

ERIC Forum Implementation Project  
**Best practices guidelines in employment and secondment for ERICs**  
 Work Package 3 - Deliverable 3.3

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Responsible Partner	EU-OPENSREEN ERIC
Author(s)	Maren Kappe (EU-OPENSREEN)
Contributors	Frank de Man (EATRIS), Anne-Charlotte Fauvel (EATRIS), Barbora Halmova (BBMRI), Katja Herzog (EU-OPENSREEN), Carlo Rizzuto (CERIC), Arnaud Roi (DARIAH), Andrea Santelli (CERIC), Alicja Szofer-Araya (ECRIN),

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### Executive summary

This report complements and deepens the analysis already conducted in D3.4 on "recruitment challenges for distributed ERICs" and focuses on special employment issues and situations in ERICs such as secondments, employment of personnel in other countries than the seat country of the ERIC and the effects of the pandemic on working conditions.

The following ERICs, which are facing special employment challenges and may function as a "role model" for other ERICs were chosen for an in-depth analysis of the present based on their answers in the survey in deliverable 3.4: BBMRI, CERIC, DARIAH, EATRIS, ECRIN and ESS. The research focuses solely on staff directly employed or seconded to the ERIC. The survey was conducted as a guided online interview with the human resource (HR) experts of the selected infrastructures.

Through the surveys and the in-depth interviews, the following main HR challenges were identified: Secondment of personnel, employment contracts, payroll, insurances, hiring and keeping good personnel, new work. Practical examples in the form of case studies are used to highlight the problems faced in different situations and stages of the employment process.

The final part of the study provides recommendations for tools and common resources which may prove useful for existing ERICs and ERIC-to-be.

### Background

This report expands on the survey results already collected in D3.4 and examines some of the issues raised in the D3.4 survey in greater depth to derive recommendations for action for the identified HR topics of particular interest to ERICs.

### Approaches

Based on the results of the survey on Recruitment, Employment, and Secondment practices conducted for D3.4, six ERICs with special employment situations were identified. In-depth interviews with the use of an online survey were conducted with these ERICs and with the support of Carlo Rizzuto as Senior Expert.

### Results

The deadline has been delayed due to time availabilities and difficulties caused by the pandemic. The deadline was initially scheduled for June 2021.

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## PART 1: CURRENT ERIC SPECIAL EMPLOYMENT SITUATIONS: STATE OF PLAY

The landscape of ERICs is diverse ranging from small distributed ERICs with no more than 10 employees, to large single-sited ERICs such as the European Spallation Source (ESS) with more than 200 employees. From the 22 ERICs in operation, three ERICs are specific ERICs with only one site, the other ERICs are distributed research infrastructures with a central hub/office and distributed nodes/partners in the respective member countries. These ERICs are mostly relatively small in size, with no more than 20 employees on average working at the country seat of the ERIC.

*“Most ERICs have been established by integrating distributed national research activities, thus introducing a paradigm shift in the scope of European research infrastructures, from facilities built and operated locally to respond to external users, to EU wide organisations developing joint research and able to respond to wider external requirements and challenges.”<sup>1</sup>* The history of ERICs which has been pointed out in the EGERIC report highlights one of the major difficulties ERICs are still facing until today: partly being spin-offs from national research institutes and as organizations funded by countries, ERICs face completely different employment situations and challenges than, for example, newly founded companies in the private sector. Especially in the start-up phase, staff from the host institute is seconded to the ERIC or made available as so-called “in-kind contributions” from the member countries or institutions. Many ERICs are relatively new and small organisations and do not have their own human resources departments and therefore must outsource or co-staff this function. Many also align their HR policies with the practices of the former hosting institutions or adopt them entirely.

The findings and recommendations of this research apply mainly for distributed research infrastructures. In some cases, the experience of larger single-sited ERICs, such as ESS ERIC, can serve as role model for the smaller distributed ERICs. The scope of this research is focused solely on staff directly employed or seconded to the ERIC seat and does not include personnel employed at nodes or partner sites of the distributed ERICs.

What also became apparent in the study is that the special legal form of the ERIC leads to difficulties in day-to-day implementation. On the one hand, ERICs are international organisations, such as regarding VAT issues, on the other hand, national law applies to the regulation of employment. This circumstance plays a role especially in the start-up phase of ERICs and the time and the resources needed should be carefully considered. The legal form, which is still little or not known, leads to major time and bureaucratic delays in the establishment of the ERIC. New ERICs can therefore benefit substantially from the existing specific country expertise and knowledge of existing ERICs. Country-specific expertise was also shown in this study as particularly important regarding employment issues. Especially tax and labour law issues were named by the majority of ERICs as major problems for which they would need expertise and recommendations for action.

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<sup>1</sup> ASSESSMENT ON THE IMPLEMENTATION OF THE ERIC REGULATION *Provided By the European Commission Expert Group on the ERIC Regulation* edited by Directorate-General, p4:  
[https://www.horizontevropa.cz/files\\_public/elfinder/1898/Report%20published.en.pdf](https://www.horizontevropa.cz/files_public/elfinder/1898/Report%20published.en.pdf) )

## 2. Summary of the findings

The in-depth interviews for this deliverable have confirmed the results of the comprehensive survey from deliverable 3.4. Many ERICs have already reacted to the experience gained and the difficulties they initially faced by taking appropriate measures and creating corresponding procedures: Either external experts were hired, or own structures were established. This applies in particular to the administrative areas for payroll, contracting and tax issues. In the area of secondment, too, all ERICs surveyed for this deliverable have corresponding contractual regulations.

All respondents agreed that it would nevertheless make sense in many areas to pool resources and make them accessible to all ERICs. In this way all ERICs, and especially those in the process of being established, could benefit from the experience already gained and the measures already put in place.

The Appendix of this deliverable contains extensive case studies where ERICs highlight different HR challenges and explain how they responded to them:

**Case Study 1** (Appendix) focuses on the different stages of the employment process (from recruitment to employment, management and evaluation) at CERIC ERIC. It especially points out challenges faced with secondments and in-kind contributions and shows areas for which CERIC has already adopted appropriate procedures: Hiring and selecting personnel, employing and managing personnel.

**Case Study 2** (Appendix) showcases the challenges ESS ERIC is facing with the “Economic employer concept” in Sweden, which basically means that seconded personnel which is working in Sweden may become after a certain period liable to Swedish taxation, thus raising the personnel costs of the sending institution. Since ESS heavily relies on a huge system of in-kind contributions from Member States and relevant partner institutions this can cause significant additional costs to the project partners.

**Case Study 3** (Appendix) highlights problems faced by EATRIS ERIC when setting up payrolls in multiple European countries. It demonstrates the challenges faced and the lessons learned from the process. EATRIS works with a large consultancy company to organize its payroll across borders and collaborates with RESAVER to offer its employees pension plans in every country a payroll is established.

