

Salary as a Policy Instrument  
**Policy for Salary-Setting at  
Karolinska Institutet**



**Karolinska  
Institutet**



# Salary as a Policy Instrument

## TABLE OF CONTENTS

<b>1</b>	<b>SALARY FORMATION AND SALARY-SETTING AT KAROLINSKA INSTITUTET .....</b>	<b>3</b>
1.1	SALARY AS A POLICY INSTRUMENT.....	3
1.2	DEPARTURE POINTS FOR THE WORK WITH SALARY-SETTING.....	3
1.3	CONFLICTS OF INTEREST.....	3
<b>2</b>	<b>DIALOGUE BETWEEN MANAGER AND EMPLOYEE .....</b>	<b>4</b>
<b>3</b>	<b>SALARY-SETTING.....</b>	<b>4</b>
3.1	WHEN ARE SALARIES SET? .....	4
3.1.1	<i>New employment</i> .....	5
3.1.2	<i>Salary review</i> .....	5
3.2	NEW SALARY – NO NEW SALARY INCREASE .....	5
3.3	SALARY DISCUSSION.....	6
3.4	NEGOTIATION .....	6
<b>4</b>	<b>SETTING A SALARY .....</b>	<b>6</b>
4.1	SALARY CRITERIA.....	6
4.1.1	<i>Salary criteria for all employees</i> .....	7
4.1.2	<i>Salary criteria for technical and administrative staff</i> .....	7
4.1.3	<i>Salary criteria for teachers and researchers</i> .....	8
4.1.4	<i>Specific salary criteria for managers</i> .....	10
4.2	ASSESSMENT LEVELS FOR PERFORMANCE CRITERIA.....	11

### Appendix

1. Sample template - technical and administrative staff (TA)
2. Sample template - teacher and researcher
3. Sample template - manager

<b>Reference number:</b> 1-536/2019	<b>Ref. no. of previous version:</b> 5344/2012-200	<b>Decision date:</b>	<b>Period of validity:</b> Valid until further notice as of /2019
<b>Decision:</b> President		<b>Document type:</b> Policy	
<b>Managed by department/unit:</b> Negotiation Unit		<b>Preparation with:</b> Other relevant organizational sections	
<b>Revision with regard to:</b> The main text, the salary criteria and the salary-setting templates			

# 1 Salary formation and salary-setting at Karolinska Institutet

## 1.1 Salary as a policy instrument

Karolinska Institutet's employees are our most important resource and largest investment. Salaries and other terms of employment must be used in a way that best benefits the organization as a whole. An efficient organization utilizes its resources in the best way possible. The link between salary, motivation and performance is a driving force for the individual employee and also creates commitment.

## 1.2 Departure points for the work with salary-setting

The central salary and benefits agreement (RALS) provides the framework for the local salary-setting. This agreement, along with the operational requirements, the financial conditions and the need for skills supply, are the starting points for successful local salary formation work.

*“Salary formation and salary-setting must contribute to the objectives of the organization being achieved and its operations being conducted efficiently and rationally”. (Section 5, RALS)*

Salaries should be individualized and differentiated on objective grounds such as responsibility, the difficulty of the tasks and other requirements of the job, and the employee's skills and performance in relation to the business objectives. In many cases, factors such as the supply and demand for labor as well as the wage situation in the labor market can also affect wages. Education and age do not have a direct impact on pay, but can have an indirect effect through increased responsibility and difficulty, as well as better performance and skill at work. Experience that contributes positively to the individual's performance and skills in relation to the business objectives should be recognized when setting pay. Gender neutrality in both design and application is an obvious starting point in salary formation. At Karolinska Institutet, we shall have objective salary setting.

The President is ultimately responsible for the salary formation at KI. Managers are responsible for contributing to an objective salary-setting, based on the interests of the organization, which motivates employees and ensures the skills provision.

Employees on parental leave are not to fall behind in their salary progression. They are entitled to receive the same pay rise during parental leave that they would have had if they had remain at work.

## 1.3 Conflicts of interest

Conflicts of interest may not occur under any circumstances. In the event that a salary-setting manager has a close relationship with an employee which entails a potential conflict of interest or risk of other situation that may affect their ability to set a salary for the employee on objective grounds, a superior manager must be notified in good time ahead of the salary review.

