Compensation Management (PA-CM)

HELP.PACM

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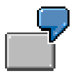
Icons

Icon	Meaning
	Caution
	Example
	Note
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Contents

Compensation Management (PA-CM)

Purpose

Compensation is a key factor in attracting and keeping the best employees and ensuring that your organization has the competitive edge in an increasingly competitive world.

The *Compensation Management* component enables you to differentiate between your remuneration strategies and those of your competitors while still allowing flexibility, control and cost effectiveness.

It provides a toolset for strategic remuneration planning that reflects your organization culture and pay strategies, and it empowers line managers within a framework of flexible budget control.

Compensation Management allows you to control bottom-line expenditures and offer competitive and motivating remuneration, be it fixed pay, variable pay, stock options, merit increases, or promotion – in other words, total compensation.

In brief, you can use this component to perform:

- Create centralized and decentralized budgets
- Plan and administer compensation adjustments at the manager level
- Plan and administer compensation adjustments within budget
- Performing Job Pricing
- Define pay grades and salary structures to identify the internal value of jobs and positions in your organization
- Administer long-term incentives

Integration

To use *Compensation Management*, you must install:

- The *Personnel Administration* component so that you can access and update employee master data
- The *Organizational Management* component so that you can define an organizational structure for budgeting and selecting employees

If you want to use performance appraisal results stored in the Appraisal System, then you must install the *Personnel Development's Appraisals* component.

Features

Compensation Management comprises the following components:

- Job Pricing [Page 21]

  You can use this component to store and manipulate results from external job evaluation systems, and data from external marketing surveys. You can then use this data as a starting point for building salary structures that you can associate with jobs and positions in your organization. This component allows you to identify the internal worth of jobs and positions in your organization.

- Budgeting [Page 33]

Compensation Management (PA-CM)

You can use this component to allocate monetary amounts or non-monetary amounts, for example, a number of shares, to a particular department, subsidiary, or plant within your organization. You can also use it as a control mechanism to make sure that you stay within the budget amount allocated when you administer compensation adjustments.

- Compensation Administration [Page 58]

  You can use this component to plan and administer compensation adjustments, such as salary increases, bonuses, long-term incentives either across the board or in accordance with the corporate compensation policy and eligibility criteria. This component also enables you to distribute adjustments at the employee by allowing you to overwrite the prescribed adjustment manually. The additional employee information provided supports and facilitates the decision-making process. The control mechanisms built into the component warn you immediately if your planning is inconsistent or has exceeded the allocated budget.

See also:

The Compensation Management Process [Page 11]

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See also:

The Compensation Management Process [Page 11]

The Compensation Management Process

Purpose

This is a common business process used by compensation departments to plan and administer compensation policies.

Prerequisites

If you want to run compensation management over the organizational structure then, you must create your organizational structure and all necessary organizational units before you start the compensation management process.

Process Flow

When you have created your organizational structure, you can begin the compensation process:

1. Define the internal value of jobs and positions. You can enter data from external job evaluation systems and salary surveys.
2. Define compensation components and group them
3. Define guidelines and eligibility rules and associate them to the plans
4. Perform budgeting for compensation management
5. Plan and administer compensation policies
6. Approve compensation adjustments
7. Administer approved compensation

Result

The system updates employees' records with data provided by the *Compensation Management* component, and the employees receive the corresponding compensation adjustments.

Working with the Object Manager

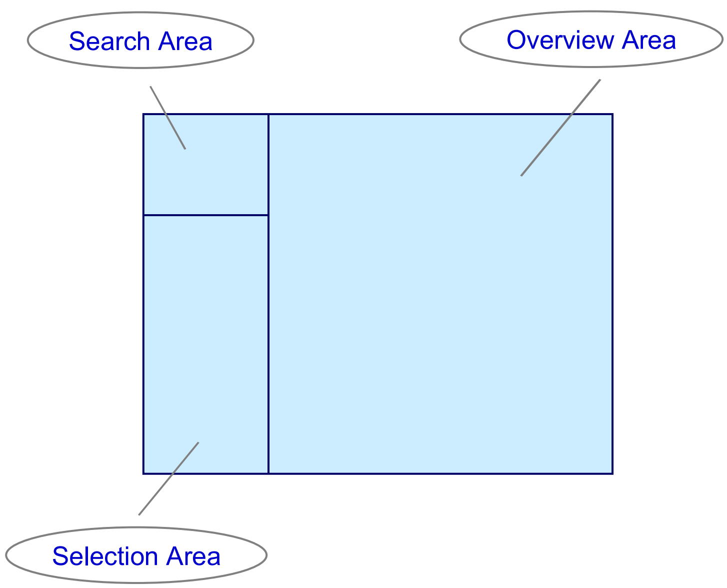
Purpose

The Object Manager provides you with various transactions and components with which you can easily and comfortably search for and select employees.