**Case Study 4** (Appendix) refers to the mandatory requirements of a Gender Equality Plan (GEP) as defined by the European Commission to participate in the Horizon Europe funding programme. The ERIC Forum has launched in 2021 a Working Group on Gender Equality led by EATRIS ERIC. This is an excellent example how ERICs can collaborate and join forces in order to develop a common framework for a GEP.

**Case Study 5** (Appendix) On the example of EU-OPENSREEN ERIC it is shown how tools such as employee handbooks can help formalise the employment process. EU-OPENSREEN, similarly to many other ERICs, has grown very fast in terms of number of employees in the first years after foundation while having to design all necessary procedures and set up office and laboratory facilities.

## 2.1 Secondments

ERICs work with several types of personnel. Mostly the personnel working at the ERIC seat are directly employed, but there are different employment situations where seconded personnel are used. During the founding phase of an ERIC, personnel are often seconded by the local hosting institution. In the operational phase of ERICs secondments can be part of, or in addition to, the membership contribution, across borders or inside borders, in-kind contributions or not, full-time or part-time depending on the secondment situation.

All secondment situations have in common is that there are always 3 parties involved, the employee, his or her original employer, and the host employer. A variety of problems can arise from this special employment situation, including tax and legal issues, different working conditions at the sending and hosting institution such as holidays and working hours, authority and control of the secondee's work, work recognition and career prospects of secondees after returning to their host organisation, among others.

All ERICs surveyed for this deliverable stated that they have secondment policies and contracts in place. These contracts and policies vary according to the specific secondment situation. The case of ESS has been chosen as [Case Study 2](#) (Appendix) showcasing special secondment situations and lessons learnt.

## 2.2 Employment of personnel in other countries than the ERIC seat

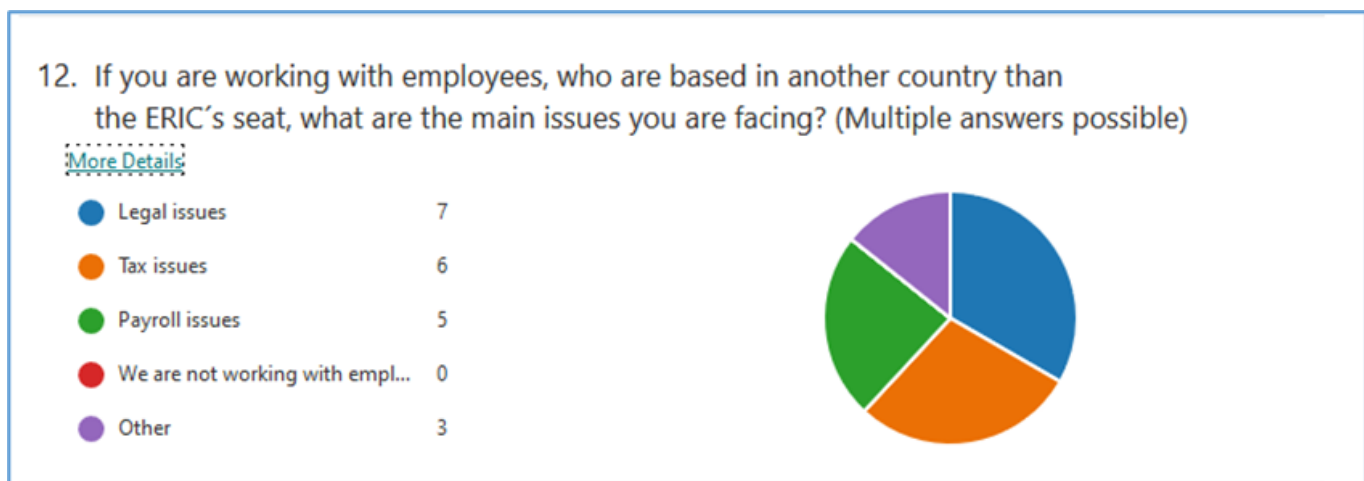


Figure 1 Survey D3.3 Q12: Main issues faced when working with employees based in another country than the ERIC's seat

Out of 19 ERICs that responded to the survey conducted in early 2020, 42% states they were employing staff in more than one country. All 6 ERICs interviewed in 2021 work with personnel in other countries than the ERIC seat. This was also stated as a consequence of the pandemic and as a major challenge for recruiting suitable staff. Employees are less willing to relocate for work and require remote working options, sometimes across borders. This results in a number of new challenges to the employer, mainly with administrative issues such as tax and payroll but also legal issues with special employment contracts and provisions for mobile work.

All ERICs responded that the handling of employment of personnel in other countries than the ERIC seat is specific and needs to be addressed on a case-by-case and country-by-country basis. All ERICs are using expert advice for this topic. Some have individual solutions in collaboration with local experts, while others employ large consulting companies which can handle requests across countries. [Case Study 3](#) (Appendix) showcases the experience of EATRIS with employing people outside the EATRIS seat country, the Netherlands, and how employing staff residing in other countries than the country's seat can contribute to the ERIC's attractiveness and competitiveness.

### 2.3 Administrative and legal issues: employment contracts, payroll and insurances

Administrative and legal issues such as employment contracts, payroll and insurances were seen as the biggest hurdles especially for smaller ERICs which cannot afford a fully-fledged HR department. Since employment laws and social security and tax laws vary significantly inside Europe, country-specific knowledge is required. Therefore, advice can only be given on a per country basis and not provided as a general template. A solution such as a European contract for ERIC employees may be envisaged to potentially facilitate personnel management. Currently, the ERICs surveyed use external expertise, be it from smaller tax and payroll offices or larger consulting firms operating throughout Europe, which can also serve several countries.

Many ERICs have already established processes and policies such as employee handbooks ([Case Study 5 EU-OS](#)), HR policies and performance appraisals such as bonus schemes ([Case Study 1: CERIC](#)) in place. Other ERICs can benefit from these already existing solutions in the form of best practices examples

### 2.4 Attracting and retaining qualified personnel

Attracting and retaining qualified personnel was quoted as a major issue for many ERICs. As already outlined in [Deliverable 3.4](#) many ERICs are small with flat hierarchies and therefore cannot offer extensive vertical options for career progression. In addition, salaries may sometimes also be perceived as not being sufficiently competitive especially compared to salaries paid in the private sector, since remuneration in ERICs is often aligned with remuneration levels of the public sector (as many ERICs originated from there).

ERICs may also consider offering other attractive employment benefits as part of employment packages. Fringe benefits such as the following may help ERICs to attract and retain qualified personnel:



- training opportunities;
- private pension schemes such as RESAVER (<https://www.resaver.eu/>)
- extra holiday days;
- funding support for commuting costs;
- funding support for participation in the Executive Masters in Management of Research Infrastructures (EMMRI), offered by BICOCCA University in Italy;
- remote working options;
- flexible working hours, supporting work-life balance.

## 2.5 Remunerations and performance evaluation

Only very few ERICs work with a dedicated remuneration scheme, some are based on remuneration schemes from the public sector, while others deliberately benchmark their scheme against practices from the private sector. EATRIS has employed an experienced consultant in that field to work out a competitive salary scheme that includes a bonus system and indexes salaries based on inflation. If ERICs and ERICs-to-be consider implementing such remuneration strategies, they should also ensure that those are reflected in their multi-yearly budget planning.

