

Guidelines – organisation of the pay negotiation process

According to Aarhus University's staff policy, the goal is to ensure that each employee's pay reflects his or her function, level of responsibility, efforts and relevant competencies.

This document contains information about the organisation of the annual pay negotiations for employees whose pay is regulated by the new pay systems, and about the pay negotiations in connection with the recruitment and retention of staff.

The staff policy is supplemented by local pay catalogues and pay agreements between Aarhus University and the relevant trade unions.

1. Right to negotiate and conclude agreements

In accordance with the intentions behind the circular on the framework agreement on new pay systems, the right to negotiate and conclude agreements on pay supplements may be decentralised.

1.1. Management's right to negotiate and conclude agreements

At Aarhus University, pay negotiations may take place and agreements on pay increases may be concluded at the following organisational levels:

- at senior management team level
- at faculty level and department (Aarhus BSS, ST, HE)/school (Arts)/administrative division level
- at the department-like centres

The right to negotiate and conclude pay agreements cannot be delegated to organisational levels below the department level (Aarhus BSS, ST, HE)/school level (Arts)/administrative division level. However, subject to agreement between management and employee representatives, the authority to negotiate may be delegated to a lower level.

In connection with the negotiations, managers with the right to negotiate may request the assistance of lower-level managers, but the right to negotiate and conclude agreements cannot be delegated to these lower-level managers.

Managers with the right to negotiate must know the scope of their negotiation authority, e.g. in relation to the faculty's pay catalogues, pay agreements and various types of supplements for responsibilities.

1.2. Employees' right to negotiate and conclude agreements

The unions authorised to negotiate have the right to negotiate and conclude agreements on behalf of the employees. The authority to negotiate and conclude agreements has been delegated from the unions to the locally elected union representatives, who may assign their negotiation authority to, for example, a joint union representative.

If no local union representative has been elected, management is responsible for contacting either a relevant union representative or the union authorised to negotiate.

Under certain collective agreements or trade union agreements, some employees, including special and senior consultants and journalists, are entitled to negotiate their own pay. In addition, the agreement on executive pay grants individual negotiation authority to employees/managers and professors in salary grade positions (salary grades 35-41). This applies both in connection with the annual pay negotiations and in connection with appointments. The collective agreements and the trade union agreements lay down detailed rules on the conclusion of agreements.

Management is responsible for ensuring that employees entitled to negotiate their own pay are offered the opportunity to negotiate.

If employees authorised to negotiate their own pay do not wish to negotiate permanent and temporary supplements with management, the negotiations are conducted directly between AU and the union authorised to negotiate, unless the negotiation authority has been assigned to a local union representative.

1.3. Scope of the right to negotiate and conclude agreements

The right to negotiate and conclude agreements includes the right to negotiate and conclude agreements on supplements for qualifications, supplements for responsibilities and one-off bonuses. In addition, the right to negotiate and conclude agreements includes the right to negotiate and conclude agreements on transfer to a different pay group or change of base pay/job type (reclassification). This applies to the employees whose collective agreements or pay agreements permit this.

The right to negotiate and conclude agreements includes the right to negotiate and conclude agreements regarding supplements both in connection with the annual pay negotiations and in connection with recruitment/retention.

2. Organisation of annual pay negotiations

The annual pay negotiations for employees under the new pay systems are organised and carried out as a single, concurrent process for both academic and technical/administrative staff in the first six months of the year. Agreements on permanent/temporary supplements are concluded with effect from 1 April of the pay negotiation year.

As far as possible, the annual pay negotiations should be concluded by the end of June.

With the assistance of AU HR, the local negotiating parties are responsible for organising the pay negotiations within this time frame and in a way that ensures a constructive negotiation culture with focus on the discussion of pay, performance and competencies.

The following principles and roles apply to pay negotiations:

