

# 2024 St. Louis Oracle Cloud User Conference

## Oracle HCM Cloud Base Compensation Concepts & Leveraging Regional Salary Ranges

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# About Aspire Consulting

**2006**



Year Aspire  
was  
incorporated

**100+**



Consultants supporting our  
clients' initiatives



All resources are US based



**22.4**

Average years of  
experience for our  
consultants

**3.86**



GPA rating out  
of 4.0. Based  
on client  
feedback

**800+**



Projects  
completed since our inception

# Oracle HCM Cloud Base Compensation & Salary Range Differentiation

- Agenda
  - Base Compensation Concepts in HCM Cloud
    - Grades
    - Grade Rates
  - Configuring Regional Salary Range Differentiation
    - Options for Defining Regions
    - Configuring Comp Zones
    - Configuring Range Differentials
  - Associating Range Differentials to Employees
    - Salary Basis – Tying It All Together
    - Seeing the Net Result

# Base Compensation Concepts

## Grades

- The Manage Grades page is used to define the grade code and name. Step codes and names can also be specified if applicable
- Grade rates are defined separately. This allows for global grade definitions that can be tied to separate rate ranges based on country
- One or multiple grades can be tied to a job and/or position. Configuration controls whether the user is restricted to selecting from that particular set of grades or not

# Base Compensation Concepts

## Grade Rates

- The Manage Grade Rates page is used to associate grades to rate ranges
- Grade rates are specific to a legislative data group (think country).
- A given grade can be associated to multiple Grade Rates. So, for example, you could have a Database Administrator grade associated to a U.S. range, a Canadian range, and a U.K range if you had DBAs in all three of those countries.

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## **Configuring Salary Range Differentiation**

# Configuring Salary Range Differentiation Options for Differential Criteria

- Salary Range Differential configuration allows for several options for specifying the differential criteria
  - Location
  - Business Unit
  - Location and Business Unit
  - Compensation Zone
  - Compensation Zone and Business Unit
- Compensation Zones require another layer of configuration but allow for more granularity than location and business unit
  - If you utilize Compensation Zones, you have the option of classifying remote workers based on their address instead of their assigned work location

# Configuring Salary Range Differentiation

## Configuring Range Differentials

- When setting up a Salary Range Differential you specify the name, code, effective start date, legislative data group, criteria, and type
- There are two differential types
  - Factor
  - Grade Rate
- Factor applies a multiplication factor to the Min, Mid, Max to produce the adjusted range
  - Optionally, a lower limit for the Min can be specified
- Grade Rate allows you to specify a separate grade rate table for each instance of differential criteria



# Configuring Salary Range Differentiation

## Configuring Compensation Zones

- Compensation Zones are tied to a Compensation Zone Type, which is where you specify the Geography that will be used to define the Compensation Zone
  - Examples would be to define a Compensation Zone Type for the U.S. that is based on State or based on Postal Code or one for Canada that is based on Province
- You then define individual Compensation Zones based on the selected Geography (e.g., State or Postal Code)
- Compensation Zone geographies can be imported from a CSV file
- Best Practices If Using Compensation Zones
  - Limit the number of Compensation Zone Types – preferably one per country
  - Define your zones so they are mutual exclusive
  - Don't mix and match Geography fields

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**Associating Range  
Differentials to Employees**

# Associating Range Differentials to Employees Salary Basis – Tying It All Together

- Defines validation and payroll details for a worker's base pay
- Identifies the currency, period of the quoted base pay and how the salary amount is entered, and the annualization factor
- Also specify how the salary amount is determined, known as the salary basis type
  - Determined by user
  - Determined by simple or incremental components
  - Determined by rate
- Salary Basis is not effective dated

# Associating Range Differentials to Employees

## Salary Basis – Tying It All Together

- The Salary Basis is where you can optionally specify the Grade Rate table that applies
- You also have the option to specify a Differential Profile if regional differentials are to be applied to the salary ranges in the Grade Rate table
- The Grade Rate tables and Differential Profiles that are available to select are limited by the Legislative Data Group assigned to the Salary Basis
- The Salary Basis is specified for the employee on their Assignment record

# Associating Range Differentials to Employees

## Seeing the Net Result

- The Salary History page is one of the places where you can see the salary range and compensation metrics such as Position-In-Range, Compa Ratio, and Quartile
- If you add a new Salary Change record, you can update the employee's salary as well as their Salary Basis, if needed.
- The new salary and metrics will be displayed

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## **System Demo**

# Questions & Contacts



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**Aspire Consulting**  
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## **Appendix – Screen Shots**



# Manage Grades

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VISION


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Grade: Mgmt10 - MGMT10 ?

