

2024 St. Louis Oracle Cloud User Conference

Oracle HCM Cloud
Base Compensation Concepts &
Leveraging Regional Salary Ranges

Presented By: Jim Weis

HCM Consultant Aspire Consulting

About Aspire Consulting





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 +008



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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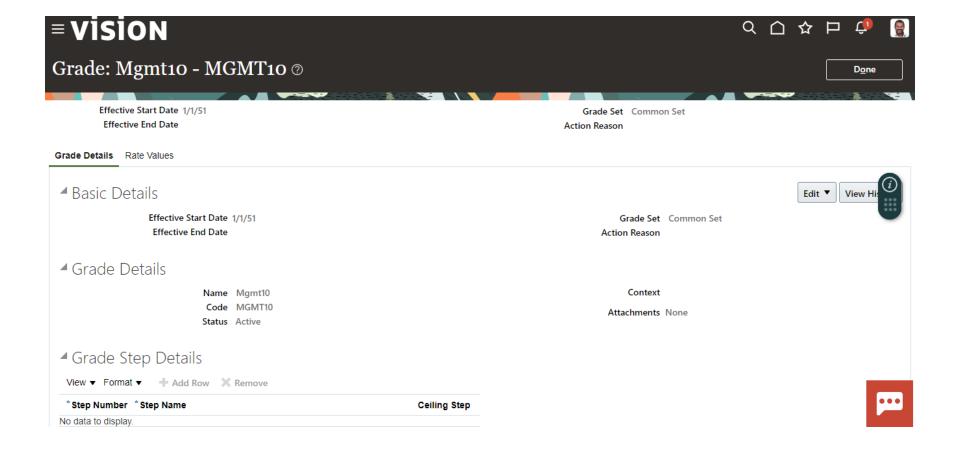




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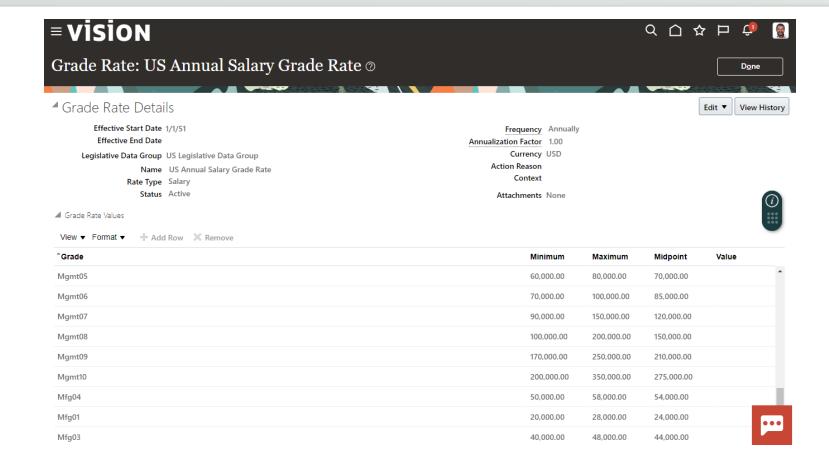
Appendix - Screen Shots

