systematic way of knowledge transfer to be put into place. The main objective of this study is to provide insights that improve efficiency in Finnish legislative decision making.

The aims of the study are as follows:

- 1) Identify measures required to efficiently transfer knowledge from standing officials to continuously changing elected Members of Parliament.
- 2) Detect bottlenecks in knowledge transfer from the officials to the legislators.
- 3) Recognize existing methods of knowledge-sharing in the legislative process that are deemed working and effective

To fill the gap, this report aims to synthesize best practices in knowledge sharing with the Finnish legislative process, culture and organization. Our study examines knowledge transfer between experts and MPs, best practices of knowledge transfer in organizations, and the legislative process in the context of knowledge sharing.

## **Background**

Research in knowledge transfer has been conducted actively, with a narrow focus on business organizations and projects. (Brockmann and Roztock, 2015) The legislative process in Finland has been well delineated and documentation is readily available for every citizen online (Finlex). However, research combining findings from different branches of research is close to non-existent, and the only study that concerns our research is from the year 2002 (Suurla, Markkula and Mustajärvi, 2002). The focus of their study is on understanding knowledge management in the big picture and knowledge sharing is discussed mostly in the context of information and communications technology (ICT).

The work in the Parliament is mainly delineated by the constitution. The Finnish Constitution defines the roles of the officials and MPs adamantly. MPs are responsible for “legislative work, monitoring the cabinet’s activities, approving the central government budget” whereas officials are to support these activities in “the best possible manner” (Suurla, Markkula and Mustajärvi, 2002, p. 133). Furthermore, it is crucial to understand that most of the constitutional directives are ambiguous and cannot be fully understood by their face value. Therefore, they require further judicial interpretation to be fully actionable.

## **Methodology**

For this paper, we made use of the services of the Harald Herlin Learning Center for general literature on knowledge management and the library of the Parliament for material more specifically aimed at the legislative and parliamentary part of our study.

In addition, we conducted an interview with a member of parliament in order to acquire more insight into the work of an MP and to understand how they perceive their need for knowledge and what kinds of aids are available to them.

## Literature review

Knowledge transfer interaction between officials, MPs and outside experts is set by the legislative process. The legislative process is defined by the Constitution and multiple laws. (Jyränki, 2000) This research focuses on regulatory drafting stage where officials gather knowledge required for legislative decisions and create a draft regarding new legislation. In this stage the senior officials interact with ministers and the Government who have ordered the work in the first place. In addition, this research examines the Parliamentary review phase, where MPs make decisions based on the bills submitted by the Government and mainly drafted by officials. (Finlex)

The most recent study of knowledge management in the Parliament was conducted more than a decade ago by Suurla, Markkula and Mustajärvi (2002). The study had a rather extensive focus on the development, implementation and benefits of ICT systems. However, the study does emphasize the aspect that “parliament employees experts for a wide variety of tasks”, which means that the individuals may personally have quite different knowledge management needs and objectives” (Suurla, Markkula and Mustajärvi, 2002, p. 130).

Legislative work is knowledge-intensive, with the knowledge being created by the experts and consumed by the decision makers. Argote and Ingram (2000) concludes articles of knowledge transfer and analyzes organizational knowledge as a basis of competitive advantage for knowledge-intensive companies. Even when our legislative systems do not compete with other similar organisations, the knowledge transfer inside it could benefit from more efficient ways found in the article. For example the study states that “Making knowledge explicit enough to be embedded in technology eases its internal transfer” (p. 158). The Parliament uses ICT systems (Suurla, Markkula and Mustajärvi, 2002), but it should be concerned how and what knowledge is transferred through it, especially recognizing tacit knowledge which could be converted into explicit. Argote and Ingram (2000) define knowledge transfer extensively, discusses the factors affecting it and the “reservoirs” of knowledge in organizations. According to the article, the framework of knowledge in organizations

is embedded in members, tools, tasks and networks formed by combining these. For our study the article offers insight of transferring people to different groups as knowledge transfer method and understanding of member-member and member-tools networks.