All ERICs conduct regular performance evaluations mostly once a year in some cases also twice a year. In countries such as France, ECRIN states that it is mandatory to conduct performance evaluations at least once a year. Some ERICs use pre-designed templates for the performance reviews, which can be shared with the ERIC Community (DARIAH, ECRIN, CERIC). EATRIS used the same performance evaluation as its host institution at the beginning of its operations, which was gradually adjusted to its needs as ERIC. In this specific area of remunerations and performance reviews, a common resource for ERICs was seen as particularly beneficial.

## 2.6 Effects of the pandemic

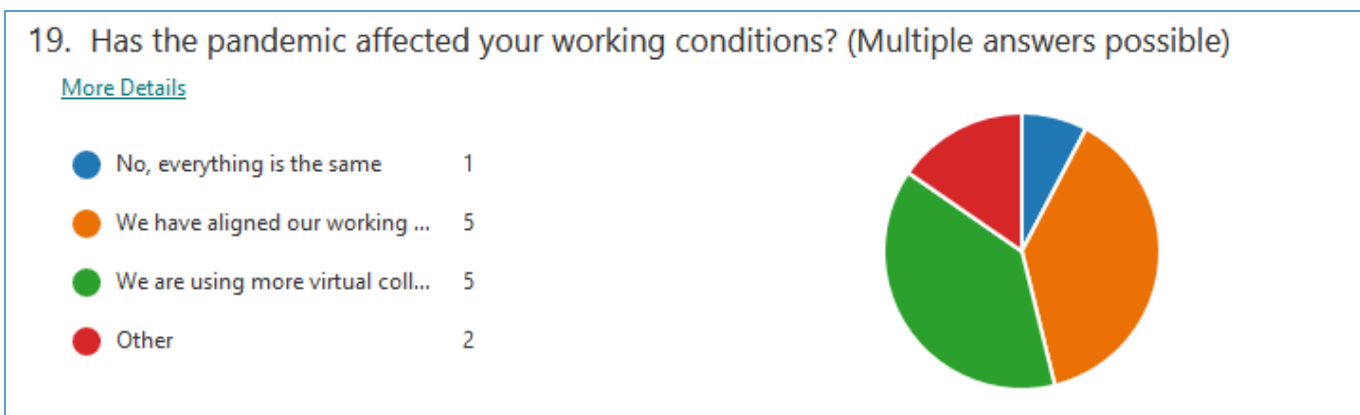


Figure 2: Survey D3.3 Q.19: Effects of the pandemic on working conditions

Almost all ERICs stated that the pandemic has affected their working conditions. Since ERICs are set up to work with many different nationalities and countries they have been quite well prepared to the new



working environment, especially in comparison to more “traditional” companies. In this respect, the relative novelty and new legal form of the ERICs was an advantage. Some of the ERICs were already practicing remote working options before the start of the pandemic and could therefore respond quickly to the new working conditions. For example, EU-OPENSREEN offered from the start of its operations, remote working options for its staff and already had the necessary technical and organisational provisions in place when the pandemic started. From one day to the next, EU-OS was able to offer remote work to all employees whose workplace allows for it.

All ERICs stated that the pandemic has significantly changed their ways of collaboration shifting almost completely to virtual working options with a significant increase of video conferencing and remote working options for almost everyone besides the personnel needed to be on site. All respondents agreed that remote working options, when applicable, will be a must in the future and that this change should be accompanied by a change of mindset, especially among top management.

As a result of the pandemic and subsequent shift in working habits, some ERICs (ECRIN, EATRIS) have developed internal policies on remote work which define working hours, availability, work equipment, work safety and data protection. In addition, ERICs may also consider providing their staff with a remote working allowance on top of their salary to contribute to increased domestic expenses. For ERICs such as EATRIS, the pandemic accelerated the recruitment and employment staff working outside the country seat (see [Case study 3](#)).

## PART 3: CONCLUSIONS AND ERIC FORUM RECOMMENDATIONS

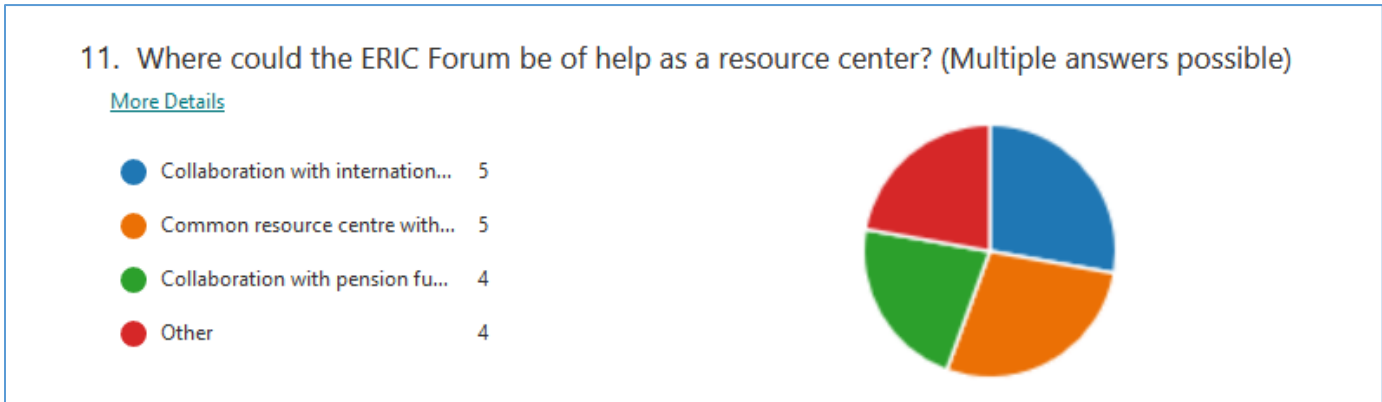


Figure 3: Survey D3.3 Q11: Where could the ERIC Forum be of help as a resource center

There are many areas where collaboration of ERICs and common resources such as best practices guidelines, templates and experts would prove extremely useful. As the most pressing issues in the field of employment are regarding **legal, contracting and payroll aspects**, in particular regarding special employment situations when employing people outside the statutory seat of the ERIC. This will become increasingly important because of the pandemic with many early career, high potential specialist employees not willing to relocate anymore especially when the ERIC seat may be located in a country/ city, which is not regarded as sufficiently attractive. For this reason, many of the ERICs surveyed expressed a preference for a **joint collaboration with an international expert** in this field. Some ERICs have already gained experience in this context with multi-national experts such as Deloitte (BBMRI ERIC) and ProPay (EATRIS). In this context, it may be conceivable to conclude a **framework contract with one of these experts** for all ERICs. It would also be good to establish an formal ERIC forum working group of HR experts from the different ERICs to establish a regular exchange of information and up-date each other on ongoing HR issues across EU member states.