Manage Grades





Manage Grade Rates

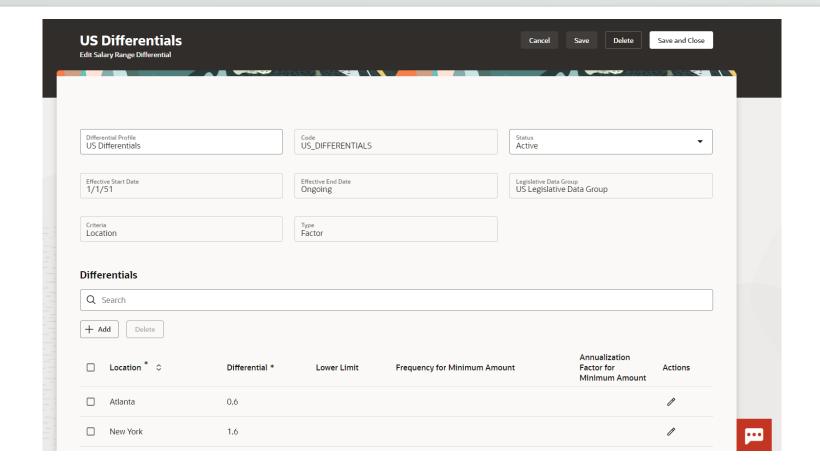




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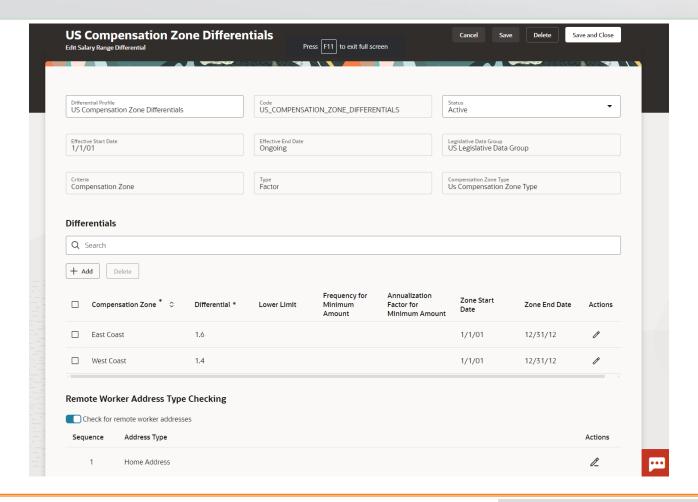
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Salary Range Differential - Location



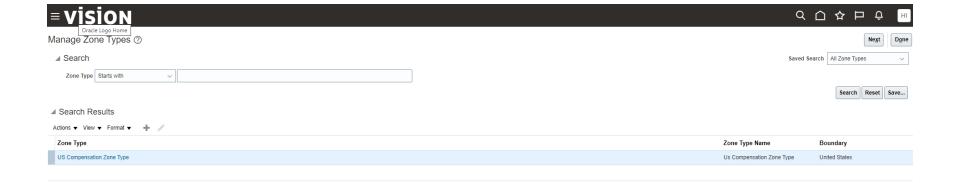


Salary Range Differential – Compensation Zone



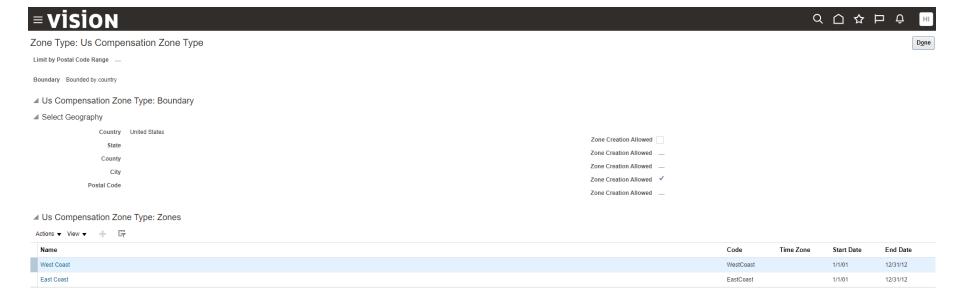


Compensation Zone Configuration





Compensation Zone Configuration

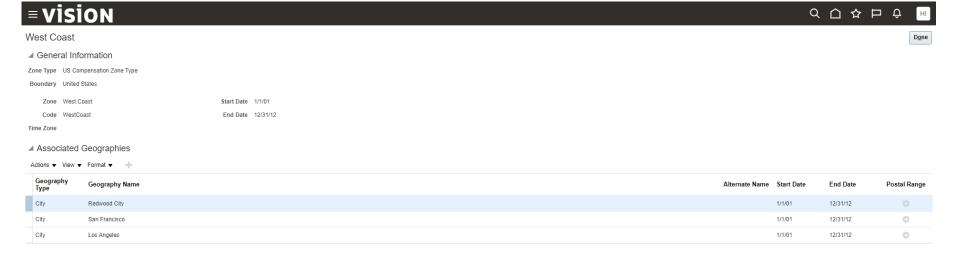




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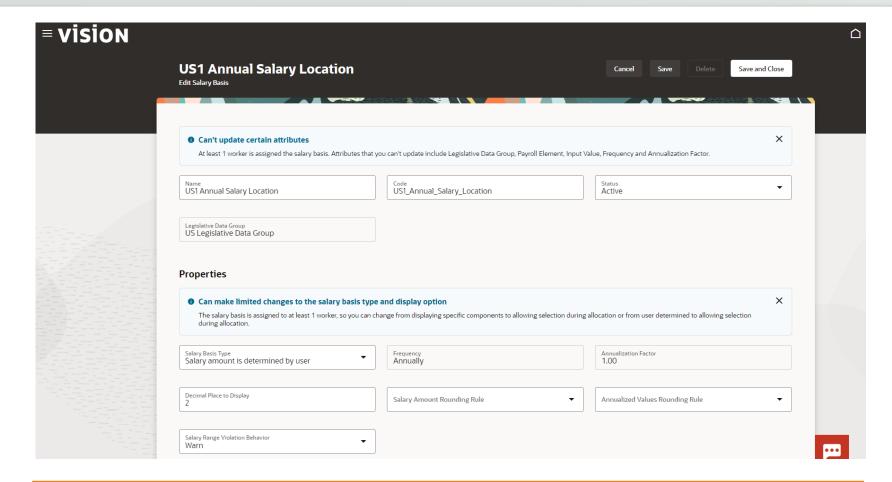
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Compensation Zone Configuration





