

# Setting salaries without bosses – case Vertia

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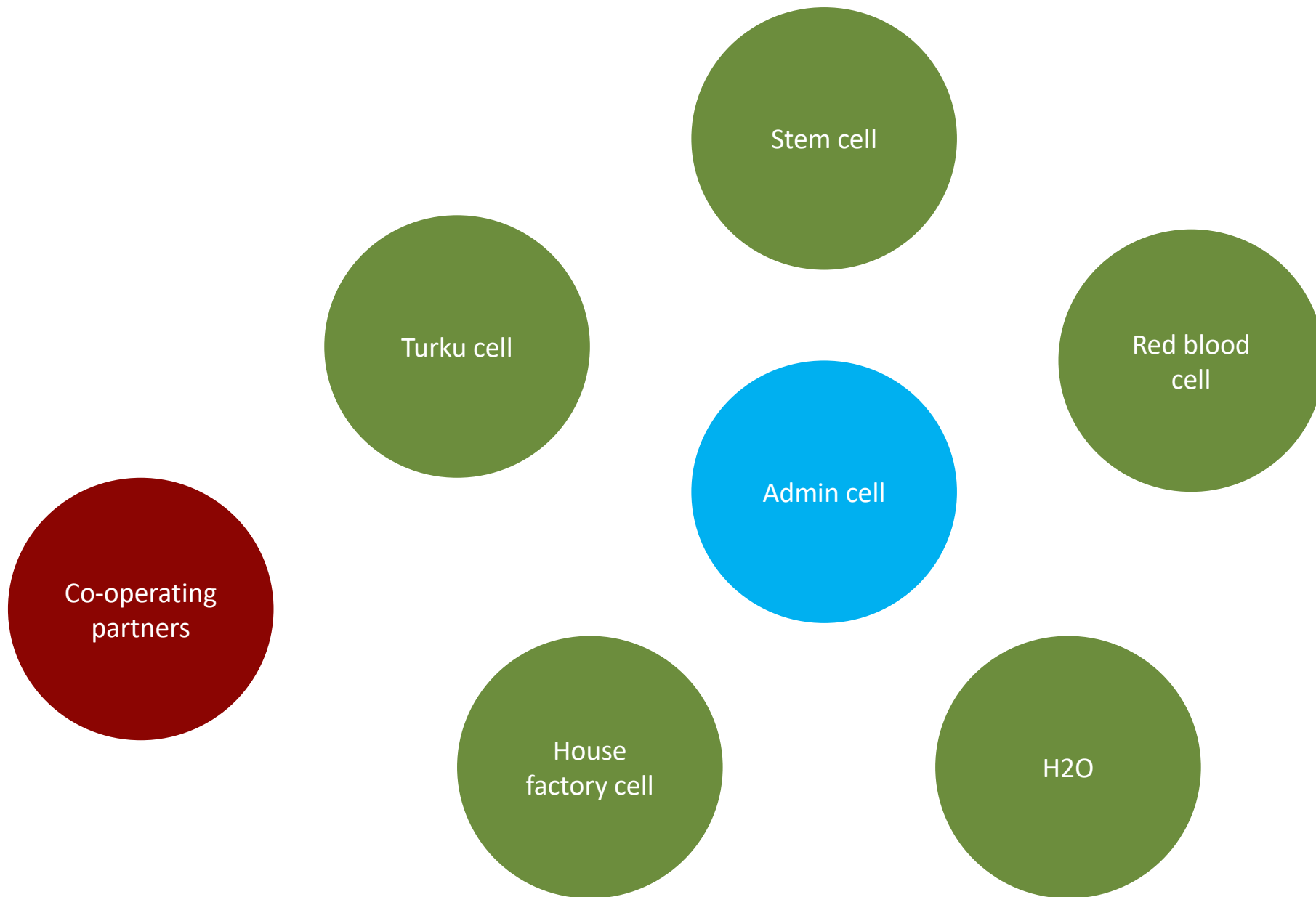
# Vertia

- Mission to improve the quality of construction
- 35 employees, revenue 3,5 M€
- Customers: construction companies, house factories / small house builders and private house builders
- Services: air tightness and humidity measurements, thermo camera and sewer imaging, moisture mapping and drying etc.



