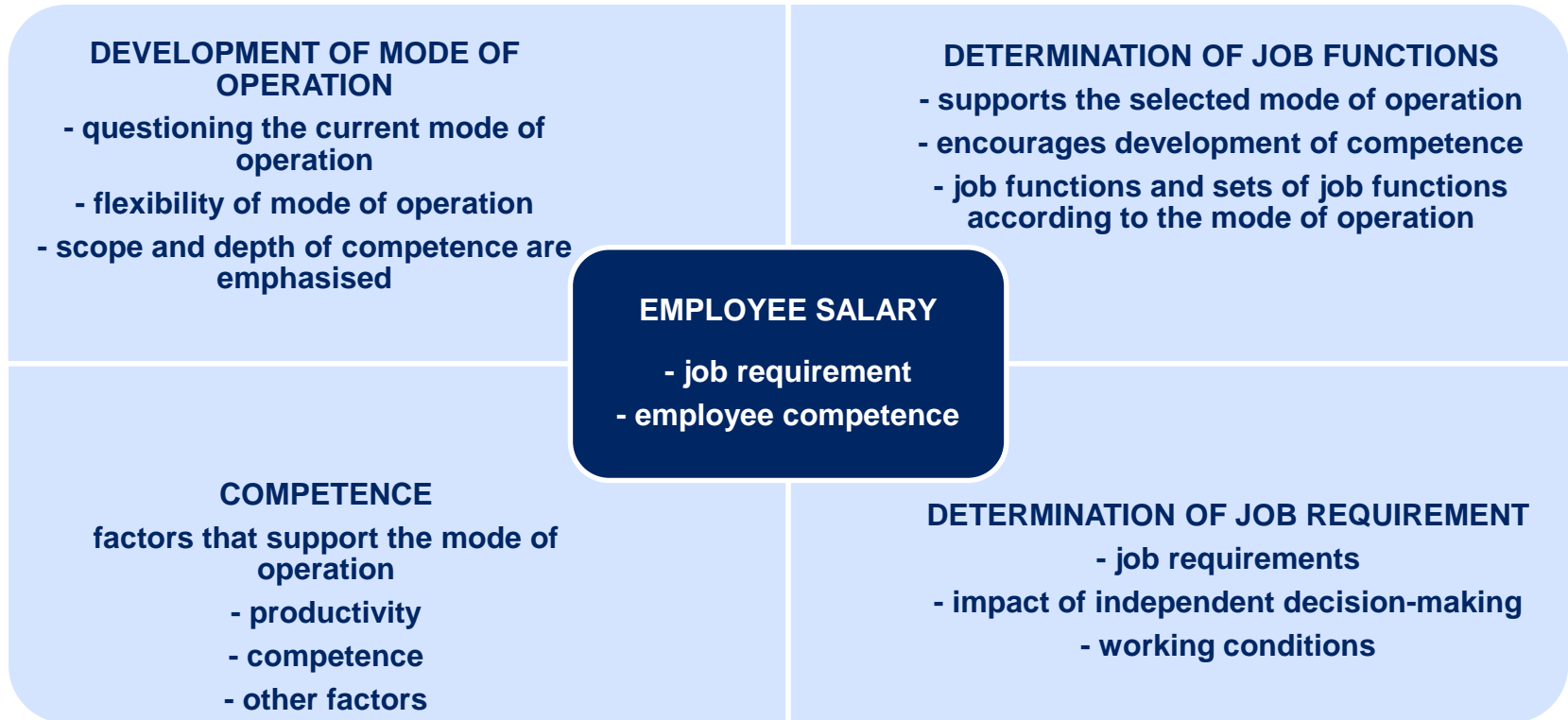


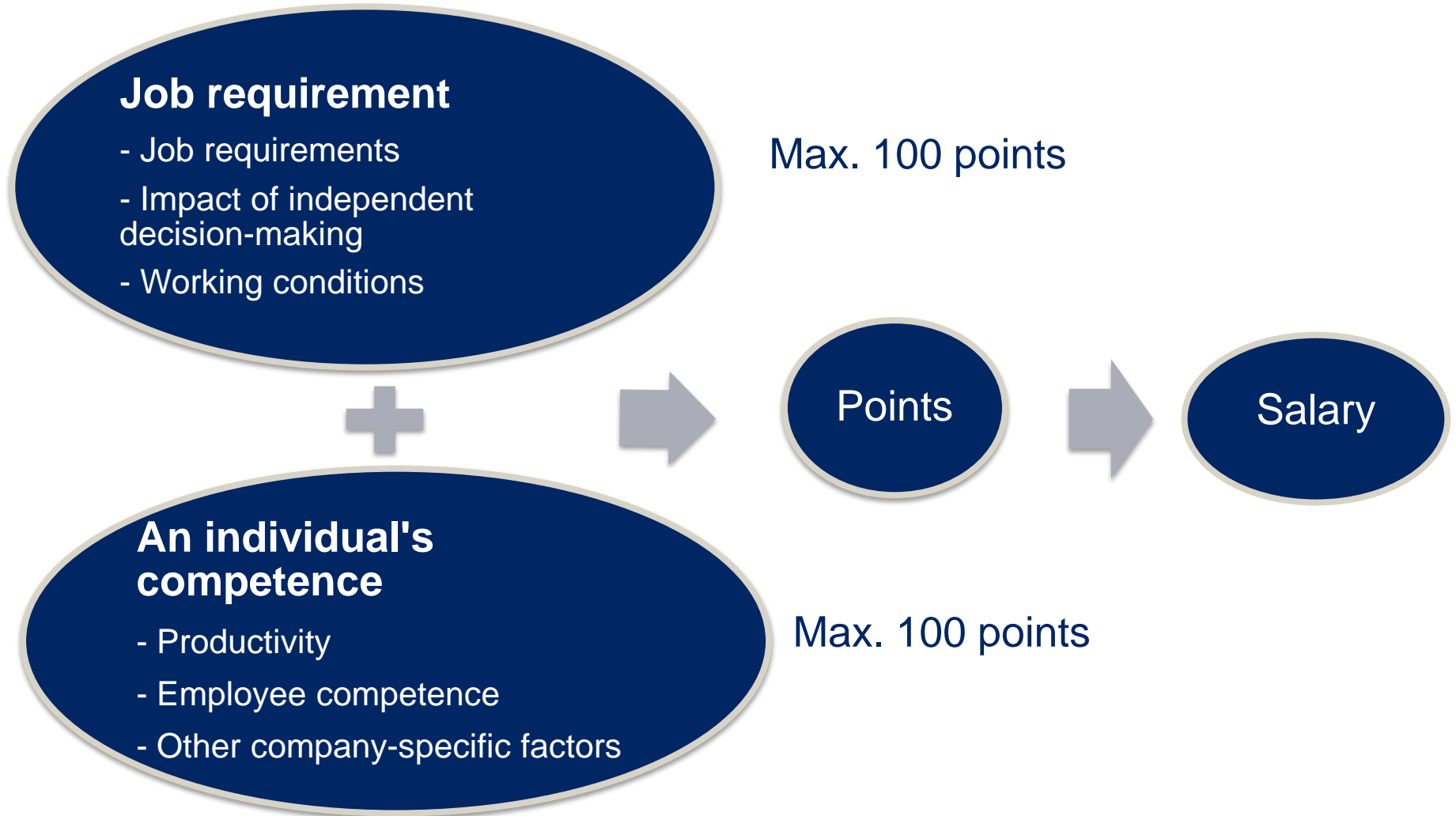
Competence-based salary system

Presentation material 2016

Competence-based salary system



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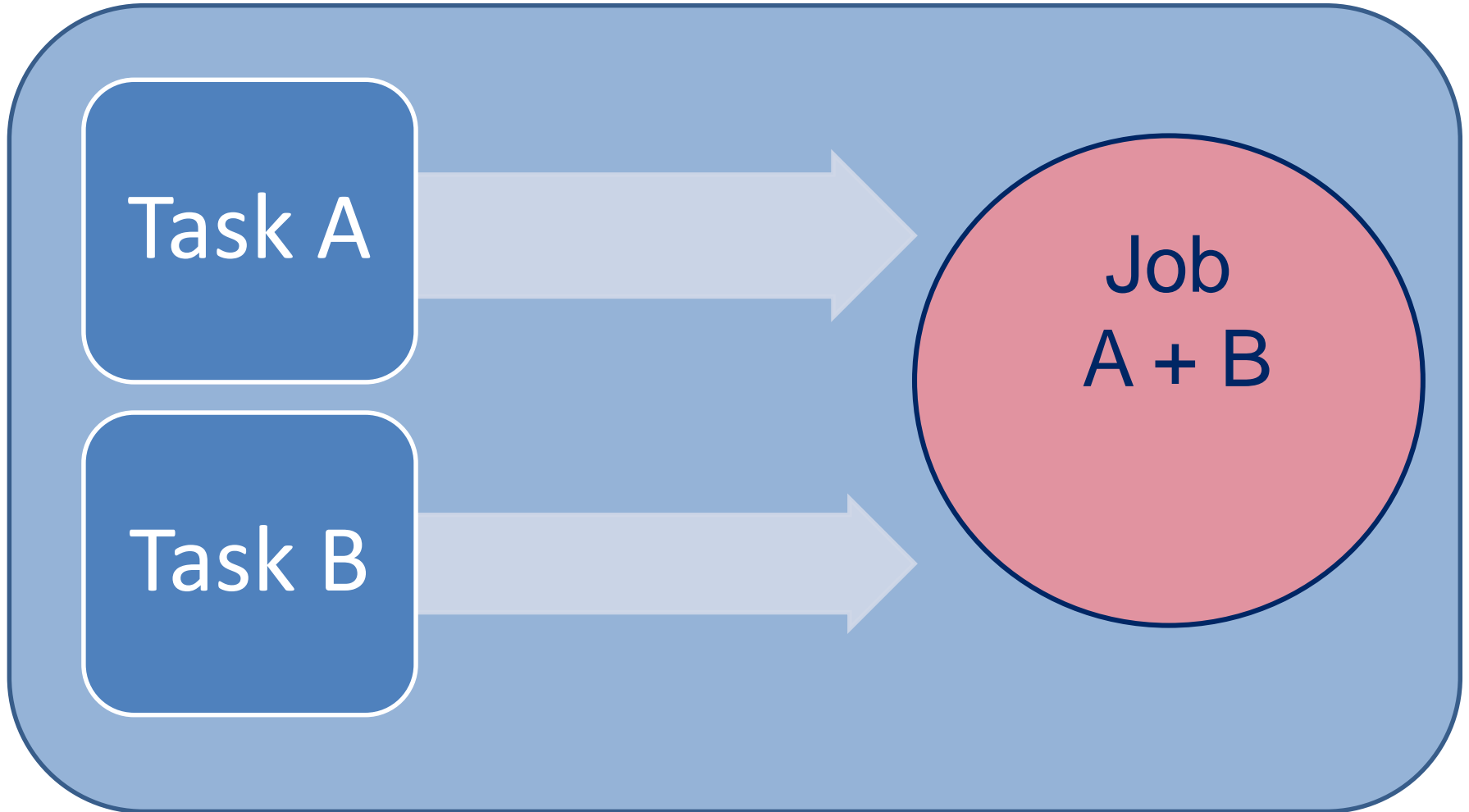