**Best practices guidelines** and common resources such as **templates** could be **useful in a couple of other areas such as HR policies, gender action plans and policies, employee handbooks and guidelines, workplace rules, regulations concerning remote work (although this may differ depending on legal conditions) and performance evaluation schemes**. All ERICs participating in this survey offered their help to supply other ERICs with respective templates and resources. These will be collected by the ERIC forum for the toolbox (foreseen under WP5), classified by topic and made available to all ERICs as common resources. [Case Study 4](#) by EATRIS (Appendix) uses the example of the gender topic to show how ERICs can meaningfully work together.

Additional information especially on **more concise topics such as employment contracts, tax issues and social security can be made available on a country specific basis**. The following ERICs are offering country specific advice (EU-OS and DARIAH for Germany, ECRIN for France, EATRIS for the Netherlands, BBMRI for Austria). Given the geographical coverage of the ERICs, it is fair to expect that more countries could be covered by the Forum.

A possible solution that could address the employment contract issues of ERICs would be a **European employment contract** as pointed out by the EGERIC. This would be an adequate implementation of the ERIC regulation and in line with other international organisations such as EMBL and would alleviate many

problems related to the labor mobility of ERIC personnel. *“The potential of the ERICs to attract and retain talent including at international level, and in particular in the lesser developed regions, is very large but still limited by the lack of a common EU contractual framework and career perspective, both yet to be implemented along the ERIC Regulation.”<sup>2</sup>*

The use of fringe benefits is still not common practice among ERICs. Options such as the RESAVER pension scheme are currently only used by some ERICs, which may serve as best practice examples. In the survey conducted in 2020, 47% of the 19 ERICs that responded said they did or do consider RESAVER as their pension plan. However, the use of and the participation in RESAVER is still not clear among ERICs and hinders their participation. Here the ERIC Forum could organise for example a **webinar on RESAVER**.

#### Summary of recommendations and next steps:

- Exploration of possible joint framework agreements for all ERICs with international expert in the field of legal, contracting and payroll issues
- Provision of recommendations for action for handling secondment situations based on the experience already gained by ERICs
- Provision of best practices guidelines in a toolbox for:
  - HR policies
  - Gender policies
  - Employee handbooks and workplace rules
  - Regulations concerning remote work
  - Performance appraisals
  - List of fringe benefits – employment packages
- Provision of country-specific advice on employment contracts, tax and social security issues based on already existing expertise
- Exchange of Experience workshop or webinar on RESAVER
- Establishment of an ERIC Forum HR internal expert group for regular up-dates and Exchange of Experience

Figure 4: Summary of recommendations and next steps

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<sup>2</sup> EGERIC Report p.26

## Appendix

### Case Study 1: CERIC ERIC: The employment process: Recruiting, employing, managing and evaluating personnel

#### **PERSONNEL SITUATION WITHIN CERIC**

CERIC is a distributed research infrastructure that operates based on significant amount of In-kind contributions (IKCs) provided (directly or indirectly) by the Member States. CERICs statute defines that the resources made available to CERIC shall also consist of contributions in-kind conferred by the Members or Representing Entities for ordinary activities of CERIC as well as for specific projects.

The IKC in large part come in the form of human resources (personnel seconded and / or committed to CERIC activities), and as access for external users to the Partner facilities made available through the national entities called Representing Entities (RE) that are appointed by the Member states. Even in this latter case, the costs for the human resources play a significant role in the calculation of the contribution related to the research infrastructures access.

In CERICs case of IKC, those resource are also used for joint activities together with personnel hired directly by CERIC.

This complexity in CERICs structure implies somewhat different situation when it comes to personnel resources.

In summary all personnel can be:

- Directly hired by CERIC,
- Hired by RE and committed in-kind to CERIC – without any integration in CERIC organigram
- Seconded (partially or totally) to CERIC – with an impact also on the CERIC organigram.

Further, the personnel can be located in Italy or hosted by one of the RE or third parties.

#### **Personnel hired directly by CERIC**

With reference to the personnel of its Statutory seat, CERIC hires in Italy but occasionally, on the need (i.e. research projects jointly performed in collaboration with the Representing Entities), hires abroad as well. For this purpose CERIC opened a fiscal and a social security position abroad. Hiring abroad until now was only for temporary activities. In order to achieve this goal CERIC was supported by local experts who carried out all the necessary administrative steps with the local fiscal authorities as well as the social security authorities.

In particular, instead of opening subsidiary offices, the solution adopted consisted in opening a fiscal /social security position. This solution allowed to hire people following the local rules in terms of taxation and social contributions.

#### **Personnel hired by RE and committed in-kind to CERIC**

In some cases the activity is carried out by personnel that is not hired by CERIC directly but is hired and committed in-kind by one of the REs. This was the main case at the very beginning of CERICs operation. The personnel was hired by the hosting institution (Elettra) but was fully committed to CERIC central office activities. Now these resources are fully or partially committed to the following activities:

- a) joint scientific and technical activities aimed to strengthen the collaboration between the Partner Facilities
- b) support the operation of CERIC Statutory Seat

### Seconded personnel

For EU-funded projects where CERIC, together with REs, carries out an activity, the personnel that is working on the project and is hired by an RE is seconded to CERIC. CERIC, as a beneficiary, makes the secondment agreement with the RE that takes a role of a Third Party (according to AGA) and obtains human resources in a form of in-kind contribution against payment (Picture 1 below). The personnel responds to the management of CERIC for this specific action.

#### Picture 1

### ARTICLE 11 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT

#### 11.1 Rules for the use of in-kind contributions against payment

If necessary to implement the action, the beneficiaries may use in-kind contributions provided by third parties against payment.

The beneficiaries may declare costs related to the payment of in-kind contributions as eligible (see [Article 6.1](#) and [6.2](#)), up to the third parties' costs for the seconded persons, contributed equipment, infrastructure or other assets or other contributed goods and services.

The **third parties and their contributions must be set out in Annex 1**. The *[Commission][Agency]* may however approve in-kind contributions not set out in Annex 1 without amendment (see [Article 55](#)), if:

- they are specifically justified in the periodic technical report and
- their use does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

The beneficiaries must ensure that *[the Agency,]* the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards the third parties.

#### 11.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the costs related to the payment of the in-kind contribution will be ineligible (see [Article 6](#)) and will be rejected (see [Article 42](#)).

Such breaches may also lead to any of the measures described in Chapter 6.

Source: Annotated Model Grant Agreement

## PROCESS OF RECRUITING - PERSONNEL HIRED DIRECTLY BY CERIC

The selections are inspired by the principles of impartiality, publicity and transparency.

Hiring process in CERIC is transparent and is usually a 3 stages process that includes publishing the call, making a short list and conducting interviews (usually two stage process) and finally submitting to the appropriate candidate a job offer.