## **2 Manager–employee dialogue**

A manager's ability to communicate goals and assignments and connect these to the employee's performance and results is crucial for objective salary-setting. Good knowledge of the employee's performance and results in relation to the organization as a whole and to the goals at the individual level is required to make this possible. Continuous dialogue over the year between the manager and employee is therefore a success factor.

The purpose of the dialogue is to give the manager and employee an opportunity to discuss roles, responsibilities and achievements throughout the year. The manager must then communicate their assessment in such a manner as to help the employee understand the reasoning behind their new salary. It is important that the manager informs the employee of what they can do to influence their salary in the future. By extension, this means that an employee who fails to carry out what has been agreed upon cannot expect any positive change in their salary.

## **3 Salary-setting**

It is important that salary-setting managers at KI set salaries based on the same grounds and therefore use the salary criteria in Chapter 5.1.

For some teaching and research positions, examples of assessment criteria are also included in the Appointment Procedure for Teachers at Karolinska Institutet and Instructions regarding Appointment Procedure for Teachers at Karolinska Institutet.

### **3.1 When are salaries set?**

Employees have their salary set on various occasions. Salary-setting takes place during:

- new employments
- salary reviews

Other changes in salary during the current contract period should only be made in exceptional cases, and only after consultation with the central HR Office.

Renewed salary-setting can, for example, take place in the case of:

- New duties that entail significantly altered work tasks. Changes to an employee's duties do not entail a pay review unless it involves a

significant change in work content and/or is associated with increased responsibilities and levels of authority.

- A return after a long period of leave if an employee has been away from the organization for several years and has not been subject to salary-setting during that period.

### **3.1.1 New employment**

New employees are to be offered a salary in accordance with KI's salary criteria, see point 5.1. If a newly hired employee is not to be included in the salary review, this must be stated in the employment contract or equivalent. Anyone starting employment on 1 April or later should normally have their salary set at the year's level and therefore should not be included in the salary review<sup>1</sup>.

### **3.1.2 Salary review**

A salary review takes place at departments or equivalent with the following exceptions according to the decision-making procedures and delegation rules:

- The head of department must make decisions after consultation with the President when setting the salary of a professor, nominated professor, visiting professor, adjunct professor, senior lecturer and adjunct senior lecturer
- The head of department must make decisions after consultation with the University Director when setting the salary of a head of administration
- The head of department (or another manager according to the department's delegation procedure) must make decisions after consultation with the HR Director when setting the salary of a finance manager or HR officer at the department
- Allowance/ Salary according to local collective agreements, such as a doctoral salary ladder, OB (inconvenience allowance), on-call allowance, minimum salaries for extra staff, etc. must be uniform regardless of department. These collective agreements are negotiated centrally by the HR Office

## **3.2 New salary – not a new salary increase**

New salaries are set in the salary review based on the employer's need to:

- manage performance by rewarding desired results and skill in the work
- secure opportunities to recruit and retain skilled employees

---

<sup>1</sup> In the case of a review date other than 1 October, a corresponding 6-month period applies

In a salary review, a *new salary* is set for each employee. This new salary may mean a greater or lesser salary increase or none at all. It is therefore important that both the manager and the employee, in conjunction with the salary review, think in terms of a new salary instead of focusing on the size of the salary increase. An increase in salary is only a measure of how much or little the salary needs to be adjusted in order for the salary to reflect the overall valuation of the work effort. The salary increase itself is not a measure of the value of the work effort.

### **3.3 Salary discussion**

For employees whose salary is justified through dialogue, the manager makes an appointment with the employee. The manager communicates their assessment of the employee's results in relation to set goals and salary criteria and communicates and justifies the new salary. The salary is set in an agreement between the manager and employee.

### **3.4 Negotiation**

For employees whose salary is negotiated, the manager and employee are to have a dialogue regarding the year's results in relation to set goals and salary criteria. The salary however is set in a negotiation between employer and union, and the employee is then being informed of the new salary. If the employee has questions about their salary, they must contact the salary-setting manager.