Determination of job function / set of job functions

Determination of job function / set of job functions

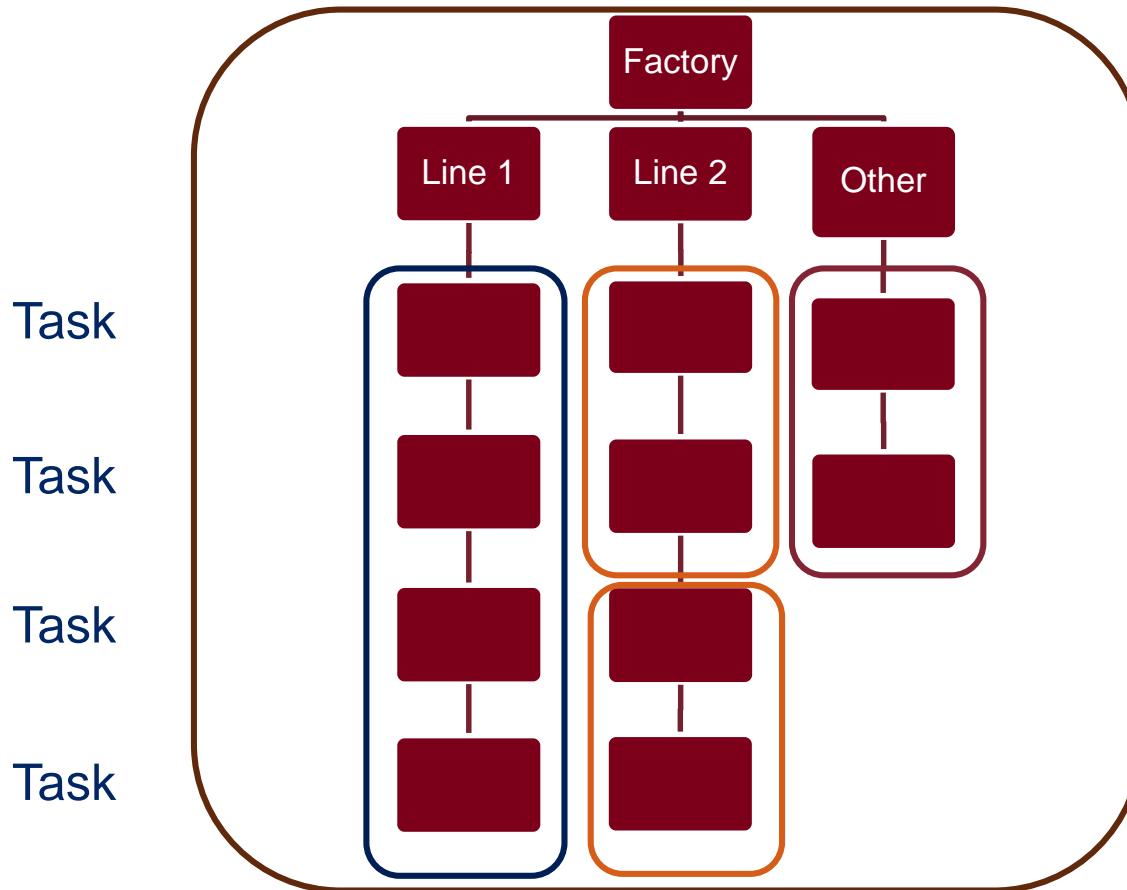
- Job functions/sets of job functions are determined according to the mode of operation
 - management of individual work tasks to management of broader job functions/sets of job functions
- Job function/set of job functions
 - a job function comprises numerous work tasks
 - a set of job functions comprises numerous job functions