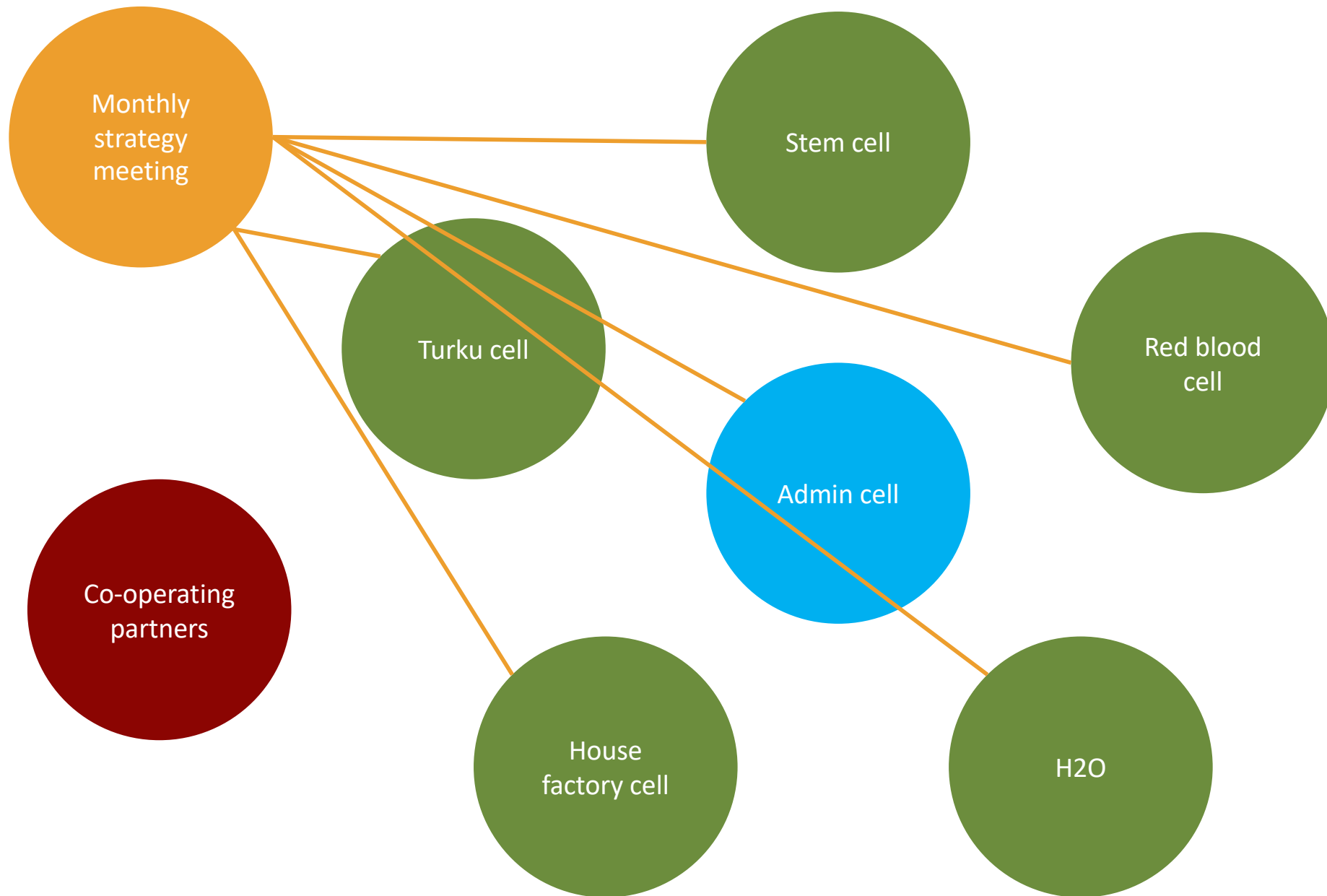
# Self-managing operating model

- Explicit operating model that defines how to operate in self-managed environment, aka. the rules
- No bosses, orchanizational hierarchy or titles
  - Cells, roles and responsibilities instead
- Anyone can make any decision by using the advice process:
  - when making a decision, you must seek advice from people who
    - a) are affected by the decision
    - b) have expertise on the matter



Measuring cells | [Admin cell](#) | [Co-operating partners](#)





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# The challenge

- How to decide the salaries without bosses?
- Your challenge is to either improve the salary decision model or suggest a new model altogether

# Current salary model in Vertia (briefly)

- Yearly salary round
- Process that determines how the salary round is executed
- Salary committee
  - representatives from every measuring cell
  - Decides the salaries according to salary process
  - Has to seek advice from cells and individuals
- Work demand tables as basis of salary
- Salary budget decided in strategy meeting
  - Based on rough estimate of raise needs, financial situation and labor market
- All salaries are public within the company

# Advantages of our current model

- Staff engagement, satisfaction and commitment unusually high (according to Tampere University study) -> leads to high customer satisfaction
- Overall people feel our current salary model is fairer compared to traditional salary processes
- Almost no one would prefer going back to the old ways
- People feel that work demand tables give clarity to salary development especially in the first years



# Some problems with the current model

- Some people still experience the salary decisions unjust (mostly related to others, not necessary absolute salaries)
- The model is quite complicated: even the salary committee won't necessarily stick to it
  - The work demand levels kind of broke after 2 rounds -  
> people's salaries don't reflect the levels
- Also the model is quite burdensome
  - Takes time and energy from the salary committee but also from the whole organization
- Tensions in the midst of salary round

# Resources for the challenge

- Interviews: you may interview me and one employee
- [Vertia salary model \(translated to english\)](#)
- [Vertia operating model \(In Finnish, but use Google Translator or similar\)](#)
- Internal resources (not to be shared outside the course)
  - [Work demand tables \(also in Finnish\)](#)
  - [Personnel salaries \(anonymized\)](#)
- [Reinventing organizations wiki: Compensation and incentives](#)
  - Also highly recommended: Frederick Laloux – Reinventing Organizations book
- [Amara article: Case Vertia: a transformation from a family-like small company to truly self-organising culture](#)

# Expectations

- We appreciate novel ideas
- The simpler the better (simple is hard)
- Important to understand the organizational culture, practices & operating environment (not all models work for every organization)
- Suggestions are used as an inspiration for our development -> not necessarily used as such
- You can go wild, if you want -> no need to be "realistic"