## **4 Setting a salary**

### **4.1 Salary criteria**

The following chapters, along with templates, are intended to be used as a tool for establishing a good basis for salary-setting.

KI's salary criteria are outlined below, along with a description of assessment levels that will facilitate the assessment of employees' performance and results.

The appendices contain templates where salary criteria are evaluated using the assessment levels.

In the salary review, the manager fills in the applicable KI template for setting the salary of each employee. This gives an overall picture of all achievements and results so that they may be evaluated in the same way and assessed objectively. It provides a good overview of the performance and contributions of each individual employee to the results, which then forms the basis for the actual proposal.

The documentation is beneficial to use in discussions with the individual employee to help clarify the manager's assessment of efforts and results.

### **4.1.1 Salary criteria for all employees**

Salary criteria clarify what is to be assessed when setting salaries besides the complexity of the work and the market situation. The criteria provide support to managers and employees in the salary dialogue and function as a tool for managers to make an objective assessment of employees' results and performance.

In order for the individual salary-setting to have intended effects for the organization and not be perceived as subjective, it is of great importance that the salary-setting manager do accurate and objective considerations when setting salaries.

Prior to the salary setting, it is recommended that the manager check the employee's salary level compared to the rest of KI and the labor market as a whole. The manager should also take into account recruitment opportunities for equivalent competence, i.e. how easy or difficult it is to replace a particular employee. Replacing an employee relates to both actual competence and the time dedicated to training at KI.

The guiding principal should be that a very good performance in one area cannot compensate for significant shortcomings in another. Good performance in several areas of assessment should be assigned great importance when a proposal for a new salary is provided. The complexity of the tasks must be given particular consideration.

The conversation begins with discussing the employee's results based on the set goals.

KI has salary criteria for:

- Technical and administrative staff
- Teachers and researchers
- Managers with staff responsibility

### **4.1.2 Salary criteria for technical and administrative staff**

#### **Results and skills based on the requirements of the organization**

- Provide high-quality professional support to the organization
- Work skills
- Achieve agreed work results within the scheduled time

- Prioritize and delimit work based on set goals
- Work efficiently while also achieving sufficient quality

#### **Proven ability to cooperate**

- Cooperate with people at different levels within and outside KI
- Share their own knowledge and experience
- Contribute to an open and good atmosphere in the workplace
- Treat colleagues and managers in a positive, respectful and equal manner on equal terms

#### **Proven ability to contribute to the organization's development**

- Find new solutions/working methods
- Be solution-focused
- Adapt to changing conditions
- Ability/willingness to take on new tasks
- Develop their own competence based on the needs of the organization
- Actively contribute to the development of KI at the group, department and university level
- Keep their skills up to date

### **4.1.3 Salary criteria for teachers and researchers**

KI's core operations are research and education. In addition to the general salary criteria that apply to all employees, there are a number of specific and relevant criteria for assessing performance and results for this group. Depending on the employee's profile, different emphasis is placed on pedagogical skills and research work. Also refer to "Instructions regarding appointments procedure for teachers at Karolinska Institutet".

#### **Results and skills based on the requirements of the organization**

- Work skills
- Achieve agreed work results within the scheduled time
- Prioritize and delimit work based on set goals
- Work efficiently while also achieving sufficient quality

#### **Proven ability to cooperate**

- Cooperate with people at different levels within and outside KI



- Share their own knowledge and experience
- Contribute to an open and good atmosphere in the workplace
- Treat colleagues and managers in a positive, respectful and equal manner on equal terms

### **Demonstrated ability to contribute to operational development**

- Find new solutions/working methods
- Be solution-focused
- Adapt to changing conditions
- Ability/willingness to take on new tasks
- Develop their own competence based on the needs of the organization
- Actively contribute to the development of KI at the group, department and university level
- Keep their skills up to date

### **Pedagogical skills**

- Impart, develop and lead high-quality education
- Create engagement and interest in the subject
- Pedagogical development work and teaching material preparation
- Contribute to the internationalization of the education
- Employ a gender equality and inclusion perspective in teaching

