

**Collective agreement,  
employees in technology industries  
10 January 2022–30 November 2023**

# New collective agreement

- Technology Industry Employers of Finland and the Industrial Union have agreed on a new collective agreement applicable to employees in technology industries
- The new collective agreement is binding on the member companies of Technology Industry Employers of Finland on the basis of their membership
- The member companies of Technology Industry Employers of Finland have nearly 55,000 employees who work within this new collective agreement's scope of application (coverage of over 61%).
- The parties estimate that the collective agreement is generally binding, that is, it also binds companies that operate in the same sector but are not members of Technology Industry Employers of Finland

# New collective agreement

- The agreement is valid from 10 January 2022 to 30 November 2023
- The structure is 1 + 1
  - The pay settlement for 2022 has been agreed
  - The pay settlement for 2023 will be agreed by 30 September 2022
- If the pay settlement for the second year is not agreed by the end of September, the parties may terminate the CA so that it expires on 30 November 2022

# Pay settlement

# Pay settlements are to be negotiated locally

- With genuine negotiations at company or workplace level
  - success factors, requirements and change pressures are known
  - pay settlements are scaled to the company's situation
    - financial, order book and employment situation
    - cost competitiveness in the market
    - productivity enhancement
  - open discussion on the basis of the company's or workplace's situation
  - pay incentives, fair pay grading

# Pay settlements are to be negotiated locally

- A local settlement is facilitated by
  - a shared understanding of the situation
  - knowledge and understanding of what salary increases are based on
    - concerns management, supervisors, shop stewards and employees
  - a shared understanding of the fairness and motivational aspects of compensation
  - appropriate action from management, supervisors and shop stewards

# Financial situation, order book and employment situation

- Companies should discuss their tracked key indicators
- Financial indicators based on Financial Statements generally illustrate
  - the scope of operations
  - profitability
  - liquidity
  - solvency.
- An analysis of the Financial Statements seeks to gain an overview of the company's future financial prospects.
- Chief shop stewards should be given the opportunity to read/familiarise themselves with the key indicators used to measure the aforementioned aspects.
- This analysis will then be used to review the company's development, both in relation to its own objectives and to its competitors and the industry in general.

# Financial situation, order book and employment situation

- The key indicators for the order book and employment forecast the future – although the company may not be able to influence some of these factors, its own actions will still play a key role in its success.
- How well a company copes is dependent on its capacity for renewal, the workplace atmosphere, its ability to cooperate, and factors relating to flexibility and quality.
- Every person contributes to the company's success. Management, supervisors and shop stewards should find ways to get everyone involved in the development of operations.



# Pay incentives

- Motivate employees to develop their competence and professional skills
  - it is clear how employees can influence their own pay (individually and as part of a team)
  - feedback must be received
  - open dialogue with supervisors – how can competence be further developed
- Personal pay increases are used to reward competence, responsibility and good performance
  - competence, taking responsibility and good performance can only be rewarded at companies and workplaces at a grassroots level, close to those who are doing the actual work

# Pay incentives

- Productivity improves when pay increases can be allocated fairly and in a motivational manner.
- Compensation management is a continual process
  - the company's compensation policy

# Pay settlements are to be negotiated locally

## Negotiations on the pay settlement and its criteria:

A review of the financial situation, order book and employment situation of the company or workplace



- Pay incentives, pay grading, enhancing productivity
- A solution that meets workplace needs

### Local pay settlement:

The following is agreed with the chief shop steward regarding pay increases

- Implementation method
- Date
- Scale



Implementation of the local settlement

### If no local pay settlement:

1 March 2022

General increase 1.5%

company or workplace-specific element 0.5%

# Local pay settlement

- The pay settlement is discussed with the chief shop steward and the agreement for 2022 will be concluded by 18 February 2022.
- A local settlement can be used to agree on the scale, schedule and implementation method of pay increases. If an agreement on any one of these factors is made locally, this constitutes a local settlement.

# No local pay settlement

## Year 2022

- If no local agreement is reached and no extended bargaining period is agreed upon locally, salaries will be adjusted by a general increase of 1.5% effective no later than from 1 March 2022 or as of the start of the first subsequent pay period

# No local pay settlement

## Company or workplace-specific element

- If no local agreement is reached and no extended bargaining period is agreed upon locally, a company or workplace-specific element of 0.5% will be applied
  - After the CA takes effect, but no later than as of 1 March 2022 or as of the start of the first subsequent pay period.
  - A personal increase of at least 0.1% will be allocated from this element to all employees

# No local pay settlement

## Company or workplace-specific element

- Workplaces must have a method for measuring competence based on which increases can be allocated
- When allocating company-specific increases based on performance, one effective allocation method is the time pay/personal pay element ratio, which allocates the increase fairly while supporting the pay structure
- The company or workplace-specific element is allocated as a general increase to performance-based pay
- In companies with multiple locations, the element is allocated by workplace

# No local pay settlement

- The factors guiding the allocation of personal increases include
  - Correction of distortions (if any)
  - Expertise and skills
  - Fair pay structure and pay grading
  - Motivating pay formation

