



Compensation Workbench in South Africa

Trials, tribulations and successes of Oracle Compensation Workbench users in recent years.



Agenda

❖ **Background**

❖ **Current Users of Compensation Workbench Module**



Agenda (Continued)

❖ **Functionality Utilised**

❖ **Issues / Problems**



Agenda (Continued)

- ❖ **Advantages of using Compensation Workbench**
- ❖ **Reasons why full functionality is not used**



Agenda (Continued)

❖ **Way Forward**

❖ **General Tips / Comments**



Agenda (Continued)

❖ **Conclusion**

❖ **Questions**



Introduction

❖ **Compensation Workbench is a self-service tool, used by Managers and Compensation professionals, to determine, plan, model and allocate budgets and compensation awards, including Salary Increases, Bonuses, Stock Options, Performance awards.**



Introduction (Continued)

- ❖ It is an integrated component of the Oracle HCM Solution, including Core HR, Talent Management, and Payroll, as well as Financials, Incentive Compensation modules.



Introduction (Continued)

- ❖ **Compensation Workbench delivers a variety of features, including:**
 - **Employee validation**
 - **Budget**
 - **Approvals and Notifications**
 - **Reporting**



Compensation Workbench (CWB) enables Line Managers

- ❖ **To manage Salary Changes, Bonuses and Stock Options, using Eligibility Profiles that were defined by HR Managers**
- ❖ **Compensation Workbench requires a Self-Service licence**



Budgets

- ❖ **Budgets – Senior Managers can allocate budgets to their direct reports, or HR and Compensation Managers can allocate an amount for Line Managers to distribute**



Budgets (Continued)

- ❖ **A single budget can be allocated, or a separate budget can be allocated for each component, e.g.
Cost of Living increase,
Performance related increase**



Budgets (Continued)

- ❖ **Managers can view employees who are eligible for an allocation, as well as details of previous allocations made to these employees.**



Current Users of CWB Module:

- ❖ **Coega (New Port of Port Elizabeth)**
- ❖ **SA Reserve Bank**
- ❖ **Unisa**
- ❖ **Stellenbosch University**



Functionality Utilised:

- ❖ **Performance Management Plans to score Performance Ratings on an annual basis**
- ❖ **Fixed Annual Increase – this was a fixed increase to all employees who were eligible for the Increase Plan**



Functionality Utilised: (Continued)

- ❖ **Annual Performance related salary increases**
- ❖ **Performance bonus, based on performance scores obtained during appraisals**



Issues / Problems:

- ❖ **Acceptance of the functionality was a problem for some members of Line Management. Typical responses to the introduction of this module: What is the value of this? Why can't HR to their own work? Why must we do everything?**



Issues / Problems: (Continued)

- ❖ **Functionality related (system related) problems when the allocation plans were defined**



Issues / Problems (Continued):

- ❖ Users report that they experienced difficulty in displaying and filtering the correct default values throughout the entire organisation. These defaults were based on employee performance category and grade. It was eventually decided to use dynamic columns for these spread sheets.



Issues / Problems (Continued):

- ❖ Users experienced difficulty in setting up the spread sheets to pay performance related- and annual increases.



Issues / Problems (Continued):

- ❖ **The annual salary increase plan was set up as a combined plan, consisting of a fixed increase and a performance related increase. When the client went live, the performance cycles changed.**



Issues / Problems (Continued):

- ❖ Therefore it was decided to run the fixed annual increase in April but only run the performance related increase in July. This resulted in the same plan being run twice with different criteria



Issues / Problems (Continued):

- ❖ **Running a combined plan in 2 different periods created additional complexity, e.g. each component had to reference a different total package.**



Issues / Problems (Continued):

- ❖ This User reported that they had a 'bug' when 4 employee's salary did not get updated as per the percentage allocated. An SR was logged for this, but was not resolved before the plan expired.



Advantages of using CWB:

- ❖ **No manual spreadsheets**
- ❖ **Consolidation of total package, performance symbols and grade**
- ❖ **Reduced turnaround time to allocate bonuses and increases**



Advantages of using CWB: (Continued)

- ❖ **Budget visible to all line managers**

- ❖ **Budget was dynamically updated as allocations were done, thus the impact could be seen up the hierarchy**



Reasons why full functionality is not used:

- ❖ For various reasons, some operational, some political, Users are not using full functionality available in this module.



Reasons why full functionality is not used:

- ❖ **A fixed salary increase is paid every year to employees, and it defeats the object of variable increases as advised by the Manager.**



Reasons why full functionality is not used: (Continued)

- ❖ At another site, the issue is with organized labour.
- ❖ Yet another still, is that the Performance scores that are obtained, are used for purposes of measuring performance, and not for compensation purposes.



Way Forward:

- ❖ In all cases, Users commented that they fully intend expanding the utilization of this module in business.



Way Forward:

- ❖ A User put forth a suggestion that, roll back functionality should be expanded to include roll back to post, or payroll component, and not restricted to the entire plan.



General Tips /Comments:

- ❖ ... is Change Management necessary.....,
- ❖ “Absolutely..... involvement of Change Management agents is crucial in this process of rolling out this module. “



General Tips /Comments:

- ❖ **At the site of, probably, the most successful application of this module, information sessions were held with staff members, and detailed training was provided. This assisted greatly with the acceptance of the product.**



Closure/Conclusion:

- ❖ The overall feedback from CWB users is mixed.

- ❖ “Complex to set up but when it works it is great”



Closure/Conclusion: (Continued)

❖ “We have not used CWB for incentive calculation. This is due to some business political reasons. However, the solution does work.”



Closure/Conclusion: (Continued)

- ❖ **Question....”Do your line managers like the module?”**
.....“Yes, excellent feedback received”
- ❖ **“.....this year they we are reluctant to use it because most of HR people are newly employed...”**



Closure/Conclusion: (Continued)

- ❖ **It can be concluded that, yes, this module is complicated to configure. Users tell us that it is complicated to prepare it to be available and ready for practical business application, that it is complicated to use it**



Closure/Conclusion: (Continued)

- ❖ however, Users all agree that it certainly is worth the costs, and the effort to implement.



Questions ?