

January 15, 2013

Faculties
Other units

Proposals for performance-related salary increases

In 2013, the staff of Finnish universities will be paid a general salary increase (1.2 %) in accordance with the protocol of signature in the general collective agreement for universities dated on November 24, 2011. In addition to the general salary increase of 1.2 %, an organization element of 0.7 % will be paid. The general salary increase of 1.2 % has been implemented by an increase in the salary scales as of January 1, 2013 for the staff belonging to the salary system for universities, or for those salaries in euros that are determined according to the scales. Salaries in euros that are outside the salary system for universities will be increased by 1.9 % as of April 1, 2013. The general increase of 1.2 % for teachers in training schools will be implemented by an increase in the salary scales as of April 1, 2013.

In the process of making the current general collective agreement for universities that discusses salary increases for years 2012 and 2013, an agreement about developing the personal work performance component was made. It was decided that the component will be developed by enabling the employer to decide upon **performance-related salary increases**. The organization element of 0.7 % will be used for this purpose.

Performance-related salary increase

The performance-related salary increase can be used for encouraging employees to carry out their work well.

The performance-related salary increase can be paid for positions in both evaluation systems, on all job demands levels and performance levels, except for positions on the highest performance levels.

The performance-related salary increase is 50 % of the amount in euros between the employee's performance level and the next performance level above.

Example 1

There is an employee, whose position is in the evaluation system for other staff, on level 5 in the job demands chart, and the performance level of the employee is 6. In this case, the salary of the employee is €2.429,92. On the next performance level above, which in this case is level 7, the salary is €2.543,64. Therefore, the performance-related salary increase is €56,86, which is 50 % of the difference.

Example 2

There is an employee, whose position is in the evaluation system for teaching and research staff, on level 7 in the job demands chart, and the performance level of the employee is 5. In this case, the salary of the employee is €4.639,26. On the next performance level, which in this case is level 6, the salary is €4.871,04. Therefore, the performance-related salary increase is €115,89, which is 50 % of the difference.

The performance-related salary increase is part of the personal work performance component, and thus, the agreed provisions apply. Therefore, the performance-related salary increase can be implemented through the same procedure as lowering the personal work performance component.

The personal work performance of an employee is not evaluated in accordance with chapter 6, section 6 of the general collective agreement for universities, when it has been decided that the employee will be paid the performance-related salary increase. However, when considering the increase, the employer will use the criteria of the salary system as grounds for the decision.

The decision about paying the performance-related salary increase is made by the employer. The supervisor of an employee can make a proposal to the employer about paying the performance-related salary increase to the employee. The proposal is made on the basis of the annual development discussion or other similar discussions.

Allocation of performance-related salary increases in context of the organization element

Performance-related salary increases are to be allocated in such a way that the organization element of 0.7 % will be completely used in accordance with the negotiation result reached at the union-level, meaning that both staff groups get at least 0.7 % of increases. The organization element of 0.7 % is calculated out of salaries in April 2013.

The increase funds of 0.7 % to be used for performance-related salary increases have been included in the budget frameworks of units.

Performance-related salary increases paid in context of the organization element are to be allocated in both salary system groups as equally as possible. However, it must be borne in mind that performance-related salary increases are always based on personal work performance.

Employees in either permanent or temporary positions can be paid the performance-related salary increase. It is valid as long as the person is in the position. Nevertheless, the performance-related salary increase does not follow the employee to a new position. Furthermore, if the performance-related salary increase has been given to an employee in a temporary position, and the contract is renewed without a gap between contracts, it will be paid during the renewed contract as well.

For instance, if the contract of a Researcher is ending at the end of November, but the contract is renewed with the same terms as of the beginning of December, the performance-related salary increase will continue to be paid.

Official proposals for performance-related salary increases are conducted at the same time with the biennial evaluation discussions that are carried out in accordance with chapter 6, section 6, paragraph 6.3 of the general collective agreement for universities. There is a separate guideline to be given about the biennial evaluation discussions. If the proposal suggests the performance-related salary increase to the employee, the result of the evaluation discussion shall not, however, propose raising the performance level.

Decisions about allocating performance-related salary increases are made in the Administration. The same unit also observes that the 0.7 % organization element is used.

Chief shop stewards at universities are given a report that shows the allocation of performance-related salary increases. The report will be delivered by December 31, 2013. The allocation in the report is divided statistically into evaluation systems. The University reports the complete salary sum, the complete sum in euros, the amount of performance-related salary increases in numbers, by genders, and by job demands levels.

Practicalities and decision-making

Employees cannot personally apply for the performance-related salary increase or invoke the general collective agreement for universities in order to demand the increase for themselves. The director of the unit can make an official proposal about paying the increase on the basis of e.g. evaluation discussions or performance appraisals. Proposing a performance-related salary increase does not require performance evaluation in the HR system nor does the evaluation need to be based on the criteria in the performance evaluation. However, the employer uses the criteria as grounds when considering the allocation of increases.

Decisions about allocating performance-related salary increases are always made by the employer in a centralized way, currently in context of the organization element and also later, when the performance-related salary increase will remain as a part of the salary system. These decisions are not made in the units.

If personal work performance has improved in such a way that the personal work performance component is raised to the next performance level, the performance-related salary increase will no longer be paid.

If the job demands level of the position is raised to the next job demands level, personal work performance is evaluated in accordance with chapter 6, section 6, paragraph 6.4.2 of the general collective agreement for universities, when paying the performance-related salary increase is re-evaluated. However, the total salary of the employee cannot decrease.

Paying the performance-related salary increase decreases the guaranteed salary element respectively.

Proposals for performance-related salary increases and grounds for using the organization element

Each unit is requested to deliver a proposal for performance-related salary increases to Director of Human Resources Mirja Väyrynen. The proposal is to contain brief justifications and shall be delivered by April 30, 2013.

Proposals concerning individual increases should be made separately for both teaching and research staff and other staff. The increases should be prioritized, to enable the employer to implement the allocation in a way that is as close to the view of the units as possible.

Paying the performance-related salary increases

Performance-related salary increases will be paid as a part of the monthly salary, beginning in October 2013.

Performance-related salary increase as a part of the salary system

The performance-related salary increase will remain as a part of the salary system for universities after taking the 2013 organization element into use.

For more information, please contact Director of Human Resources Mirja Väyrynen.

Vice Rector

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