Exceptions are applied for:

- to highly specialized professionals of absolute importance, in the case of fixed-term hires or collaborative relationships, with duly motivated choice;
- collaborations or hiring lasting up to 12 months provided that they are not renewable or extendable;
- fixed-term collaborations or assumptions activated following the acquisition of projects from external tenders provided the same collaborator procures them;
- fixed-term hires to cover positions of a strictly fiduciary nature, up to a maximum of one unit;
- to re-appointments for employees or collaborators already selected and discontinued; in relation to the particular professionalism and in the face of proven competitive external proposals (improved positions can be assigned with respect to those covered);
- mandatory recruitment pursuant to the law;
- to mobility / secondments of staff of other bodies.

### 1. Publishing the call

Once the management decides that it is necessary to hire a new person, the publication of the call, in general, follows the below mentioned paths:

- a) In most of the cases the procedure starts with publishing the vacancy call online and on English language. The candidates are required to have a good knowledge of English. In these cases, except on CERICs website, the calls are published on the websites of EURAXES and Euractive. When hiring researchers the calls are promoted within our Partner Facilities (PFs) as well.
- b) In some cases, in order to fulfil certain law obligations, such as employment of people with disabilities, CERIC collaborated with the region Friuli Venezia Giulia. The Region provides the list of candidates that meet the conditions and those candidates are then interviewed.
- c) In other cases CERIC uses the services of local hiring agencies in order to extend the possibility to find the right profiles. The use of this channel is necessary when the flexibility of the job contracts is particularly relevant for CERIC scopes.

### 2. Selection and interviews

The selection phase is performed as follows:

- a) Definition of a selection commission. In particular, those who find themselves in other situations that may cause a conflict of interest cannot be part of the commission.
- b) Preparation of a short list on the basis of the application letters received through a dedicate e-mail address.
- c) Definition of an evaluation committee in charge of a two stage (usually) selection interviews. The selection committee differs depending on the position a person is being hired for. When hiring a person for central administration, a selection committee is composed by the Management and, if necessary, an officer from the area in which the person will work. When hiring a researcher, the responsible scientific coordinator/s is/are conducting the interview and proposing to the



Management the name of the selected candidates. In these cases, the role of the Management consists in providing insights on hiring conditions.

Interviews are made in person when possible but very often, due to applicants from the whole Europe, virtual interviews are chosen. This happens especially now in the pandemic environment.

### 3. Hiring the selected candidate

After an appropriate candidate has been selected a Letter of intent, with the employment condition, is being sent to the candidate and, once the candidate accepts it, the employment contract is being prepared and signed.

When it comes to hiring a person abroad, the signature is made remotely and by sending the contract by post.

## EMPLOYMENT CONDITIONS

The employment conditions are defined by the Internal regulation for HR: "Rules for CERIC employees" (in the text referred as Internal Regulation) but the basic principles are already set in the statutes. According to our Statute:

### **Article 18**

#### **Human Resources Policy**

1. *CERIC-ERIC shall ensure equal treatment and opportunities for its personnel and shall support mobility between the Partners and in general within the Central European Area or beyond. CERIC-ERIC shall endeavour to attract junior staff such as students, researchers and technicians for training in an internationally-open environment.*
2. *In general, staff needed for carrying out CERIC-ERIC activities shall be seconded to CERIC-ERIC by the Members or Representing Entities, Observers or other collaborating institutions.*
3. *The costs related to seconded staff shall be borne by the seconding Member or Representing Entity and save exceptional cases be accounted for as part of the in-kind contribution. Secondments related to specific projects or for training purposes may also be accounted for in accordance with the specific project modalities. [...]*

CERIC, as international organisation, has some freedom when it comes to employment conditions taking into account the minimum set of rights granted by the national legislations where the employee will be located. Although the Internal regulations detail some conditions thoroughly, some aspects are not so detailed. For example when it comes to the remunerations, CERIC doesn't have a salary grid. The remuneration is individually negotiated with each employee depending on the role and experience, taking also into consideration the salaries granted to the employees in the similar positions in the same Country. CERIC hires employees on temporary or on permanent bases, depending on the need. In general, temporary position are preferred when the employee should be involved in initiatives with a limited duration (projects). CERIC respects the minimum employment rules, in Italy as abroad, that are defined by the law and freely chooses how to manage all other parts of individual employment contracts. For example, as mentioned there is not a salary grid. On the other hand national laws usually limit the number and duration of the fixed term contracts.

According to its Statute, CERIC developed the Internal Regulation for HR issues This Regulation is in line with the Italian legislation where necessary and fully applicable for the employees hired in Italy. The Internal Regulations detail the constitution of employment, conduct of the employment, salary (but not in the amount), work time, rules for the work relationship (detailing holidays, different kind of leaves, rest



time, flexibility...), refunds for expenses made for the Consortium, disciplinary rules, work contract termination.

For the employees hired abroad, the Internal Regulations apply only in the aspects where it is in line with the national legislation and CERIC doesn't have the freedom to define it on its own. For example CERIC employees have the right for 33 days of holiday in a year, without any distinction between days of holidays and day of paid leave, which is typical of the national collective bargaining agreements.

The Internal Regulations define a trial period, which is different for different hierarchical levels. Employees and researchers have a 3 month trial period, executive employee, staff and senior managers have 6 month trial period. According to the Italian law, for the employees hired in Italy, in fixed term contracts the trial period cannot exceed 50% of the duration of the contract.

Although there is not a salary grid in CERIC, there is a certain principle that CERIC respects. This refers to hiring abroad as in Italy in specific situations. CERIC opted for the approach where CERIC employee hired outside of Italy has similar conditions as the employees of the institute (Representing Entity or third party) by which the employee is hosted. When hiring personnel in Italy that will work closely and integrated with the team of the RE, the same principle is being followed.

One of the rare aspects that apply in the same way is number of holidays that an employee is entitled to. For all employees it is 33 days.

CERIC employees in Italy that are hosted by the RE enjoy a flexible working time as well.

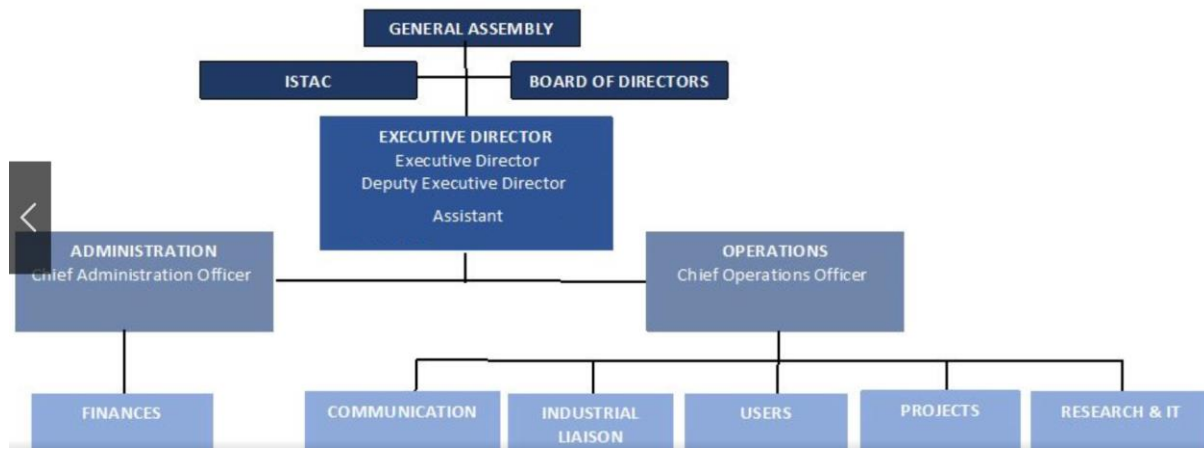
As far as compatible, the rules for the personnel hired in Italy, are applied also to the personnel hired in other countries, overruling the set of rights granted by the national legislation, when favourable for the employees.