Done

Effective Start Date 1/1/51

Effective End Date

Grade Set Common Set

Action Reason

Grade Details

Rate Values

▾ Basic Details

Effective Start Date 1/1/51

Effective End Date

Grade Set Common Set

Action Reason

▾ Grade Details

Name Mgmt10

Code MGMT10

Status Active

Context

Attachments None

▾ Grade Step Details

View ▾ Format ▾ + Add Row ✕ Remove

\* Step Number

\* Step Name

Ceiling Step

No data to display.

Edit ▾

View Hi

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# Manage Grade Rates

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# VISION

## Grade Rate: US Annual Salary Grade Rate 🔗

Done

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### Grade Rate Details

**Effective Start Date** 1/1/51

**Effective End Date**

**Legislative Data Group** US Legislative Data Group

**Name** US Annual Salary Grade Rate

**Rate Type** Salary

**Status** Active

**Frequency** Annually

**Annualization Factor** 1.00

**Currency** USD

**Action Reason**

**Context**

**Attachments** None

Edit ▾ View History

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⋮  
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### Grade Rate Values

View ▾ Format ▾

+ Add Row ✕ Remove

*Grade	Minimum	Maximum	Midpoint	Value
Mgmt05	60,000.00	80,000.00	70,000.00	
Mgmt06	70,000.00	100,000.00	85,000.00	
Mgmt07	90,000.00	150,000.00	120,000.00	
Mgmt08	100,000.00	200,000.00	150,000.00	
Mgmt09	170,000.00	250,000.00	210,000.00	
Mgmt10	200,000.00	350,000.00	275,000.00	
Mfg04	50,000.00	58,000.00	54,000.00	
Mfg01	20,000.00	28,000.00	24,000.00	
Mfg03	40,000.00	48,000.00	44,000.00	

...

# Salary Range Differential - Location

## US Differentials

Edit Salary Range Differential

CancelSaveDeleteSave and Close

Differential Profile  
US Differentials

Code  
US\_DIFFERENTIALS

Status  
Active

Effective Start Date  
1/1/51

Effective End Date  
Ongoing

Legislative Data Group  
US Legislative Data Group

Criteria  
Location

Type  
Factor

### Differentials

+ Add

Delete

<input type="checkbox"/> Location *	Differential *	Lower Limit	Frequency for Minimum Amount	Annualization Factor for Minimum Amount	Actions
<input type="checkbox"/> Atlanta	0.6				
<input type="checkbox"/> New York	1.6				

# Salary Range Differential – Compensation Zone

## US Compensation Zone Differentials

Edit Salary Range Differential

Press **F11** to exit full screen

[Cancel](#) [Save](#) [Delete](#) [Save and Close](#)

Differential Profile  
US Compensation Zone Differentials

Code  
US\_COMPENSATION\_ZONE\_DIFFERENTIALS

Status  
Active

Effective Start Date  
1/1/01

Effective End Date  
Ongoing

Legislative Data Group  
US Legislative Data Group

Criteria  
Compensation Zone

Type  
Factor

Compensation Zone Type  
Us Compensation Zone Type

### Differentials

[+ Add](#) [Delete](#)

<input type="checkbox"/>	Compensation Zone *	Differential *	Lower Limit	Frequency for Minimum Amount	Annualization Factor for Minimum Amount	Zone Start Date	Zone End Date	Actions
<input type="checkbox"/>	East Coast	1.6				1/1/01	12/31/12	<a href="#">Edit</a>
<input type="checkbox"/>	West Coast	1.4				1/1/01	12/31/12	<a href="#">Edit</a>

### Remote Worker Address Type Checking

☒ Check for remote worker addresses

Sequence	Address Type	Actions
1	Home Address	<a href="#">Edit</a>

# Compensation Zone Configuration

vision

Oracle Logo Home

Manage Zone Types ?

Search

Zone Type Starts with

Search Results

Actions View Format +

Zone Type	Zone Type Name	Boundary
US Compensation Zone Type	Us Compensation Zone Type	United States

Next Done

Saved Search All Zone Types

Search Reset Save...

# Compensation Zone Configuration

vision

HI

Zone Type: Us Compensation Zone Type

Limit by Postal Code Range —

Boundary Bounded by country

Us Compensation Zone Type: Boundary

Select Geography

Country United States

State

County

City

Postal Code

Zone Creation Allowed ☐

Zone Creation Allowed —

Zone Creation Allowed —

Zone Creation Allowed ✓

Zone Creation Allowed —

Us Compensation Zone Type: Zones

Actions View +

Name	Code	Time Zone	Start Date	End Date
West Coast	WestCoast		1/1/01	12/31/12
East Coast	EastCoast		1/1/01	12/31/12

# Compensation Zone Configuration

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Hi

West Coast

Done

General Information

Zone Type

US Compensation Zone Type

Boundary

United States

Zone

West Coast

Code

WestCoast

Start Date

1/1/01

End Date

12/31/12

Time Zone

Associated Geographies

Actions



View

Format

+


Geography Type	Geography Name	Alternate Name	Start Date	End Date	Postal Range
City	Redwood City		1/1/01	12/31/12	⌵
City	San Francisco		1/1/01	12/31/12	⌵
City	Los Angeles		1/1/01	12/31/12	⌵

# Salary Basis




**US1 Annual Salary Location**  
Edit Salary Basis

CancelSaveDeleteSave and Close

 Can't update certain attributes

At least 1 worker is assigned the salary basis. Attributes that you can't update include Legislative Data Group, Payroll Element, Input Value, Frequency and Annualization Factor.