Courtney (2001) describes decision making and knowledge management issues in inquiring organisations. He analyzes different decision support systems (DDS) concepts and defines knowledge, KM and its relation to decision making in organisations. Present problems organizations encounter are “wicked” and presents a list of 10 properties of such problems, which Rittel and Webber have originally introduced in 1973. These properties describe that wicked problems are not simple and that they have no natural stopping point or an unambiguous answer.

The solution to convert tacit knowledge into readily available explicit knowledge is usually implemented with information and communication technology. Dagada (2012) concurs that knowledge sharing should be enacted by encouraging legislators to capture, formalize and document tacit knowledge. “The crux of this recommendation is that the legislature will create knowledge by ensuring that employees and members get explicit knowledge through policies, procedures, and reports and tacit knowledge by enacting proper legislative actions” (Dagada, 2012, p. 595 ). Dagada argues, that most prominent threat to any knowledge-intensive organization is the knowledge loss when people leave the organization.

Parliamentary elections are held every four years, with the number of new MPs generally being about 25-35% (Suurla, Markkula and Mustajärvi, 2002).

Recommendation of the study is to adapt ICT in knowledge management. The study advocates that “the implementation of knowledge management will enable the Portfolio Committees to gain maximum advantage in their focus area --” (Dagada, 2012, p. 596).

### **Knowledge sharing in Finnish legislative drafting process**



Figure 1 - Legislative process in the Republic of Finland adopted from *(Lainvalmistelun prosessiopas, Finlex)*

Knowledge sharing is a crucial part of Finnish legislative drafting process because MPs base their decisions at least partly on what the officials offer. In this study, we focus the work done in Regulatory drafting (2a and 2b in figure 1) and Parliamentary review (6 in figure 1).

Regulatory drafting starts with a mandate from the ministry and is commonly the most labour-intensive part in the drafting. The mandate is given either to official duties or a separate preparatory body, which can be e.g. a committee, a commission or an advisory board. A separate body is called to action when broader-based participation is warranted, otherwise, the work is done by the preparatory team. (Finlex)

The most relevant part of the regulatory drafting in the scope of knowledge sharing can be found between gathering the knowledge base and presenting the views of stakeholders after the impact assessment of the proposed legislation. The stakeholders can be quarters outside the working ministry, who the decision will affect, e.g. other ministries, organizations, companies or citizens. When gathering the knowledge base the matter is examined in greater detail and the preparatory team evaluates whenever external studies or experts are needed. Stakeholders, who are not represented in the preparatory team, are consulted. (Finlex)

In parliamentary review, knowledge is shared from the officials of the ministry and other experts and interest groups of the subject to one of the standing committees.

This detailed review is normally preceded by preliminary debate, where individual MPs and political groups can ask questions and express their opinions. This promotes knowledge sharing inside the Parliament. Through the process, the officials may offer additional information to the Parliament as required. Finally, the Parliament decides whenever the bill will be approved. Knowledge sharing won't necessarily be fully successful, for example, if the proposed bill is unequivocally written or poorly read by the MP. The possibility of misunderstanding should be taken note of when drafting the bill. (Finlex)

### **Best practises for Knowledge Sharing**

Knowledge sharing is pivotal to the knowledge management of the legislative process. Bartol and Srivastava (2002, p. 65) defines knowledge sharing as "individuals sharing organisationally relevant information, ideas, suggestions, and expertise with one another". The knowledge shared by individuals can be implicit or tacit. In essence, knowledge sharing is the act of making knowledge available to others within the organisation (Suurla, Markkula, Mustajärvi, 2002). To increase knowledge sharing in parliamentary work, the Parliament could begin incentivizing knowledge sharing (Bartol and Srivastava, 2002), revamp their training and onboarding methods (Indu and Gupta, 2007) and drive transformation towards a organizational culture where knowledge sharing is active (Cabrera and Cabrera, 2007). In addition, the use of knowledge management systems is a fundamental factor of an effective legislative process (Dagada, 2012).