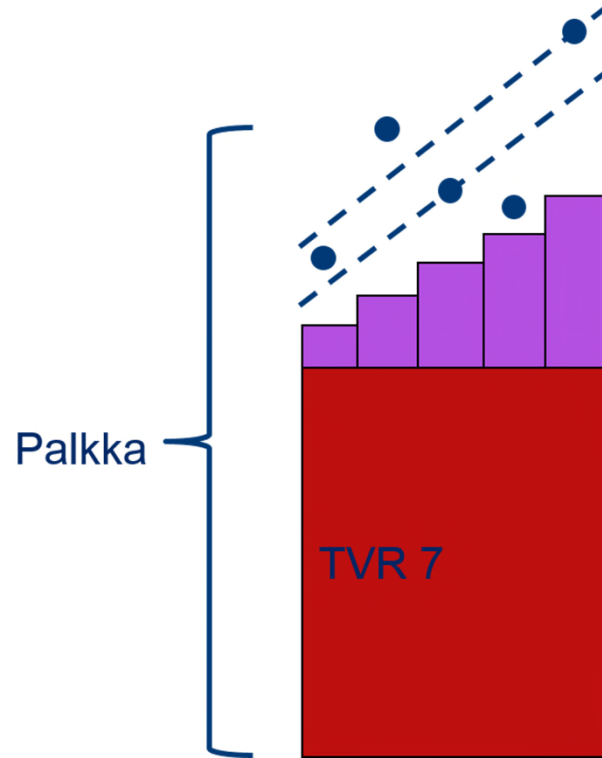


# Allocation examples

Allocating the element to personal increases

- In accordance with the pay structure
- In accordance with the employees' professional competence and work performance
- For employees who improved their performance in the previous personal review
- In accordance with the employer's pay policy
- For performance-based pay, the various pay components may be increased by a factor of 1.02 (=general increase + element)

Allocation of a pay increases



## Allocation examples for the element

The pay scale covers a total of 24 employees. The employer uses the element to give an increase to each employee, with the employees divided into three groups of increase:

12 employees	increase of 0.1%	$12 * 0.1\% = 1.2\%$
9 employees	increase of 0.7%	$9 * 0.7\% = 6.3\%$
3 employees	increase of 1.5%	$3 * 1.5\% = 4.5\%$

Total 12%/24 employees = 0.5%/employee

## Allocation examples for the element

The pay scale covers a total of 72 employees. The employer uses the element to give an increase to each employee, with the employees divided into four groups of increase:

31 employees	increase of 0.1%	$31 * 0.1\% = 3.1\%$
19 employees	increase of 0.5%	$19 * 0.5\% = 9.5\%$
16 employees	increase of 0.9%	$16 * 0.9\% = 14.4\%$
6 employees	increase of 1.5%	$6 * 1.5\% = 9\%$

Total 36%/72 employees = 0.5%/employee

# No local pay settlement

## Company or workplace-specific element, report on the use of the entire element

- In the month following the implementation of the increases, the employer will provide a report on how the increases were allocated
  - Regarding time-based pay/personal pay element ratio
  - By personal pay element grade
  - By pay scale
  - For employees over and under 60 years of age
  - Regarding the ratio of fixed-term and permanent employees

# No local pay settlement

## Company or workplace-specific element, report on the use of the entire element

- In addition, the employer will provide a report on using the entire element specified in the secondary option for pay adjustments of employees
  - Payroll before and after pay adjustments
  - If the employer has not used the element in its entirety for pay adjustments, the employer will rectify the situation and pay the difference to the employees
- The report must not reveal pay data concerning individual employees

# Separate bonuses

- Separate bonuses at the start of the agreement period
  - Temporary deviation or exceptional inconvenience or difficulty 56 cents/hour
  - Shift work, evening and night work
    - Evening shift (e.g. from 2 p.m.–10 p.m.) 123 cents/hour
    - Night shift (e.g. from 10 p.m. to 6 a.m.) 226 cents/hour
    - Bonus for uninterrupted and continuous shift work 226 cents/hour
- As of 1 March 2022, the separate bonuses are as follows
  - Temporary deviation or exceptional inconvenience or difficulty 56 cents/hour
  - Shift work, evening and night work
    - Evening shift (e.g. from 2 p.m.–10 p.m.) 125 cents/hour
    - Night shift (e.g. from 10 p.m. to 6 a.m.) 231 cents/hour
    - Bonus for uninterrupted and continuous shift work 231 cents/hour

# Average hourly earnings and monthly compensation

- The average hourly earnings will be increased by the amount of the employee's pay increase, starting from the beginning of the next period of use for average hourly earnings.
  - First, calculate the first quarter's average hourly earnings, which will be increased by the amount of the personal pay increase.
  - The resulting average hourly earnings will be applied as of the beginning of May 2022
- The monthly remuneration of the chief shop steward and occupational safety and health representative will be increased by 2% as of 1 March 2022.