Note: A job title is not a determining factor

Determination of a job function



Determination of a job function/set of job functions



Requirements for job function/set of job functions

Requirement factors for job

1. Job requirements

The requirements for a job function refer to the training and practical experience required by a job, as well as the scope of a set of job functions.

2. Impact of independent decision-making

The impact of independent decision-making refers to the overall responsibility that an employee has for the operational, financial and safety-related impacts of the decisions he/she makes in the scope of his/her job function.

3. Working conditions

Working conditions refer to the overall disadvantages of the job function related to workload; the physical strain, binding nature and conditions of the job; noise, temperature, uncleanliness and air pollution. The working conditions for the job function are evaluated according to the overall disadvantage caused by the work.

1 Job requirements

Job requirements refer to the training and practical experience required by a job function and the scope of a set of job functions.

- The more knowledge and skills required by a job, and the more in-depth these required knowledge and skills are, the greater the job requirements.
- The more different type of knowledge and skills that are required in the job function and the more different types of work tasks the job involves the greater the scope of the job function.

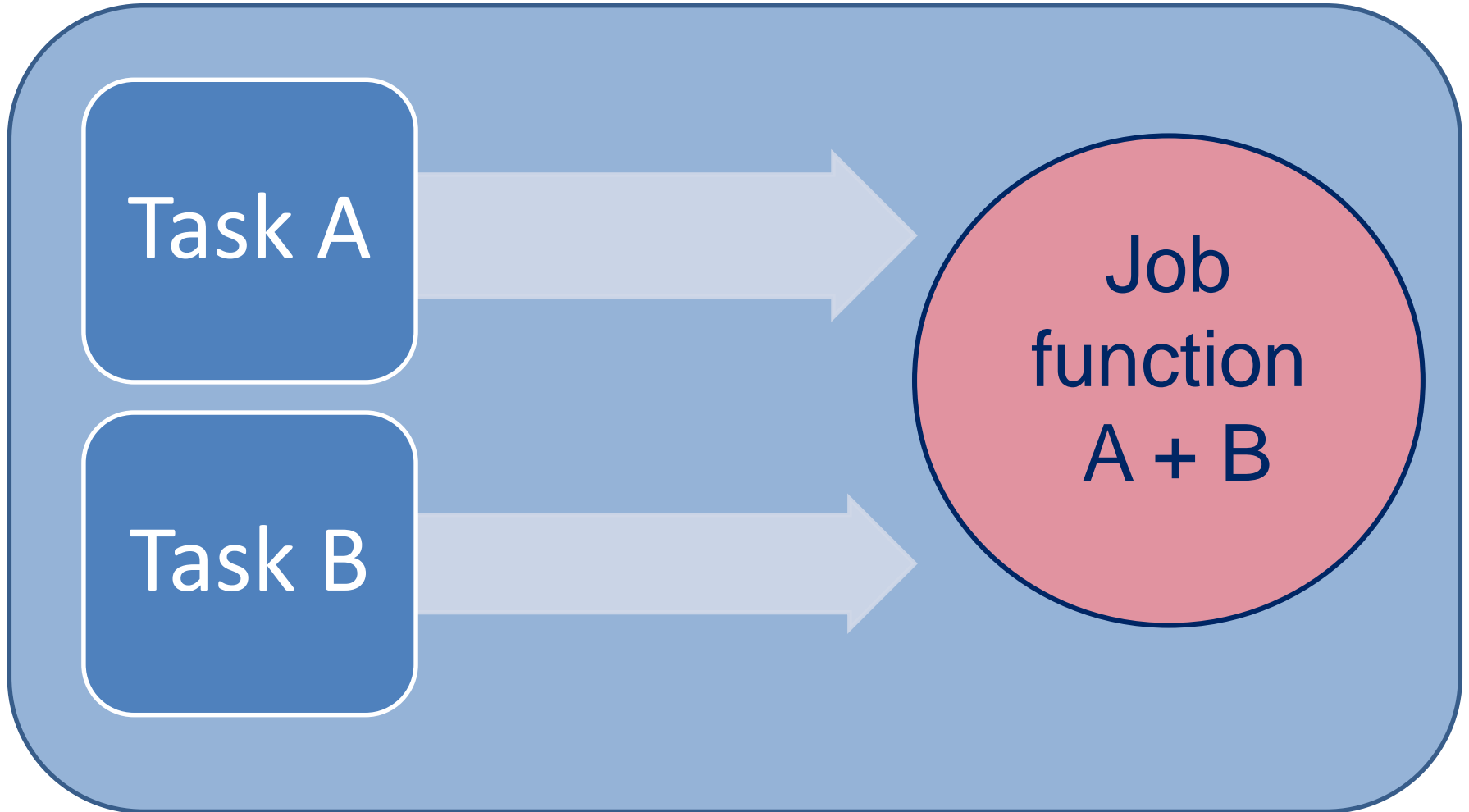
Note:

There are two alternative models for workplace-specific determination of "job requirements". The first model emphasises the scope of the job function, while the second emphasises the in-depth nature of the vocational expertise required by the job function. The manner in which a job function/a set of job functions is organised is decisive.

