Compensation Workbench Implementation at University Hospitals

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Solbourne

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Executive Overview

This paper describes how Compensation Workbench was implemented for University Hospitals for administration of their salary increase, and bonus programs.

Introduction

University Hospitals has been using several E-Business suite applications for HCM and Financials management. The HCM applications they are live with include HR, Payroll, Advanced Benefits, Self-Service HR, iRecruitment, and Learning Management.

There is a lot of emphasis on a "Pay for Performance" culture at University Hospitals, and in order to strengthen this culture, and in order to automate the paper driven manual processes used for administration of their several salary increase, and bonus programs, the executives decided to embark upon an implementation of Compensation Workbench functionality.   Solbourne was selected as the consulting partner for this initiative.

Project Scope

The scope of work included the following:

- Big Bang approach for implementation of seven Compensation plans – Three plans for Salary Increase, and Four plans for Bonuses
- Complex eligibility and rate calculations for most of the plans
- Use of Compensation Workbench spreadsheets to allow managers to review employee eligibility, give performance ratings, allocate compensation, and print employee letters
- Use of dynamic columns for several validations, and calculations within the spreadsheets

Project Team

The project team comprised the following:

- Project Sponsor from University Hospitals
- Project Manager from University Hospitals
- Compensation and Benefits Manager from University Hospitals
- Four Compensation Analysts from University Hospitals
- Applications Specialist from University Hospitals
- Project Manager / Compensation Workbench Functional Consultant from Solbourne
- Technical Consultant from Solbourne

Salary Plans:

- Pay for Performance for Non-Management employees
- Pay for Performance for Management employees
- Proficiency Skills Program (PSP)

Bonus Plans:

- Special Performance Award (SPA)
- Retention Bonus
- Per Visit Productivity Bonus

Options within Management Pay for Performance:

- Merit
- Market Adjustment
- Management Incentive Plan

Options with Pay for Performance:

- Merit
- Market Adjustment

Pay for Performance

Plan Design

- Annual salary increase plan for Management employees
- Comprises components like Merit, and Market Adjustment
- Management PFP plan also comprises a stand alone bonus component for MIP
- Budgets used
- % of Eligible Salary used for merit and market adjustment computations

Eligibility Requirements

- Exclude employees from certain GREs
- Exclude certain jobs
- Exclude certain position titles (Position Title is one of the segments of the Position KFF structure at UH)
- Exclude employees eligible for PSP program (PSP eligibility is captured in an SIT at the employee level)
- Exclude Bargaining Unit employees
- Exclude certain Employment Categories
- Exclude employees based on seniority date requirement (stored in Person level DFF attribute)

Configured Eligibility Profiles

- Standard eligibility profiles were used to
    - Exclude employees from certain GREs
    - Exclude certain jobs
    - Exclude Bargaining Unit employees
    - Exclude certain Employment Categories

- Creative solutions for Eligibility rules were used to
    - Exclude certain position titles
    - Exclude PSP eligible employees (from SIT)
    - Exclude employees based on seniority date (from DFF)

Standard Rates

Activity Types used:
- CWB Distribution Budget
- CWB Worksheet Budget

- CWB Eligible Salary
- CWB Worksheet Amount

Proficiency Skills Program (PSP)

Plan Design

- Salary plan for nurses
- Performance Rating used to capture "level" for the nurses
- Eligibility based on Person level SIT segment value
- Salary rate is a factor of several factors, including
    - GRE
    - Position
    - Performance Rating
    - Salary Basis
    - Shift

Retention Bonus

Plan Design

- 2.5% of eligible earnings paid during a certain time frame
- Eligibility tracked on Position level DFF attribute
- Primarily based on seniority date
- Employees with Performance score of "C", or with Corrective Actions excluded from eligibility
- Semi-annual plan

Special Performance Award

Plan Design

- Majority of the workforce is eligible
- Seniority Date, GRE, Job, Position, Hours worked (for PRN positions) play a role in eligibility
- Employees with Corrective Actions are excluded
- Annual Bonus
- Bonus amount based on seniority date

Per Visit Productivity Bonus

Plan Design

- Annual Bonus for Per-Visit nurses
- Eligibility based on assignment category
- Flat amount Bonus based on Performance
- Performance Rating given at the same time as bonus allocation

Project Highlights

- User hooks and dynamic columns used extensively and with a lot of success
- Great success with plan rollouts
- Effective training model was adopted and followed through
- Super users and end users very comfortable with the system
- Great feedback received from managers (Manager Feedback report utilized for measuring feedback)
- Efficiency in compensation process for everyone involved

Tips and Gotchas

- You need to use Flat Amount calculation method in Standard Rates WB, DB, WA activity types even while storing Budgets as Percentage of Eligible Salary
- Note "Enrollment or Availability Period" is different from "Self-Service Update Period"
- Personalizations in worksheets can be done by plans, but any other personalizations on the CWB main page cannot be done by plans (but at responsibility, function or site level)
- Recommended Amount activity type works really well in CWB worksheets, and provides icons for managers to use for min, max and target amounts
- Utilize Information and Links section for URLs applicable to your business needs
- Custom messages can be configured for Mass Notification functionality for target population – Use Advanced Benefits application for this
- Pay attention to the sequence numbers used for mathematical calculations and conditions in dynamic columns
- Prepare a consolidated spreadsheet with lists of all the columns used for different CWB plans, and their labels
- Be aware of the number and types of dynamic columns used
- Use Preferences for date tracking functionality in CWB
- Use Forms Toolbar – Text Form functionality in .rtf template to format the amounts on Employee Statements to have separators and decimal values (See Metalink Note 463041.1 for details)
- Four types of budget distribution options available – Automatic, Manager Roll Down, Employee Rollup, Administrative Modeling
- Consider combining related CWB tasks to reduce the number of tasks
- Consider using Views to avoid horizontal scrolling in CWB spreadsheet
- Employee Administration link can be utilized for backing out and reprocessing CWB plans for specific employees

Metalink Notes

- 399879.1 - CWB Overview Viewlets
- 314378.1 - Patch List
- 301163.1, 301160.1, 302084.1 – Sample Setup
- 311702.1 - Employee Statement Setup
- 294465.1 -Various other links

Conclusion

Compensation Workbench implementation at University Hospitals was very successful. Every feature of this robust tool was utilized to the fullest to meet the unique business needs of University Hospitals.