Name


US1 Annual Salary Location

Code

US1\_Annual\_Salary\_Location

Status


Active




Legislative Data Group

US Legislative Data Group

**Properties**


 Can make limited changes to the salary basis type and display option

The salary basis is assigned to at least 1 worker, so you can change from displaying specific components to allowing selection during allocation or from user determined to allowing selection during allocation.



Salary Basis Type

Salary amount is determined by user



Frequency

Annually


Annualization Factor

1.00


Decimal Place to Display

2

Salary Amount Rounding Rule





Annualized Values Rounding Rule



Salary Range Violation Behavior

Warn





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# Salary Basis

## US1 Annual Salary Location

Edit Salary Basis

CancelSaveDeleteSave and Close

Element MappingSalary Ranges

### Grade rate properties

Grade Rate  
US Annual Salary Grade Rate

Rounding Rule

Currency  
USD

Frequency  
Annually

Status  
Active

Effective Dates  
1/1/51 - Ongoing

### Differential profile

Differential Profile  
US Differentials

Effective As-of Date  
4/9/24

Code  
US\_DIFFERENTIALS

Status  
Active

Effective Start Date  
1/1/51

Effective End Date  
Ongoing


Legislative Data Group  
US Legislative Data Group


Criteria  
Location

Type  
Factor







Location	Differential	Lower Limit	Frequency for Minimum Amount	Annualization Factor for Minimum Amount
Atlanta	0.60			
New York	1.60			

# Salary History Page





Salary History  
Michelle Shannon








Submit

Cancel

Salary History

+ Add

<div><div>388,349.98 USD Annually</div><div>+14,936.54 (+4.00%)</div><div>7/1/23 - Ongoing</div><div>Allocate Workforce Compensation</div></div> <div><div>Grade Name</div><div>Mgmt10</div><div>Compa-Ratio</div><div>141.22</div><div>Salary Amount</div><div><div>388,349.98 USD Annually</div><div>+14,936.54 (+4.00%)</div><div><div></div><div>200,000.00350,000.00</div></div></div></div>	<div><div>US1 Annual Salary</div><div>388,349.98 USD (FTE 1)</div></div> <div><div>Quartile</div><div>Above Range</div></div>	
<div><div>373,413.44 USD Annually</div><div>+10,876.12 (+3.00%)</div><div>7/1/22 - 6/30/23</div><div>Allocate Workforce Compensation</div></div> <div></div>	<div><div>US1 Annual Salary</div><div>373,413.44 USD (FTE 1)</div></div> <div></div>	 
<div><div>362,537.32 USD Annually</div><div>+13,943.74 (+4.00%)</div><div>7/1/21 - 6/30/22</div><div>Allocate Workforce Compensation</div></div> <div></div>	<div><div>US1 Annual Salary</div><div>362,537.32 USD (FTE 1)</div></div> <div></div>	 

## Salary History Page – Add Salary

vision

Add Salary  
Michelle Shannon

OK

Cancel

When and Why

\*When does the salary change start?

5/1/24

\*What's the action name?

Change Salary

Why are you changing the salary for Michelle Shannon?

Salary Details : 5/1/24 - Ongoing

You entered a salary amount that falls outside of the worker's salary range. (CMP-1005125)

\*Salary Basis

US\$ Annual Salary

End Date

m/d/yy

\*Salary Amount

400,000.48 USD Annually

Adjustment Amount

11,650.50 USD

Adjustment Percentage

3.00 %

Salary Range

200,000.00 - 350,000.00 USD Annually

Salary Range Midpoint

275,000.00 USD

Range Position

133.33

Compa-Ratio

145.45

Quartile

Above Range

# Salary History Page – Add Salary Update Salary Basis for Differentials

vision

Add Salary  
Michelle Shannon

OK

Cancel

When and Why

\*When does the salary change start?

5/1/24

\*What's the action name?

Change Salary

Why are you changing the salary for Michelle Shannon?

Salary Details : 5/1/24 - Ongoing

The amounts were recomputed using the worker's new salary basis.

\*Salary Basis

US\$ Annual Salary Location

End Date

m/d/yyyy

\*Salary Amount

400,000.48 USD Annually

Adjustment Amount

11,650.50 USD

Adjustment Percentage

3.00 %

Salary Range

280,000.00 - 490,000.00 USD Annually

Salary Range Midpoint

385,000.00 USD

Range Position

57.14

Compa-Ratio

103.90

Quartile

3