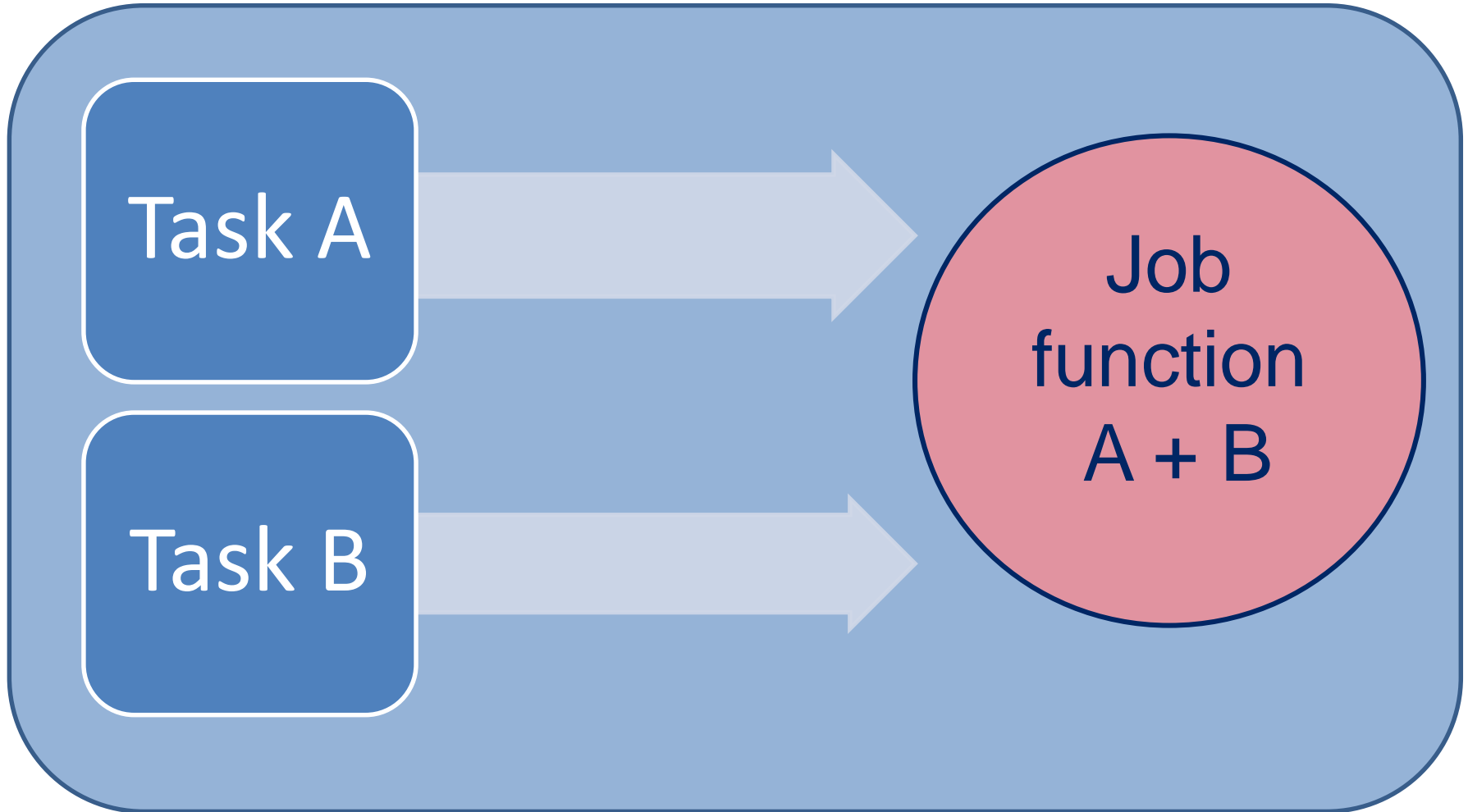


Job requirements	Scope of job function		
	The job function includes work tasks that require the same types of knowledge and skills	The job function includes tasks that require different types of knowledge and skills.	A set of job functions is formed from various job functions that require different knowledge and skills
The job function requires training or guidance in the workplace as well as practical experience.	10	14	
The job function requires vocational training or the corresponding knowledge and skills as well as practical experience.	18	22	
The job function requires vocational training or the corresponding knowledge and skills as well as good vocational expertise.	26	30	34
The job function requires in-depth vocational expertise as well as a few years of practical experience.	34	38	42
A broad-scoped job function requires diverse, extensive and in-depth vocational expertise as well as several years of practical experience.		46	50