In some cases the employees may obtain the right of annual bonuses which is described in explaining the evaluation process.

## **MANAGING THE EMPLOYEES**

CERIC, being a small organisation, has a flat hierarchy. Next to the Executive Director, there are the managerial positions (Picture 2. Organigram). The Organigram adopted by the Consortium shows the responsibility lines although, very often, the project activities requires flexibility and work in different area and under different responsible person.

**Picture 2. Organigram (CERIC – ERIC)**



Every employee hired directly by CERIC has an appointment letter describing the activities they are in charge of and give support to.

We could say that the appointment letters are structured defining the activities that employees are involved in (if applicable):

- Administrative activities
- HR activities
- Financial activities
- Specific area activities (like user activities, communication activities, ILO and TT activities)
- Project activities (externally funded projects)
- Support to the management
- Other tasks deemed necessary by the management

The appointment letters are being updated on the need.

When it comes to employees that are hired to work on the joint scientific and technical activities, they are very tightly integrated with the team of the PF that they work in. Their daily work is managed by the scientific/technical coordinator that is not hired by CERIC. Considering the type of activities, in these cases a specific appointment letter is not necessary since the activities are clearly defined in the employment contract.

## **EVALUATION OF THE EMPLOYEES**

According to its HR internal regulation, CERIC ERIC adopts employee bonus and salary increase policy that depend on the annual evaluations. CERIC Internal Regulation predicts annual evaluation of performance of employees taking into account the following objective parameters:

- the quality of the work activity,
- the skills demonstrated,
- the professional behaviour,
- the degree of achievement of individual or group specific objectives.

The ranking goes from 1 – 5 (1 – insufficient rating, 2- satisfactory rating, 3 – good rating, 4 - very good rating, 5 – excellent rating) and in case of a positive evaluation of the Employee, the Consortium reserves the right to award prizes in relation to the results achieved.

In accordance with the HR internal regulation the procedure document is designed to provide an effective means to motivate and compensate eligible employees through:

- cash award bonuses based on the achievement of business and individual performance objectives
- salary increase based on the performance evaluation during the 2 previous calendar years, on a bi-annual basis.

Bonuses are considered “payment for success” in that any payout under this policy is subject to the achievement of specific performance goals by the company and by each individual during a defined reference period.

The procedure defines the eligibility criteria and is based on the definition of a target bonus (a % percentage of the employee’s annual base salary in effect as of the end of the reference period). The % of Annual Target Bonus reflects the organigram (in term of hierarchy and responsibilities) and for each category, are associated different weighting factors:

Category	Annual target bonus (% of base salary)	Percentage of bonus related to the company performance	Percentage of annual target bonus related to individual performance
Sr. Managers	.....	.....	.....
Non-Management (Employees)	.....	.....	.....

The salary increase measures are considered every 2 years (the promotion period). This measure refers to the employees who had obtained positive evaluations during the promotion period.

## Case Study 2: European Spallation Source (ESS) ERIC: The Economic Employer concept at the European Spallation Source ERIC

### **CASE STUDY: “The Economic Employer concept at the European Spallation Source ERIC”**

In November 2020 the Swedish Parliament approved the introduction of the “Economic Employer” concept in Sweden, being effective as of 1<sup>st</sup> January 2021. The process was initiated through a memorandum from the Swedish Tax Agency to the Swedish Government in 2017.

The expression “Economic Employer” has been adopted through common usage. It has become used to describe the position when Mr/Ms A, employed by the organization AA with registered head office in the country AAA comes to a different country BBB (Sweden in our case) to work for the local enterprise BB. The key point in the debate about “economic employer” is for whom Mr/Ms A is substantially working, i.e. by AA or by BB, whilst working in country BBB.

The word “employed” is not defined even in the OECD models, leading to the discussion on what the term employed means. This led to the debate, which has become necessary primarily as a result of the increased number of people working across country borders.

The EU “free movement of people” has allowed people to live in one country and work in another without any intervention from the state, and that has allowed business to move people around far more freely than in the past.

The most recent OECD model treaty commentary considers whether Mr/Ms A has become “economically” employed by BB, so that the treaty can allow the Tax Authorities to look beyond the existing legal employment arrangements and interpret the situation in such a way that BB is considered to be the economic employer of Mr/Ms A and he/she consequently has personal taxation obligations in the country BBB.

The intention of the relevant legislation is to create competition neutral regulations with respect to the approach where the employer is considered in any case to be the company AA that pays the salary to the employee.

Coming to Sweden, until 31<sup>st</sup> of December 2020, foreign personnel who has temporarily worked in Sweden have typically not been taxable in Sweden as long as the employer who pays the salary was not a Swedish company or having a permanent establishment in Sweden. With the new regulations, the government also wants to protect the Swedish tax base, which is reduced if Swedish employees are taxed abroad, while foreign employees in a similar situation are not taxed in Sweden. After the change in legislation, the Swedish application will be harmonized with other European countries, such as, for example, Denmark, Germany, Norway and the United Kingdom.

In Sweden, before 2021, an employee was not taxed on employment income as long as he/she was not present there for more than 183 days per consecutive twelve months period (or calendar year in some tax treaties), even if he/she was paid by a foreign employer. After the change, such tax exemption will only be granted if the situation does not qualify as “hiring of labour”. The meaning of hiring of labour is that an employee is hired out or made available by his/her foreign employer to perform work for a business in Sweden, provided that the work is performed under the management and control of the Swedish organization which receives the services.

There are interconnected obligations and exceptions which have to be taken into consideration to assess whether a worker is liable to personal taxation in Sweden and consequently whether his/her employer has to tax register in Sweden and make deductions of preliminary taxes to be paid to the Swedish Tax Agency.

Given that an individual is in Sweden to perform actual work for a Swedish organization (ESS in this case) and not just on business trip (such as for attending meetings and conferences), two factors for assessment if the Economic Employer concept applies are:

- Is the work carried out by the individual performed as an integrated part of the activities of a Swedish organization (ESS in this case)?
- Is the individual under the control and management of ESS?

If the answer is yes to both questions, then an Economic Employer situation is in force. If the answer is no to at least one of the two above questions then an Economic Employer situation is not in force.