Bartol and Srivastava (2002) suggest that the most critical factor affecting knowledge sharing behaviour is motivation. A common attitude towards contributing knowledge is the need for reciprocity. The quid pro quo idea that those who share information should be rewarded for their efforts. In contrast, withholding information can be seen as a source of power, as knowledge can make a member of an organization more important. Thus, disclosure of knowledge in such circumstances may not be particularly appealing.

In principle, motivational drivers can be divided into two - intrinsic and extrinsic. Intrinsic motivators are more difficult to measure and are prone to be subjective, whereas extrinsic motivators are more visible and objectively measurable. Intrinsic motivators are something to be identified in the recruitment process and can be guided through managerial visions and interpretations (Ylitalo, 2018). Extrinsic drivers can be either monetary or non-monetary.

However, research suggests that monetary rewards are controversial in nature. In certain cases monetary rewards have caused a decrease in motivation to share. The research suggests that this is due to conflict between intrinsic motivation and undermining of self-determination. Fundamentally, rewards should be targeted towards desired type of behaviour. As an organizational measure, direct incentivizing of certain behaviour is faster to implement than cultural transformation, where knowledge sharing is seen as intrinsically rewarding. (Bartol and Srivastava, 2002)

Bartol and Srivastava (2002) establishes two types of strategies for knowledge sharing: person centered and database oriented. In their study, they compare two top management consulting firms McKinsey & Company and Ernst and Young. McKinsey emphasizes person to person contact whereas Ernst and Young knowledge objects in vast databases. The Parliament's knowledge sharing model resembles the one implemented at McKinsey's as knowledge is accessed through many experts and officials. Indu and Gupta (2007, p. 9) studied knowledge management practises at McKinsey and concluded that employee training on knowledge sharing is a key activity for corporate success. Moreover, recruiting emphasis was on "talented individuals capable of receiving and spreading knowledge through person-to-person knowledge sharing mechanisms that were present in the organization". On the level of company principles training is seen as equally valuable as working with clients. All recruits are required to participate to a one-week training to gain "basic consulting readiness". Recruits without a background in management are to complete a "three week mini-MBA course". In addition to preliminary training, each new associate is assigned a mentor, receives plenty of guidance from their team members while working and is required to regularly attend training to develop wide range of skills.



Cabrera and Cabrera (2007) indicate that organizational culture influences knowledge sharing in two distinct ways. First, organizational culture can shape “strong social norms regarding the importance of sharing one’s knowledge with others” (Cabrera and Cabrera, 2007, p. 9-10 and p. 2). Their study proposes that perceived norms are “positively related to intentions to share knowledge and, consequently, to knowledge sharing behaviours”. In practice, these norms are established by the example of other employees, particularly the management, as such behaviour portrays a clear message of an existing knowledge sharing norm. Second, organizational culture can boost knowledge sharing by promoting values such as caring, cooperation and trust in the work environment. The study attests that these values positively correlate with employee willingness to share knowledge, as knowledge sharing is more effortless in an open and trusting culture.

## **Interview**

To gain further insight into how the knowledge transfer processes are conducted in the Parliament, we interviewed a first term member of Parliament, MP X. We found that MPs are given a multitude of possibilities to educate themselves on how to gain the knowledge required to vote wisely. However, attendance in these training sessions is not mandatory and they are offered more at the start of a new term of parliament. It would also seem that MPs with a background in some sort of higher education are more prudent with where their information comes from. In contrast, the MPs with no higher education tend to use sources more freely.

There are also hundreds of officials working in the Parliament, who are there for the MPs to ask about anything they need information about. There is even an entire department dedicated to the information needs of the MPs and these resources are resorted to actively. Another valuable resource mentioned are the assistants of the MPs who are also there to make sure the MP has all the information they need.

MP X also pointed out that however wisely a single MP would want to vote, if the party has decided on the common vote, there is not much he or she can do. The

votes of the majority government<sup>3</sup> are mostly dictated by what is negotiated between the parties. Voting amounts can become quite extreme, for example, in Christmas of 2017, the Parliament had 500 decisions put for vote in two days.