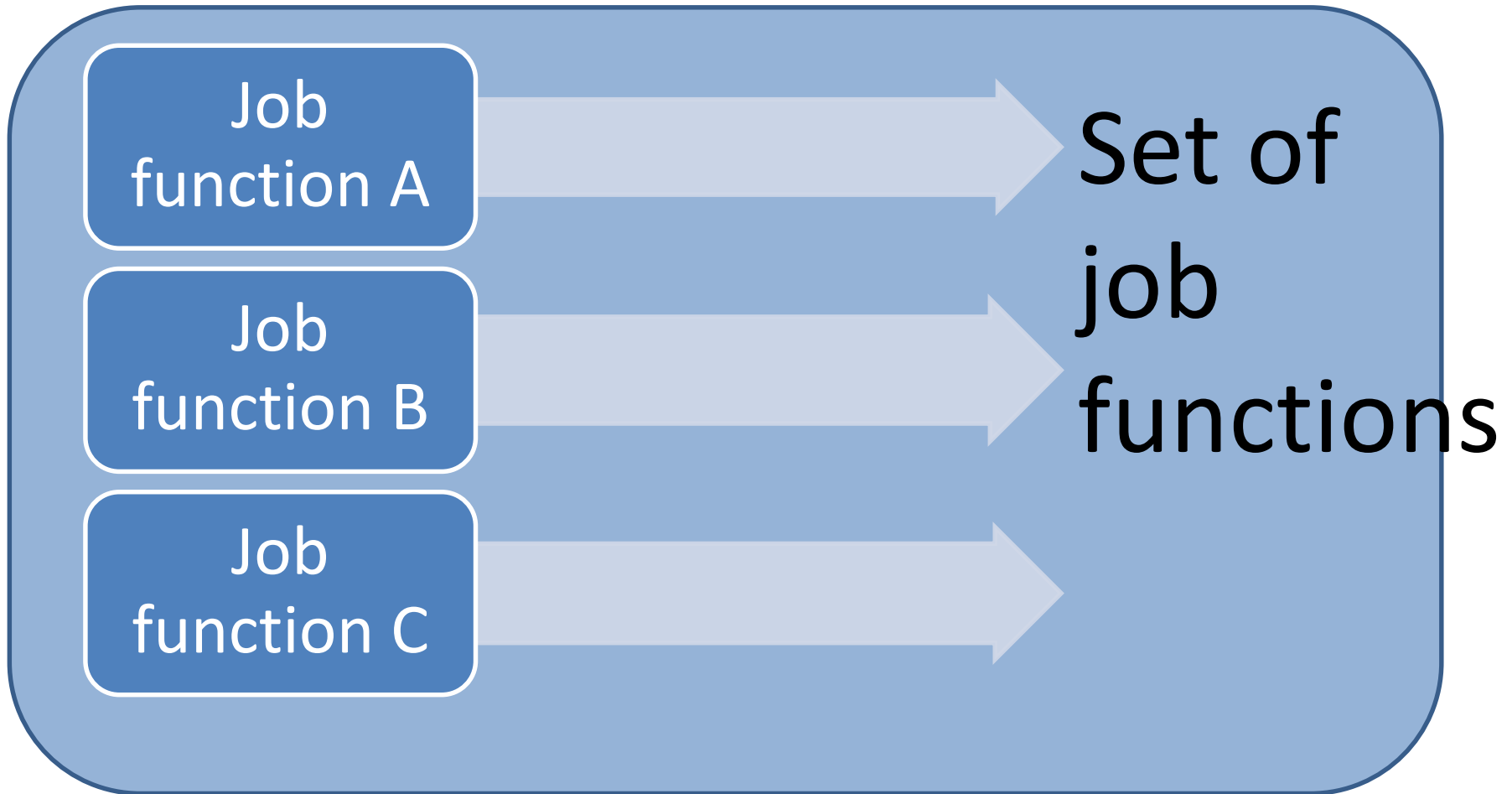
Job requirement (work tasks that require the same types of knowledge and skills)



Job requirement (tasks that require different types of knowledge and skills)



Requirements for a set of job functions (comprises various job functions that require different types of knowledge and skills)



2 Impact of independent decision-making

The impact of independent decision-making refers to the overall responsibility that an employee has for the operational, financial and safety-related impacts of the decisions he/she makes in the scope of his/her job function.

Impact of independent decision-making	Impact of decisions	Repetitiveness of decisions	
		Occasionally	Repeatedly
The job function does not require the employee to engage in independent decision-making or the impact of the job function's decisions are standard.	Standard	6	
The job function involves independent decision-making that has a moderate impact.	Moderate	14	22
The job function involves independent decision-making that has significant impacts.	Significant	22	30

3 Working conditions

Working conditions refer to the overall disadvantages of the job function related to workload; the physical strenuousness, binding nature and conditions of the job; noise, temperature, uncleanliness and air pollution. The working conditions for the job function are evaluated according to the overall disadvantage caused by the work.

	Conditions	Points
The job function includes a minimal amount of disadvantages.	Standard	4
The job function includes condition-related disadvantages and/or the job is quite physically strenuous to the extent that this is disruptive.	Moderately difficult	12
The job function includes conditions-related disadvantages that strongly impede work and/or the work is physically strenuous.	Difficult	20

Competence-based salary system

Determining a person's competence

Determining a person's competence

- A person's competence is determined on the basis of locally agreed upon competence factors.
- Some of the competence factors are fixed while others are locally agreed upon other competence factors.
 - Fixed factors include **productivity** and the **employee's competence**.
 - **Other competence factors** can include
 - ✓ Independence
 - ✓ initiative
 - ✓ responsibility
 - ✓ management of customer relations
 - ✓ cooperation
 - ✓ other competence factors that are significant with regard to job functions
- The maximum score for competence factors is 100 points.

Productivity

- Productivity refers to an employee's successfulness in their job, ability to achieve objectives, job performance and their ability to see to the consistent progress of their work.
- Productivity is evaluated in relation to the employee's principle job function.
 - At the basic level, the employee meets the requirements set down for the job function.
 - At the excellent level, the employee surpasses the requirements set for the job function continuously and his/her job performance and actions that promote the progress of his/her work are exemplary.