### **Scientific skills**

- Achieve high-quality scientific results based on a gender equality and equal treatment perspective
- The degree of national and international publication, qualitative and quantitative measures
- Number of citations in national and international articles/publications, qualitative and quantitative standards
- Ability to apply for and obtain external research funding
- Ability to supervise doctoral students and postdoctoral students
- The scope of assignments in external research organizations
- The scope of guest research at other universities nationally and internationally

### **Administrative work and collaboration with surrounding society (globally)**

- The scope of management assignments or assignments within bodies at the university
- The ability to disseminate research information, popular science lectures and appearances in mass media
- The scope of assignments as an expert, external reviewer or as a member of an examining committee in a public thesis defense
- The extent of efforts to develop contacts with the business sector and public sector
- The extent of collaboration with external partners

#### **4.1.4 Specific salary criteria for managers**

Managers at all levels have an important task in creating an organization where overall goals and guidelines permeate the activities and making the employees feel connected with the university. Being enthusiastic and motivational and utilizing employees' abilities, initiatives and ideas are an important part of leadership.

The competence requirements for managers vary depending on the task and area of responsibility. The exercise of leadership must be constantly adapted depending on how the activities and situation develop. Ultimately, it is about managers' ability to apply the right knowledge and approach at the right time to achieve good results. For more information, see "Leadership Guidelines at Karolinska Institutet".

##### **Skills in leading, representing and developing the operations**

- Lead the operations and make decisions based on KI's vision, strategy and values
- Ability to lead the group to good results
- Ability to develop the operations through collaboration and participation
- Ensure legally secure decisions in the operations based on laws, regulations, steering documents and policies
- Represent KI as an employer in a correct manner
- Ensure that the operations are sustainable from a skill supply and financial perspective
- Good ability in terms of organization and structure
- Good communication skills

##### **Skills in managing employees**

- Be enthusiastic, supportive and acknowledge their employees in a respectful manner
- Support and create conditions for employee development
- Delegate tasks and mandates
- Transparent, clear and fair leadership
- Handle conflicts
- If necessary, make uncomfortable decisions
- Ability to recruit, develop and terminate employees
- Ability to utilize talents and differences
- Support employees in order to achieve a sustainable working life
- Ensure a good and equality-driven work environment

## 4.2 Assessment levels for performance criteria

An assessment of the employee's performance in relation to the salary criteria can be done using the following levels:

- 1 unsatisfactory
- 2
- 3 good
- 4
- 5 excellent

The purpose of these assessment levels is to make it easier for managers to make an objective weighted assessment of work performance. The levels are intended to be a starting point for an objective justification of a new salary.

### 1. Unsatisfactory

Describes performance that does not meet the goals or live up to expectations. For example if the employee lacks a willingness or ability to develop.

### 2.

Describes performance that does not fully meet the goals or live up to expectations. Willingness and engagement need development.

### 3. Good

Describes performance that the manager expects from the employee. The employee does a good job with respect to their current position and has knowledge and ability as well as a willingness to develop.

### 4.

Describes performance and an approach that gives clear added value to the organization. The employee performs very well and has a great desire to develop and an ability to deliver.

**5. Excellent**

Describes how the employee develops the organization significantly through their work and influences others in a very positive way. The employee's efforts are reflected in the goals being met by a very good margin. The employee has an approach that creates great added value both inside and outside the organization.

## Template - technical and administrative staff (TA)

### Assessment of employee's duties

Name: \_\_\_\_\_

Summarize the year's results based on the goals set

### Assessment of employee's performance (salary criteria)

Performance	1 Unsatisfactory	2	3 Good	4	5 Excellent
<b>Results and skills based on the requirements of the organization</b>					
Provide quality professional support to the organization					
Work skills					
Achieve agreed work results within the scheduled time					
Prioritize and delimit work based on set goals					
Work efficiently while also achieving sufficient quality					
<b>Proven ability to cooperate</b>					
Cooperate with people at different levels within and outside KI					
Share their own knowledge and experience					
Contribute to an open and good atmosphere in the workplace					
Treat colleagues and managers in a positive, respectful and equal manner on equal terms.					
<b>Proven ability to contribute to the organization's development</b>					
Find new solutions/working methods					

