

Art Academy of Latvia Employee remuneration and motivation policy

1. General conditions

1.1 The document of the Art Academy of Latvia (hereinafter - AAL or the Academy) "Employee remuneration and motivation policy" (hereinafter - the Policy) defines the principles of the remuneration policy of AAL and the structure of the remuneration system for academic scientific staff, academic teaching staff, other teaching staff, scientific and teaching support staff, as well as general staff.

1.2 The purpose of the Remuneration policy is to set out the basic principles and policies for the remuneration of the employees of the Academy. The AAL's remuneration policy is to retain, attract, motivate and develop professional and talented employees, contributing to the achievement of long-term and short-term objectives.

1.3 This policy is binding to all AAL employees. The Policy is not applied to determine remuneration of members of the Council of the AAL.

1.4 The remuneration policy of the AAL operates in accordance with the Law on Higher Education Institutions of the Republic of Latvia, the Law on Remuneration of Officials and Employees of State and Local Government Authorities, the Law on Scientific Activity, Regulations Regarding Remuneration of Teachers, other external regulatory enactments regulating the activities of AAL.

1.5 The Council of AAL approves key budget and remuneration decisions, reviews the AAL remuneration philosophy and structure annually to ensure that the remuneration system is effective and meets the AAL strategic objectives and fairly rewards each employee for the contribution he/she makes, taking into account the scale and complexity of the AAL activities and the need to motivate and attract highest level employees. The AAL Council shall, within the framework of the Policy, adopt balanced and equitable decisions on remuneration within existing financial resources to ensure the efficient use of the financial resources allocated to remuneration.

1.6 The policy defines clear principles for determining remuneration of AAL employees, adopting balanced and equitable decisions on remuneration within existing financial resources, as well as ensuring efficient use of the financial resources allocated to remuneration.

1.7 The purpose of the Policy is to establish a remuneration framework for the AAL that ensures compliance with these requirements:

- compliance of the remuneration to performance of the employee;
- coherence and fairness of remuneration at the AAL;
- the relevance and competitiveness of remuneration in the higher education labour market in Latvia and the European Union;

- defines clear principles for determining the remuneration of AAL employees
- regarding positions with a risk profile, also the following is determined:
 - does not encourage risk-taking above the level set out in the AAL Risk Management Policy and its subordinate documents;
 - is consistent with the values of the AAL, such as ethical standards, long-term interests, the operational objectives set out in the development strategy, and is consistent with and promotes prudent and effective risk management and prevention of conflicts of interest.

1.8 The aim of the Policy is to promote the attraction and retention of loyal, motivated and results-oriented employees to the AAL

1.9 The AAL Policy is aimed at the sustainable development of the Academy, enabling both academic and general staff and students interested in the development of the AAL to pursue careers in their field of activity. Graduates of the AAL, learning from the most professional academic staff in their field, also have the opportunity to start and develop a career as a lecturer or researcher at the Academy. Thus, any member of the AAL staff can implement the vision of the Academy - to be a modern, prestigious and contemporary university of art and culture with an international communication environment, a stable professional base, which implements and develops demanding, sustainable, knowledge- and experience-based higher education in art, design and art science.

1.10 The Policy has been developed and may be further developed to ensure that the competences and intellectual capital required to achieve the objectives set out in the AAL Development Strategy are in place.

1.11 The Academy's remuneration system is managed by:

1.11.1 Regulations of the Art Academy of Latvia on the *Procedure for Determination of Work and Remuneration*, which are developed in accordance with the AAL Policy and approved by a decision of the AAL Council;

1.11.2 AAL internal normative document on *Academic Staff Workload Standards*, which is developed in accordance with the AAL Policy and approved by a decision of the AAL Senate. The specific amount of remuneration shall be determined by the Rector of the AAL on the basis of an order;

2.1 Processes and principles of personnel management at the Art Academy of Latvia:

2.1 AAL personnel management processes:

2.1.1 Employment relationship: recruitment, employment legal relationship, onboarding of new employees

- Recruitment is carried out by the Department of Personnel together with the Head of the relevant department and the Rector of the AAL;
- The recruitment process gives any AAL employee the opportunity to apply for a vacancy, taking into account their education, experience, skills and personal preferences;

2.1.2 Motivation system: personnel remuneration and motivation; performance management; social policy

2.1.3 Personnel development: personnel renewal and succession; professional development and career development; training of managers and employees.

2.2 Policy of the remuneration and motivation system is implemented in accordance with the following guiding principles:

- social responsibility, guided by best practices in labour law and labour protection
- providing a positive working environment
- following the gender equality and inclusive society action plan

2.3 The remuneration system is focused on the strategic development goals and performance indicators of the AAL, with remuneration determined in accordance with the individual performance of each employee.

2.4 The remuneration system of the AAL is designed to ensure equal remuneration for the contributed work of equal value, within the financial resources available in the remuneration budget. Remuneration is determined on the basis of uniform principles, applying measurable and objective criteria, and taking into account the employee's education, competences, qualifications and other factors related to the quality of the work. Remuneration system aims to appreciate, attract and retain a pool of excellent and talented employees to contribute to the achievement of the AAL's goals and objectives.

2.5 The AAL regularly conducts labour market research to ensure a balance between competitiveness and financial opportunities in the remuneration system.

3. The Academy's Remuneration system consists of:

3.1 remuneration - the conditions of the remuneration and procedure for application is determined in the *Working Procedure Regulations of the Art Academy of Latvia*;

3.2 social guarantees - includes benefits, compensation for visual correction aids necessary for the performance of work duties, health insurance, etc., regulated by the *Working Procedure Regulations of the Art Academy of Latvia*; as well as other internal regulations of ALL and the procedure established by the laws and regulations of the Republic of Latvia;

3.3 leaves - leaves provided for in the Labour Law of the Republic of Latvia, as well as additional leaves and paid holidays, in accordance with mutually concluded contracts and agreements. The criteria for paid holidays and additional leave are regulated by the AAL internal regulations on staff remuneration.

3.4 Decisions on remuneration shall be made: - in regards to the Rector of the Academy - AAL Council; in regards to other employees of the AAL - Academy Rector within the scope of this document.

4. Final provisions

4.1 The regulation of AAL Policy is applicable the extent that it is not restricted by applicable external laws and regulations. If external laws and regulations provide for different provisions from the Policy, the procedure set out in the external laws and regulations shall apply and the relevant provision of the Policy that conflicts with the provision of the external laws and regulations shall become null and void.

4.2 The AAL Policy is available to employees.

4.3 Previously adopted decisions in compliance with external and internal laws and regulations, remain in force until their expiry or revocation.

4.4 The Policy shall enter into force upon its approval by the Council of the AAL.