1. Pay increases are awarded on the basis of the criteria set out in the staff policy, pay agreements and pay catalogues. If deemed appropriate at the local level, local criteria may be defined.
2. AU HR is responsible for initiating and concluding the annual pay negotiation process and for communication about the process. In advance of the negotiations, AU HR issues a general schedule for the negotiations to all managers and union representatives involved in the negotiations.
3. The parties negotiating on behalf of both management and the trade unions are responsible for ensuring that the local processes are organised in accordance with this schedule.
4. Before the start of the local negotiations, management informs all employees in the area concerned about the local process, including deadlines for registering for the negotiations.
5. AU HR provides assistance in connection with the local negotiations, which are conducted by the manager with the right to negotiate and the union representative. The procedure for exchanging recommendations for pay increases and arguments in favour thereof are agreed locally between management and union representatives.
6. AU HR supports the annual pay negotiation process by developing and providing the negotiating parties with identical and updated pay data, and by providing a list of union representatives and preparing forms for applying for supplements and agreements on supplements. This material is made available to the negotiating parties.
7. All agreements regarding pay supplements must be justified with reference to the criteria established in the AU staff policy and in the pay catalogues/pay agreements for the relevant areas as well as locally defined criteria, if any.
8. Agreements regarding pay supplements must be formalised and documented. The agreements must include a justification for the award of such supplements as well as all relevant data needed to ensure the correct processing of the supplements by Payroll.
9. Following the conclusion of the local negotiations, management is responsible for informing staff of the results of the negotiations.

3. Information about results of negotiations and reasons

The managers agree with the union representatives or the local liaison committees how the conclusion of the pay negotiations and the overall results of the negotiations should be communicated to the individual employees having applied for a pay increase as well as to the entire unit.

Employees who are granted a pay increase are informed orally and in writing of the background for the pay increase, the amount and the date on which the pay increase enters into force.

Employees whose application for a pay increase is not granted must as a minimum be given an oral explanation by their manager as to why their application has been rejected. The form of the feedback is adapted to the local conditions.

Information about the results of the negotiations is provided immediately after the conclusion of the pay negotiations.

The manager with the right to negotiate must as a minimum inform staff about the total amount of the pay increases agreed in the unit.

4. Disclosure of pay negotiation budget

The senior management team decides on a budget for the funds which it wishes to earmark for individual pay increases in connection with the annual pay negotiations. The Main Liaison Committee (HSU) is informed about the pay negotiation budget prior to the pay negotiations, and the senior management team subsequently makes a final decision and announces the decision before the start of the annual pay negotiations.

Within their respective areas of responsibility, deans and the university director may decide to vary the amounts earmarked in the pay negotiation budget for the various departments (Aarhus BSS, ST, HE)/schools (Arts)/administrative divisions, if justified by special circumstances.

In that case, the Faculty Liaison Committee (FSU)/the Administration's Liaison Committee (ASU) is informed about the distribution of the pay negotiation budget, and the dean/university director subsequently makes a final decision and announces the decision before the start of the annual pay negotiations.

5. Evaluation of annual pay negotiations

After the conclusion of the annual pay negotiations, the Local Liaison Committee (LSU) discusses the process and any experience gained which may be of relevance to future pay negotiations. Where appropriate, the Local Liaison Committee's evaluation of the process may form part of an overall evaluation of the pay negotiation process by one of the higher liaison bodies.

6. Pay negotiations in connection with recruitment/retention of staff

When recruiting salaried staff, the local union representative for the relevant area is involved in the negotiation of pay. In the case of staff members negotiating their own pay, the union representative is only involved if so desired by individual staff members. The union representative or the union is always notified of the final result.

Negotiations concerning pay level and supplements, if any, in connection with recruitment are conducted by the relevant local union representative and the head of department (Aarhus BSS, ST, HE)/head of school (Arts)/deputy director assisted by AU HR.

Prior to the negotiations, the union representative and the manager, assisted by AU HR, assess the employee's competencies, pay level and recruitment situation.

Once management has approved a recommendation regarding an appointment and has offered the position to the recommended candidate, management – via AU HR – contacts the local union representative to arrange the negotiation of the candidate's pay in due course.

The local union representative contacts the applicant about the pay negotiations. The pay negotiations are based on the pay level for the relevant job category.

Any agreement concerning supplement(s) must be documented and forms the basis of the final contract of employment with AU. As far as possible, the terms of pay applying to the employment should be agreed prior to the commencement of the employment.

7. Pay negotiations in connection with extensions

No pay negotiations are held in connection with the extension of fixed-term contracts of employment. Instead, employees working under extended fixed-term contracts are included in the annual pay negotiations on an equal footing with permanent employees.

In connection with extensions, pay negotiations will be initiated only if so requested by the employee or his or her union representative, or in the case of a significant change in the employee's portfolio of activities.

In cases where no pay negotiations are held, the union representative is notified of the extension.

8. Withdrawal of the right to negotiate

The senior management team has the right to withdraw the delegated right to negotiate and conclude pay agreements, both in relation to individual managers and in relation to all managers at the organisational level to which these rights have been delegated.

9. Commencement

The principles governing the pay negotiation process at AU enter into force on 1 July 2016.

In the event of any inconsistency between the Danish and English language versions of the document, the Danish version prevails.