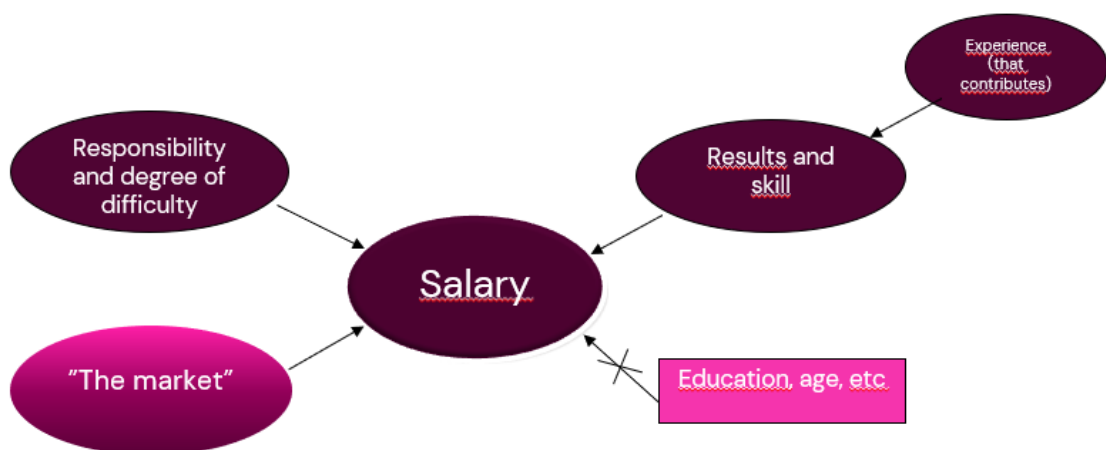
Be solution-focused					
Adapt to changing conditions					
Ability/willingness to take on new tasks					
Develop their own competence based on the needs of the organization					
Actively contribute to the development of KI at the group, department and university level					
Keep their skills up to date					

### Summary

Summarize the salary-setting based on the following factors that affect pay.

The salary is set on the basis of responsibility and degree of difficulty, and results and skill in their work. In some cases, the market may affect salary-setting. Education, age and experience do not directly affect salary-setting, but can have an indirect impact through increased responsibility and degree of difficulty as well as better results and skill in their work. Experience that contributes positively to the individual's performance and skills in relation to the business objectives shall be recognized in the context of salary setting.

## Salary influencing factors



## Template - teacher and researcher

### Assessment of employee's duties

Name: \_\_\_\_\_

Summarize the year's results based on the goals set

### Assessment of employee's performance (salary criteria)

Performance	1 Unsatisfactory	2	3 Good	4	5 Excellent
<b>Results and skills based on the requirements of the organization</b>					
Work skills					
Achieve agreed work results within the scheduled time					
Prioritize and delimit work based on set goals					
Work efficiently while also achieving sufficient quality					
<b>Proven ability to cooperate</b>					
Cooperate with people at different levels within and outside KI					
Share their own knowledge and experience					
Contribute to an open and good atmosphere in the workplace					
Treat colleagues and managers in a positive, respectful and equal manner on equal terms.					
<b>Proven ability to contribute to the organization's development</b>					
Find new solutions/working methods					
Be solution-focused					

Adapt to changing conditions					
Ability/willingness to take on new tasks					
Develop their own competence based on the needs of the organization					
Actively contribute to the development of KI at the group, department and university level					
Keep their skills up to date					
<b>Pedagogical skills</b>					
Impart, develop and lead high-quality education					
Create engagement and interest in the subject					
Pedagogical development work and teaching material preparation					
Contribute to the internationalization of the education					
Employ a gender equality and inclusion perspective in teaching					
<b>Scientific skills</b>					
Achieve high-quality scientific results based on a gender equality and equal treatment perspective					
The degree of national and international publication, qualitative and quantitative standards					
Number of citations in national and international articles/publications, qualitative and quantitative standards					
Ability to apply for and obtain external research funding					
Ability to supervise doctoral students and postdoctoral students					
The scope of assignments in external research organizations					
The scope of guest research at other universities nationally and internationally					

