

Information for both parties from Linköping University and Saco-S concerning salary-setting dialogues

LiU and Saco-S have agreed to use salary-setting dialogues as the method for salary review. The method has been gradually introduced, and it is an ambition that this method will be used for all Saco members at LiU with effect from the salary review in 2021. This document presents joint comments from the parties about how salary-setting dialogues are to be carried out.

What is a salary-setting dialogue?

A salary-setting dialogue involves the manager and the employee agreeing a revised salary. The contribution of the employee to operations is placed in focus during the dialogue. The fundamental idea behind a salary-setting dialogue is that the manager and employee discuss and evaluate the employee's results, performance, exercise of employeeship, and salary. Those who have the best preconditions for making this evaluation and conducting a salary-setting dialogue are the manager and the employee.

Salary-setting dialogues are generally carried out in a two-step process, in the first step of which the employee and manager conduct a dialogue around the employee's performance. This ends with the manager proposing a new salary. Before the second step, the manager and employee have the opportunity to reflect over the dialogue in the previous step, and are now in this second step to agree on a new salary.

Those on parental leave or sick leave are also to be offered a salary-setting dialogue.

The purpose of the salary-setting dialogue

A salary-setting dialogue between manager and employee provides the conditions required to ensure that the correlation between results/performance and salary is established. In order to achieve these conditions, it is necessary that the annual employee performance appraisal results in unambiguous objectives and expectations for the employee. These are to be followed up in the salary-setting dialogue. There must always be a clear link between the employee performance appraisal and the salary-setting dialogue.

What is meant by "individual and differentiated salary"?

The determination of an individual salary is based on an objective evaluation of the results and performance of each employee, using the salary criteria set by LiU. In order for this evaluation to be possible, the employee performance appraisal must have resulted in a description of well-defined objectives and expectations for the employee. The fact that the salary is *individual* means that the employee's salary is based on the results and performance relative to the stated objectives and expectations. The fact that the salary is *differentiated* means that employees within any single unit, division, or equivalent organisational structure do not have the same salary. Salaries differ depending on the level of difficulty and responsibility of the duties, and/or on the results and performance of the employee.

Preparation for a salary-setting dialogue

Before a salary-setting dialogue, the employee is to evaluate results, performance, and exercise of employeeship, based on the objectives and expectations established during the employee performance appraisal and on the salary criteria set by LiU. The manager is to make a corresponding evaluation. A constructive dialogue is only possible if both parties are well-prepared. Both the manager and the employee are to contribute to a salary-setting dialogue characterised by openness and respect. It is, however, the manager, as representative of the employer, who has the final responsibility that the dialogue is carried out in a professional manner.

It can be appropriate to base the evaluation on the following areas:

- concrete results and performance that have been achieved, relative to the objectives and expectations set by the employee performance appraisal
- concrete contributions to the development of operations
- changed work duties that involve changes to responsibility, authority or level of difficulty
- new expertise or skills gained, and their effect on the tasks carried out
- execution of employeeship.

The period to be considered for evaluation is normally from 1 October to 30 September, unless otherwise stated in the salary criteria. During the dialogue, the employee and the manager each present the evaluation they have made. It is the head of department or person in a corresponding position who decides whether the evaluations are to be submitted before the dialogue or not.

Managers who carry out salary-setting dialogues undergo training that focusses on the link between the employee performance appraisal and the dialogue. The employer and Saco-S carry out joint information meetings for the employees concerned, if necessary. Managers can consult the Human Resources Division for advice and support, while Saco-S gives advice and support to its members.

What characterises a positive salary-setting dialogue?

Significant factors to ensure the manager and employee experience the dialogue as positive include:

- that the manager creates a dialogue in which both parties have the opportunity to discuss and describe his or her evaluation of tasks, results, performance, exercise of employeeship, and salary
- that the manager presents and explains the proposed salary
- that the parties do not view the dialogue as a negotiation, although the potential to change the outcome must be present
- that the manager explains clearly ways in which the employee may develop, and in this way influence the salary
- that the manager provides time and space to process disappointment, where this occurs

- that the manager is open for further dialogue.

Agreement on a new salary

In order for a new salary to come into force, the manager and employee must agree on its magnitude. This may take place in a written agreement, confirmation by email, or an equivalent manner.

Procedure in the event of a failure to reach agreement

If the manager and employee are unable to agree on a revised salary after the two discussions, a four-party discussion is to be carried out. During this discussion, the manager is to be represented by an employer representative or a senior manager, and the employee by a representative from Saco-S. The purpose is to ensure the quality of not only the salary-setting dialogue but also the determination of the new salary. During the four-party discussion, the manager and the employee are to give their opinions of the discussions that have been held. The roles of the other participants are to listen, pose supplementary questions, and ensure that the discussion deals with determination of the revised salary. In cases in which it is even so not possible to agree a new salary, the question is to be finally settled in formal negotiations between the employee organisation and the employer, as specified by the RALS-T framework agreement, Sections 7.2-7.4.