The forums that really give an MP the chance to become an expert on a topic and induct knowledge from the brightest minds in Finland, are the committees. The committees are the forums where propositions are processed before they come to the Parliament and the committees have the possibility to request experts from their area of responsibility, to come and give presentations on the topic requested by the committee. The experts can also deliver written statements or transfer their knowledge to the MPs in other ways. According to MP X the committees are the place that one should turn to, when more knowledge is required.

The committees, however, also have a negative side: they are not open to everyone. When a new Parliament is elected, the seats in the committees are first divided between the parties and then among the MPs of the parties. The seats acquired by a certain party will then be divided by taking into account the MPs previous occupation and in some parties, seniority i.e. the wishes of an MPs that's been an MP for 30 years takes priority over the wishes of a new MP. This is problematic, because while the committees make it possible to become an expert in an area, they do not provide this possibility to everyone.

Analyzing the interview, we concluded that there are three points of development in the knowledge sharing processes of decision makers. These are the points that most stood out in the interview with MP X and based on the interview, ought to be improved. The points are: creating official prerequisites to becoming an MPs assistant, making the knowledge-transfer training-sessions mandatory and opening up the committees to all the MPs.

## **Discussion**

We can conclude that currently knowledge sharing in the Parliament relies mainly on the interaction between officials and MPs and their assistants. In addition, the

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<sup>3</sup> Majority government - A cabinet formed in a parliamentary system when a political party or coalition of parties has a majority of overall seats in the parliament.

Parliament has implemented a knowledge management system that supports knowledge sharing and knowledge gathering. However, the interaction facilitating knowledge sharing between a Member of Parliament and their assistant is most critical for effective decision making, as MPs usually do not have enough time to gather required knowledge themselves. Moreover, the pace of decision making can at times become extreme. This stresses the ability of a MP to internalize vast amounts of knowledge in a short time and leads to situations where a decision maker does not fully comprehend what is at stake.

To guarantee better knowledge gathering and sharing proficiency, the Parliament should consider creating official prerequisites for the assistants of MPs. At the moment, similarly to ministers, there are no requirements for the post of an assistant of a MP. While this gives the MPs the freedom to choose exactly who they want to have as their assistants, it also leads to situation, where someone that has just graduated from high school, can be responsible for a large chunk of an MPs knowledge and information needs. By requiring at least some kind of formal education, we could make sure that there is a standard for parliamentary assistants.

To enhance parliamentary knowledge sharing practices, the Parliament should address implementation of more systematic practises over knowledge transfer. The Parliament should consider the importance of mandatory training of all MPs and their assistants in knowledge sharing practises. In addition to having these sessions at the beginning of the term, training should be continuous to develop and maintain MPs proficiencies in information and knowledge management throughout their term. This would ensure that those less educated are on par with their peers, it would also update the abilities of re-elected MPs and serve as a way of keeping the knowledge and information transfer abilities of the MPs to a certain standard. The problem with this proposal, however, is that there are no guarantees that someone physically present, actually pays attention, nor is it possible to force an MP to attend. Only if absence in training would be interpreted as serious disregard of an MPs duty, could someone, in theory, be voted out of the parliament for not attending. Continuous training would drive both cultural and practical change to knowledge sharing in the legislative process.

The Parliamentary groups could consider making the committees more open to all MPs. If the committees are indeed the best forum for an MP to dive into a subject domain of their interest, perhaps they should be open to all the MPs. It would no doubt be an operational nightmare, but without changing the current processes, this is possibly the only way to make sure that every interested MP has the opportunity to delve into the subject that they are going to have to vote on regardless of if they know anything about it or not.

### **Further research avenues**

The research yielded interesting although tentative ideas. To draw more generalizable conclusions and confirm validity of discovered ideas, larger interview samples would be required to gain better insight into the legislative process in the Parliament. Moreover, the larger sample should be diverse and include, in addition to MPs, their assistants and also officials that work for the legislative process. Meticulous research would help identify knowledge bottlenecks more accurately and help direct resources for effective improvements.

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