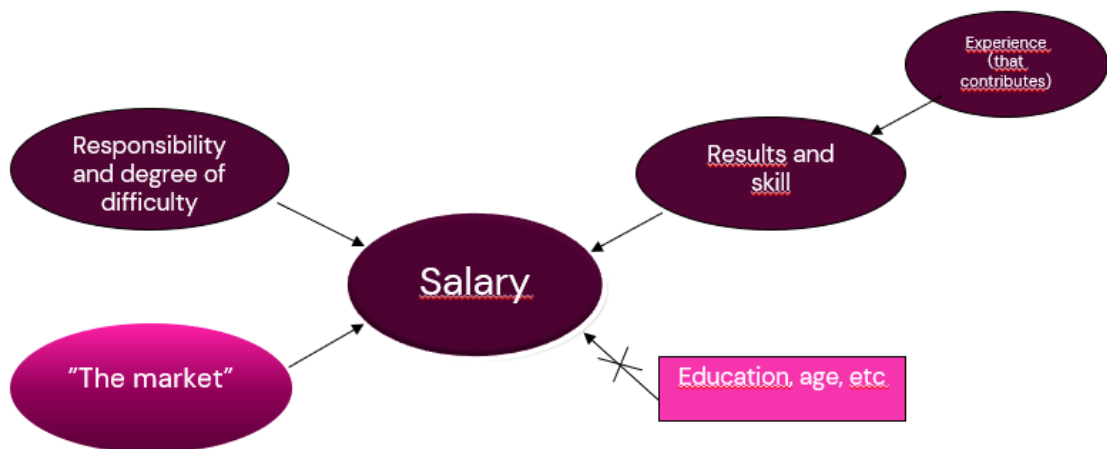


<b>Administrative work and collaboration with surrounding society (globally)</b>					
The scope of management assignments or assignments within bodies at the university					
The ability to disseminate research information, popular science lectures and appearances in mass media					
The scope of assignments as an expert, external reviewer or as a member of an examining committee in a public thesis defense					
The extent of efforts to develop contacts with the business sector and public sector					
The extent of collaboration with external partners					

### Summary

Summarize the salary-setting based on the following factors that affect pay. The salary is set on the basis of responsibility and degree of difficulty, and results and skill in their work. In some cases, the market may affect salary-setting. Education, age and experience do not directly affect salary-setting, but can have an indirect impact through increased responsibility and degree of difficulty as well as better results and skill in their work. Experience that contributes positively to the individual's performance and skills in relation to the business objectives shall be recognized in the context of salary setting.

## Salary influencing factors



## Template - managers

Assessment of the manager’s ability to lead, allocate tasks and create a peaceful work environment, produce results and represent KI as an employer. This template is used as a supplement to the relevant template above.

### Manager level (assumes staff and budget responsibility)

Manager level 1, President (not relevant here)

Manager level 2, Head of Department, University Director or Library Director

Manager level 3, Head of Section, Division or Unit

Manager level 4, Head of Unit, research group leader, etc.

Staff responsibility for \_\_\_\_\_ employees, of whom \_\_\_\_\_ are managers

Budget responsibility for SEK \_\_\_\_\_

Tick the appropriate box.

Performance	1 Unsatisfactory	2	3 Good	4	5 Excellent
<b>Skills in leading, representing and developing the operations</b>					
Lead the operations and make decisions based on KI’s vision, strategy and values					
Ability to lead the group to good results					
Ability to develop the operations through collaboration and participation					
Ensure legally secure decisions in the operations based on laws, regulations, steering documents and policies					
Represent KI as an employer in a correct manner					
Ensure that the operations are sustainable from a skills supply and financial perspective					
Good ability in terms of organization and structure					
Good communication skills					

<b>Skills in managing employees</b>					
Be enthusiastic, supportive and affirm their employees in a respectful manner					
Support and create conditions for employee development					
Delegate tasks and mandates					
Transparent, clear and fair leadership					
Handle conflicts					
If necessary, make uncomfortable decisions					
Ability to recruit, develop and terminate employees					
Ability to utilize talents and differences					
Support employees in order to achieve a sustainable working life					
Ensure a good and equality-driven work environment					