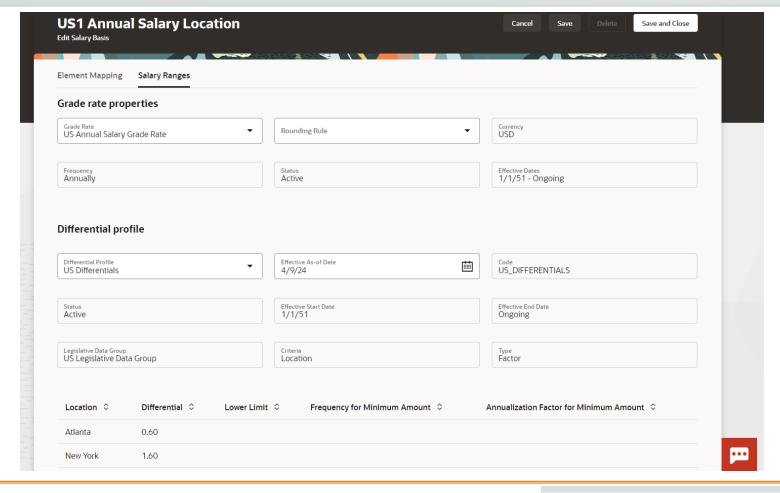
Salary Basis





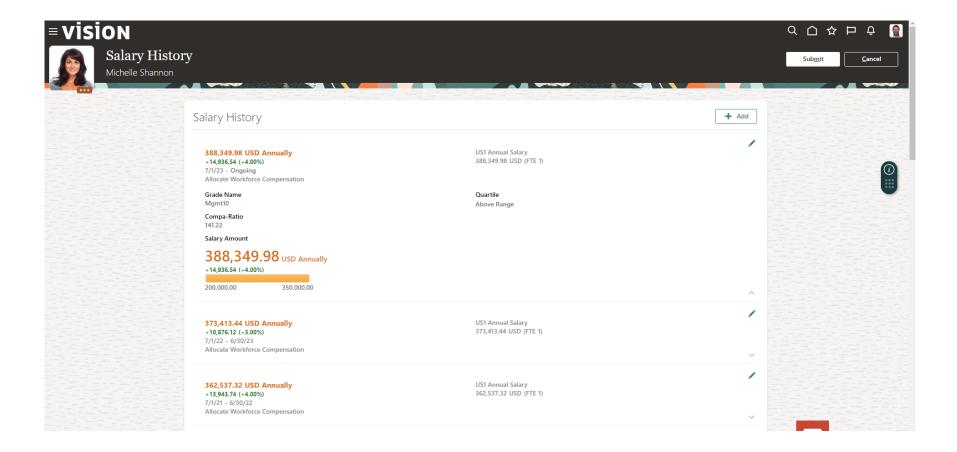
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Salary Basis



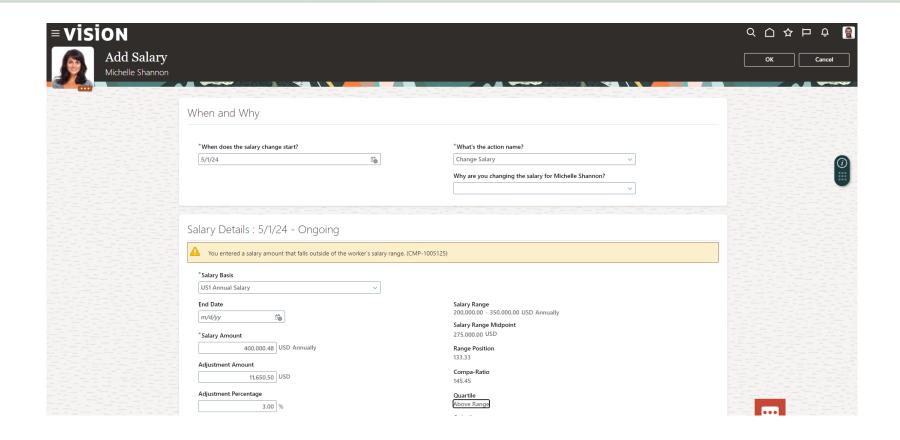


Salary History Page





Salary History Page – Add Salary





Salary History Page – Add Salary Update Salary Basis for Differentials