Employee competence

- The employee's competence refers to his/her vocational expertise , its depth and scope.
- The employee's competence is evaluated in relation to his/her job requirements.
 - At the basic level, the employee has the training, experience and vocational expertise required by the job function.
 - At an excellent level, the employee's vocational expertise is in-depth and broad-scoped, he/she has a command of different, required approaches and methods, he/she has the ability to instruct other employees, he/she develops his/her work and work methods, and he/she has a command of a broad variety of different tasks outside of his/her job function.

Views on multiskilled employees

- Multiskilled refers to an employee's ability, usability and use of competence more broadly in the organisation than just in his/her job function.
- Are varied and multiple skills taken into consideration in requirement and competence factors
 - Multiskilledness is taken into account in a job function's requirements, i.e. performance of the job function requires the employee be multiskilled.
 - Multiskilledness is taken into account in competence when (on occasion) carrying out functions not usually included in the employee's job description.
 - the differences in the requirements of the functions must be taken into account

Examples of other competence factors

- Responsibility
 - ✓ the employee's way of carrying out his/her job function and his/her ability to carry his/her share of responsibility.
 - ✓ due diligence is also included in responsibility
- Independence
 - ✓ an employee's ability to independently predict and solve any decision-making situations that may arise in the course of their work
- Initiative
 - ✓ the employee's active approach to taking initiative and making method improvements
- Management of customer relations and cooperation
 - ✓ the employee's actions and attitude in different cooperation situations within the organisation and outside of it, the employee has the ability to maintain group spirit as well as other necessary work-related cooperation skills.

Examples of scales

Competence is in line with the job's requirements

- 1 = satisfactory
- 2 = good
- 3 = excellent

Competence/ Vocational command

1 = beginner, 2= skilled worker, 3= expert

- 1. beginner
- 2. independent worker
- 3. experienced worker, can provide guidance to others
- 4. develops competence and activities in the subject area

Job performance

- 1. Observed need for development and steering
- 2. Does well in meeting the job's requirements
- 3. Surpasses the requirements for the job
- 4. Surpasses the requirements for the job considerably
- 5. Excellent performance

Relative performance

- 1. Need for development
- 2. Normal performance
- 3. Better than normal performance
- 4. Notably better than normal performance
- 5. Excellent performance

Test whether the evaluation factors function correctly

- The functioning of evaluation factors can be tested by asking the following questions:
 - Does it help the company achieve set objectives? How is this apparent?
 - Does it improve the operations of the work community? How is this apparent?
 - Does it improve succeeding at one's job? How is this apparent?
 - Can the individual influence this? How?
 - Can it be observed? How?
 - Does it bring forth different performance levels?
 - Is the criteria/measured dimension apparent in all work? Give concrete examples.

Instrument for measuring competence, example

Instrument for measuring competence							
Competence factors	Good level					Evaluation	Explanation of measuring system
1. Productivity Productivity refers to employee's successful performance of their job, their ability to achieve objectives, job performance and consistent job progress							
Evaluation comments	Meets partly the job's requirements	Meets the job's requirements	Meets well the job's requirements	Meets extremely well the job's requirement	Meets brilliantly the job's requirements		
1.1 Achieving objectives in own job, productivity	1	2	3	4	5		Employee organises work entities and manages other employees' work if necessary. The quality of the work is flawless and work will be completed in one go
1.2 Achieving objectives and activities outside own job function	1	2	3	4	5		In addition to the work involved in his/her job function, the employee actively takes part in shared work and participates developing these works in a team
1.3 Others							
2. Employee competence The employee competence refers to his/her vocational expertise, its dept and scope							
Evaluation comments	Beginner	Meets the job's requirements	Meets well the job's requirements	Meets extremely well the job's requirement	Meets brilliantly the job's requirements		
2.1. Dept of vocational expertise	1	2	3	4	5		The dept of vocational expertise refers to the employee's ability to perform in the work involved in their job function and develop this work
2.2 Scope of vocational expertise	1	2	3	4	5		The scope of vocational expertise refers to employee's ability, usability and exploitation of the competence outside of his/her own job function
2.3. Others							
3. Other competence factors							
Evaluation comments	Satisfactory		Good		Excellent		
3.3 Co-operation skills	1		3		5		The employee's actions and attitude in maintaining team spirit at the workplace and other necessary co-operation and interaction-related skills.
3.4 Responsibility and due diligence	1		3		5		The employee's way of carrying out his/her job and ability to take responsibility. Due diligence is also included in responsibility.
Total points of competence measurement						max.	100
							100

Competence-based salary system

**BE BOLD AND OPENMINDED IN
RENEWAL WORK**