# Textual changes

# Prohibition of parallel agreements

- No parallel agreements shall be concluded within the scope of the collective agreement
- The prohibition does not prevent the conclusion of company-specific collective agreements with companies that are not members of the employers' federation
  - The Industrial Union may be a party to company-specific CAs
- The collective agreement for employees in technology industries is not applied:
  - to employment relationships between MTHL Työnantajat ry's member companies operating in the field of sheet metal construction and industrial insulation and their employees or
  - within the scope of the collective agreement for employees in ore mines or
  - in companies to which the Industrial Union's collective agreement for technical service and maintenance is applied

## 14.1 Temporary deviation or exceptional inconvenience or difficulty

- **Temporary deviation** in working conditions that is not taken into account in the job requirements
  - Temporary = only valid for a short period
- **Exceptional** inconvenience or difficulty that cannot be taken into account when defining the job requirements
  - Exceptional = the inconvenience or difficulty does not materialize in the course of normal work performance
- The supplement is no less than 56 cents per hour unless otherwise agreed locally
- The supplement is paid **only for those hours** when the temporary deviation or exceptional inconvenience or difficulty occurs

## 14.5 Vocational qualification rewards

- Professional qualification or specialist vocational qualification **agreed with the employer**
- Paid in connection with the first pay date following the completion of the qualification
  - Further vocational qualification EUR 200
  - Specialist vocational qualification EUR 300

# Negotiation procedure when reducing workforce

- Act on Cooperation within Undertakings (1333/2021) is not part of the CA
- Negotiation periods start from the presentation of the negotiation proposal
- The information to be provided before negotiations is specified further
  - The employer must ensure that the information provided prior to the negotiations, as referred to in section 19 of the Act on Cooperation within Undertakings, is sufficient for the negotiations to be started
  - The intention is not to widen or reduce the legal obligation to provide information
- Negotiations may start immediately after the necessary preparation period

## 43.4.7 Employee induction

- New employees are introduced to the chief shop steward and occupational safety and health representative for the workplace
- If the workplace has an induction programme in place:
  - The chief shop steward and occupational safety and health representative will be given the opportunity to present
    - the cooperation systems applied at the workplace and
    - other duties they are tasked with

## 44.2 Parties to local bargaining

- Parties to local bargaining, main rule:
  - Employee and their supervisor
  - Shop steward and the employer
  - Chief shop steward and the employer
- A new stipulation concerning situations where no chief shop steward or shop steward has been elected
  - A working group for local bargaining may conclude a local agreement

## 44.5 Local bargaining capability

- A new stipulation concerning the capability for local bargaining and agreement monitoring
- Working group for local bargaining
  - Tasked with local bargaining, agreement development and monitoring
  - The parties elect their own representatives to the working group
  - Composition no less than 2+2, local circumstances taken into account
  - Employees are represented by the chief shop steward and at least one other employee representative
  - Term of office is two years
- If no chief shop steward has been elected for the workplace, the employees elect the members from among themselves
- Training jointly agreed by the federations, joint training



# Working time experiment

- Derogations from the provisions laid down in chapter 19 of the CA (regular working time) may agreed locally.
  - applies only to daytime work and two-shift work.
  - derogations from the mandatory provisions of the Working Time Act may not be agreed.
- Two bargaining phases
  - the employer and chief shop steward may first conclude a framework agreement.
  - an employee may then choose to agree with their supervisor on the implementation of the framework agreement.
- The federations must be informed of the key content of any agreements related to the experiment before such an agreement enters into force.

# Working time experiment

- Contracts based on the experiment must be concluded by 30 November 2023 , their implementation may continue until the end of 2024.
- Bargaining enables, for example, regular working time to be increased (or decreased) at an annual level to the average maximum amount allowed by the Working Time Act, that is, up to 40 weekly hours.
  - Examples of what may be agreed:
    - converting days off in the working hours system to regular working time
    - the maximum regular daily or weekly working time without the obligation to average working time so that it is less than the regular working time referred to in the Working Time Act
    - number of days off in lieu of shorter working hours or the applicable practices for transferring them.

# Working groups

## Collective agreement for employees in technology industries

- Development of the collective agreement
  - Clarifying social provisions, taking the family leave reform into account in this context
  - Experiment concerning the method for electing the chief shop steward and shop steward
- Matters related to working time and the development of pay stipulations
- Working group for training
- Co-determination and local bargaining

## Collective agreement for ore mines

- Terms of employment applicable to mines

# Experiment, election of shop stewards

- The initiative to participate in the experiment comes to the federations from the workplace (chief shop steward or employer)
- The federations provide guidance to the workplaces participating in the experiment, as necessary
  - Employees elect a chief steward, their deputy and a shop steward from among employees belonging to the trade union branch in the workplace
  - All employees in the workplace have a vote
  - The election committee agrees on the election time and places with the employer no later than two weeks before the election takes place
  - At the agreed time, the employer provides the election committee with an opportunity to arrange the election
  - The employer provides to the election committee with a list of employees in the workplace for the purpose of ensuring the right to vote