If an Economic Employer situation exists, and an individual works for more than 15 consecutive working days or for more than a total of 45 working days in a calendar year, then her/his personal income is subjected to taxation in Sweden.

A general exemption from taxation is in place if the formal employer (foreign organization) and the activities performed in Sweden falls under Government Services. In that case the work is exempted from taxation in Sweden and is only subject to taxation in the country of remuneration, regardless of the type of work carried out and the length of stay in Sweden.

In summary, the following path, answering the relevant questions, has to be followed in order to clarify the situation:

*Is the foreign employer a governmental organization?*

YES → **NO PERSONAL TAXATION LIABILITY**

NO → Proceed to next point

*Is the individual staying in Sweden for more than 183 cumulative days in a 12 months period?*

YES → **PERSONAL TAXATION APPLIES**

NO → Proceed to next point

*Is the individual on business travel (BT = visits, conferences, meetings, commercial activities, study, etc.) to Sweden or is he/she performing actual work?*

BT → **NO PERSONAL TAXATION LIABILITY**

AW → Proceed to next point

*Is the work of the individual under direct control of a Swedish organization (ESS)?*

YES → Proceed to next point

NO → **NO PERSONAL TAXATION LIABILITY**

*Does the individual perform his work in the Swedish organization (ESS) for 15 consecutive working days and/or for more than 45 days during the calendar year?*

YES → **PERSONAL TAXATION APPLIES**

NO → **NO PERSONAL TAXATION LIABILITY**

If personal taxation in Sweden applies, then the foreign employer has to register its organization in Sweden, then apply deductions of preliminary taxes according to Swedish rates and pay the relevant amounts to the Swedish Tax Agency.

**The question is: “Why is all this relevant to a project of realization of a research infrastructure like ESS?”**

After all the Economic Employer concept seems to be tailored to commercial enterprises and not to research institutions.

The point is that ESS is being realized with a huge system of In-Kind Contributions from the Member States and relevant Partner Institutions. Now, a considerable part of such contributions is represented by (highly specialized) manpower for performing installation and commissioning activities in Sweden. Such activities have been originally planned in the relevant In-Kind Contribution Agreements (IKCA) and more specifically in the connected Technical Annexes (TA), which precisely define the scope of the specific contract/work package both in technical and economic terms.

The economic value of each work package is defined according to an original Cost Book. Of course, at the time of agreement and stipulation of a contract including manpower, each IK Partner considered costs related to national standards and conditions, and specifically taxation rates. Now, with the change to the economic employer approach, Partners who cannot escape the personal taxation liability for their staff working in Sweden have either to sustain different, and in general higher costs for granting the original contribution, or to reduce their efforts in term of hours worked, with detriment to the ESS Project.

**Hence an important Lesson Learnt, which is the following:**

*When planning an In-Kind Contribution to a research project that implies the supply of manpower in a country is different from the home country, a Partner Institution (which has not the status of Governmental Organization) should always quantify the cost of personnel comparing the local tax conditions, with those of the country where the work will be performed, and, to be on the safe side, consider the higher ones. And this irrespective to the fact that at the moment of planning the Economic Employer concept could apply or not, as this could happen at any later time during the realization of the project.*

## Case Study 3: EATRIS ERIC: Creating payrolls in multiple European countries

### **Creating payrolls in multiple European countries** **The EATRIS case: pros, cons and added value**

EATRIS ERIC is a distributed research infrastructure for translational medicine: the science that supports translation of high potential research outcomes into tangible products for patients. This scientific work takes place in more than one hundred medical research institutions across 14 participating European countries.

EATRIS hub is located in Amsterdam (NL), its staff are recruited from all over Europe. From the start in 2011 and the formal establishment of the ERIC in late 2013, it was key to build a nucleus of core staff in Amsterdam: to develop and implement the service models, build the community of researchers across Europe and create the EATRIS identity.

Recent developments initiated a review of the EATRIS organizational model including human resources:

- Participation in a large number of European projects and research service contracts over the last 5 years proved the stability, added value and sustainability of the EATRIS service models;
- The multidisciplinary nature of translational medicine and its contribution to innovative European partnerships requires extension of EATRIS' skill sets, among others in technical fields such as data management, neuroscience and artificial intelligence;
- Specific scientific expertise and skills are scarce and recruited from a European talent pool;
- Covid-19 changed working and meeting patterns within and across borders substantially, making remote working a default option for international staff.

As a result of its review, the EATRIS Executive Board decided to provide staff the opportunity to work from their home country, in select circumstances, in order to ensure that the best possible talent is recruited for a given role.

There are basically three models to remunerate staff living outside the country in which an organisation is formally established: secondment, contract-based or by creating a local payroll. As EATRIS considers it important to manage its staff as a team, ensure strong and structured cohesion with its organisational center as well as maintain use of its proprietary remuneration model including related employee benefits, it was decided to establish local payrolls.

For a small organisation like EATRIS with a headcount of 24 people, the challenges are:

- Opening payrolls is relatively costly as it implied set-up costs for every new country often for only one or a few staff members;
- Especially in the start-up phase, the set-up process takes substantial managerial capacity including HR and finance;
- Besides the payroll, long-term disability insurance is a mandatory employer insurance and needs to be contracted per country;
- Pension provision is also sub-optimal as RESAVER has not been implemented in all member states.

EATRIS tries to minimize these effects by:



- Working with the same payroll coordinating office (ProPay) accross all countries, to contain management and HR costs;
- Once payrolls are established, we expect that EATRIS managerial input will be reduced to a minimum;
- EATRIS contracted with the cross-border, European RESAVER pension plan which allows to offer staff members a pension plan in every country a payroll is established, provided that RESAVER is implemented in that particular country. RESAVER is expected to extend its coverage with 2-3 countries per year, which means that most EATRIS payroll countries will be covered by 2023.

## Case Study 4: Gender Equality Plan (EATRIS ERIC)

### Gender Equality Plan<sup>3</sup>

As detailed in the last part of the [factsheet Gender Equality: a strengthened commitment in Horizon Europe](#), for calls with deadlines in 2022 and onwards, having a Gender Equality Plan (GEP) will be an eligibility criterion for all public bodies, higher education institutions and research organisations from EU Member States and associated countries wishing to participate in Horizon Europe. **Therefore, this new requirement is of particular importance for the ERICs and ERICs to be.**

As also recalled in the General Annexes to [Horizon Europe 2021-2022 work programme](#), to comply with the eligibility criterion, a GEP must meet 4 mandatory process-related requirements or 'building blocks'.

### Mandatory requirements for a GEP

- **Be a public document:** The GEP should be a formal document signed by the top management, and disseminated within the institution. It should demonstrate a commitment to gender equality, set clear goals and detailed actions and measures to achieve them;
- **Have dedicated resources:** Resources for the design, implementation, and monitoring of GEPs may include funding for specific positions such as Equality Officers or Gender Equality Teams as well as earmarked working time for academic, management and administrative staff;
- **Include arrangements for data collection and monitoring:** GEPs must be evidence-based and founded on sex or gender-disaggregated baseline data collected across all staff categories. This data should inform the GEP's objectives and targets, indicators, and ongoing evaluation of progress;
- **Be supported by training and capacity-building:** Actions may include developing gender competence and tackling unconscious gender bias among staff, leaders and decision-makers, establishing working groups dedicated to specific topics, and raising awareness through workshops and communication activities.

In addition to these mandatory process-related requirements, the following 5 thematic areas are recommended for content.

- work-life balance and organisational culture
- gender balance in leadership and decision-making
- gender equality in recruitment and career progression
- integration of the gender dimension into research and teaching content
- measures against gender-based violence including sexual harassment

As this topic is relatively new for ERICs and in order to facilitate exchange of experiences, the ERIC Forum has launched a Working Group on Gender Equality<sup>4</sup> in May 2021. Established and future ERICs had the opportunity to join an introductory workshop delivered by the H2020-funded project, [Gender Equality Academy](#). Resources (examples of GEPs, internal surveys, guidance documents, etc.) have

<sup>3</sup> [https://ec.europa.eu/info/research-and-innovation/strategy/strategy-2020-2024/democracy-and-rights/gender-equality-research-and-innovation\\_en](https://ec.europa.eu/info/research-and-innovation/strategy/strategy-2020-2024/democracy-and-rights/gender-equality-research-and-innovation_en)

<sup>4</sup> For more information on the ERIC Forum Gender Equality Working Group, contact Anne-Charlotte Fauvel, EATRIS Head of European Affairs: [annecharlottefauvel@eatris.eu](mailto:annecharlottefauvel@eatris.eu)

been gathered by the working group and made available to the community. A template GEP is under preparation and will be made available early 2022. Follow-on training opportunities will also be explored by the Working Group.

Although most ERICs already have Equal Opportunities policies in place, this new requirement from Horizon Europe is an excellent opportunity for ERICs to build internal capacity on the topic of gender equality, improve their existing policies or create additional ones, which will strengthen their capacity to attract and retain human resources.

In case of distributed ERICs, one should also not underestimate the role that ERICs could play in informing and transferring knowledge to their communities about those novel requirements and communicating about their own organizational commitment to gender equality. Furthermore, if ERICs plan on onboarding their members as affiliated entities in future Horizon Europe proposals, those members will also need to have published a GEP. As facilitators of research, ERICs hubs can also raise awareness among their member research institutes about the importance to integrate the gender dimension into research and teaching content.

## Case Study 5: Organisation of the employment and onboarding process (EU-OPENSREEN)

### **Organisation of the employment and onboarding process at EU-OPENSREEN**

EU-OPENSREEN (EU-OS) is a distributed research infrastructure in the field of chemical biology with 23 partner sites in eight European countries. The host country of EU-OS is Germany. EU-OS central office and compound management facility are located in Berlin on the research Campus Berlin-Buch.

Prior to its establishment as an ERIC, EU-OS was located at the Leibniz Institute for Molecular Pharmacology as an FP7 EU project. After its foundation as an independent international organization with legal entity "European Research Infrastructure Consortium (ERIC), EU-OS continued its operation with the existing staff, who had been previously employed by the Leibniz Institute. All staff had to apply for their new jobs within the newly founded ERIC in direct competition with external applicants in a process overseen by an independent lawyer.

In the first year of its operation, one of the major tasks of EU-OS was to set up all scientific and administrative office operations and to build a new lab for the compound storage and management. This included, besides the procurement of all lab and office equipment, the hiring of additional staff to run the new office and lab as well as writing applications for numerous funding schemes.

In the past three years, EU-OS grew from initially 4 to now 13 employees. New staff and frequent changes in the legal environment made it necessary to streamline and formalise the employment and onboarding process. EU-OS employs a part time HR Manager and has completely overhauled and formalised major parts of the recruitment and onboarding process thus acknowledging the importance of this central corporate function.

### **Onboarding**

EU-OS established an onboarding procedure, which clearly defines the necessary steps to be taken by the employer and the employee. After formal advertisement of the job and a transparent selection procedure, as provided for in the EU-OS statutes, the suitable candidate is selected in a multi-stage interview process.

The successful candidate then gets the employment contract and instructions on how to start work.

### **Employee Registration**

On the first working day of the new employee, he/she is registered and receives all necessary equipment.



The onboarding process is tracked by the HR department and evaluated by the new employee and its mentor.

## Employee Handbook

On the first days of work, the new employee also gets access to all shared document storage and archiving systems (Microsoft SharePoint, virtual drives), including the online EU-OS employee handbook. The EU-OS employee handbook is located on the central EU-OS drive and is constantly updated by the EU-OS HR department.



The image shows a screenshot of the EU-OS Employee Handbook Table of Contents. The document is titled "Employee Handbook and Welcome Information" and is for "EU-OPENSREEN ERIC". The table of contents is organized into two columns. The left column lists sections such as "Contents", "Welcoming Address", "EU-OPENSREEN Vision, Mission and Values", "Binding rules", "Working hours and breaks", "Working hours", "Core working time", "Overtime", "Home office and remote work", "Absences", "Sick leave", "Sick leave to take care of sick children (until 12 years old) - special Corona rules", "Here's how to apply for paid leave for sick children", "Other absences", "Holidays", "Regular holidays", "Special leave", "Fair and equal treatment", "Working atmosphere", "Conflict management", "Business trips", "Signatures/ Proxy", "Expenses, invoices and receipts", "Transporter", "IT & phones", "Login/ Email", "Document library", "Sharepoint", "Z DRIVE", "Z DRIVE", "Z DRIVE", and "Newsletter". The right column lists sections such as "Website", "General help", "Internet", "VPN", "Installation of programs", "Initial printers", "Phones and Office calendar", "Office equipment", "Coffee machine", "Fridges", "Security & Safety", "Campus Security", "Work safety", "Fire safety", "First aid", "Health care", "Insurance obligation", "Company doctor ('Betriebsarzt')", "Accident insurance", "Work council", "Quality management", "ARIA - user access management tool", "Additional services available for employees", "Campus map", "Mensa", "Campus library", "Sports", "Restrictions and confidentiality", "Rate us", and "SAFETY DATA SHEET".

Figure 7 EU-OS Employee Handbook

The EU-OS employee handbook contains all relevant information concerning the EU-OS workplace and work environment. In addition to binding regulations such as rules on attendance and absences, it contains useful additional information related to the workplace at EU-OS, such as the range of services offered on campus, including a canteen and gym.

The EU-OS employee handbook starts with a welcome note and the mission, vision and values of EU-OS followed by general employment information on working hours and breaks, core working time, overtime, home office and remote work, sick leave, holidays, special leave, travel regulations, signatures and proxies, IT and data storage, security and safety instructions. Since EU-OS is running its own compound lab facility on site, this requires special work safety instructions. The employee handbook also includes advice on workplace behaviour, working atmosphere and conflict resolution.