In *Compensation Management*, you use the Object Manager to search for persons whose data you want to display or edit. Thus, the Object Manager is connected to the following transactions:

- Displaying/changing compensation adjustments
- Displaying/changing award granting
- Displaying/changing award exercising
- Displaying/printing Total Compensation Statements

The user interface for these transactions is divided into various screen areas, each of which has a particular function.



Together, the *Search area* and the *Selection area* form the Object Manager [Page 14]. Transaction-specific functions are carried out for selected persons in the *Overview area*.

Every time you execute a transaction, an updated list is displayed in the *Selection area,* according to the search criteria. This also applies if you have saved a search as a favorite.

Process Flow

The following are steps involved in a typical process:

1. Search [Ext.] for one or more persons you want to display or edit in the *Search area*.
2. The selected persons are listed in the *Selection area*. Double-click on a person to display him or her in the *Overview area*.
3. Transaction-specific functions (compensation adjustments, for example) are carried out for selected persons in the *Overview area*.

See also:

Using Search Functions [Ext.]

Object Manager

Use

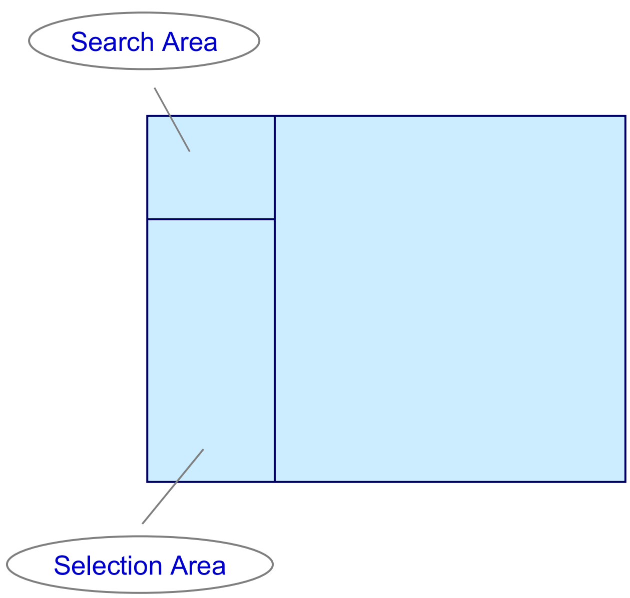
With the *object manager* you can search for and select objects that you want to display or edit.

Prerequisites

You are familiar with the validity concept of the application. The validity concept determines which objects you can find during a search.

Features

The *object manager* consists of the **search area** and the **selection area**.



- In the search area are one or more search functions for each object type, for example the *Search Term* and *Structure Search* functions. These search functions are marked with . In addition, the object type itself can contain a search function. The object types are marked with the respective object type-specific symbol.

  If necessary, you can add more object types and search functions in customizing. You can also change the sequence of the search functions. For further information see the Implementation Guide (IMG) under *Personnel Management* → *Global Settings in Personnel Management* → *Settings for Object Manager* or the IMG for *Organizational Management*.

- In the search area you can create **search variants**, so that you can reuse search criteria you have grouped together, or hits. These search variants are marked with .
- In the **selection area** the system displays the objects that you searched for and actually found. According to the search function, this can be either a hit list or a structure.
- You can scroll through search results in the selection area using and .
- You can completely hide or display the *object manager*, so that the other screen areas get correspondingly bigger or smaller. To do that, choose *Settings* → *Show Object Manager* or *Hide Object Manager*.
- With you can increase or reduce the size of the selection area, in order to show more hits. As you do that, the search area is hidden or displayed accordingly.

  The system saves the last settings relating to screen size and the last object selection user-specifically, and they are available next time you call up the transaction.

  You can reset these settings and the last object selection using the report RH_DELETE_OM_USER_SETTINGS. Note that the reset takes place across all applications. For more information, see the report documentation.

- You can call up **generic object services** for a selected object using the right mouse button menu. To do that, select an object in the selection area with the right mouse button and choose *Generic Object Services*. For further information about generic object services, see List of Object Services [Ext.].

Searching for/Selecting Objects

Use

There are various *search functions* available, for example:

- User view
- Search term
- Free search
- Collective Search Help

Prerequisites

Object you are searching for must exist already. Create new objects if required.

The object types and search functions are set up.

Procedure

1. Select one of the search functions from the *Search area* and enter search criteria as required.

    All the objects of the object type concerned which are found, are displayed either as a list or a structure in the *Selection area*.

2. Select an object by double-clicking on it.

Using Search Functions

Use

The search functions you can use for the object type *Person* allow you to search for persons in various ways.

These search functions are indicated thus: The object type *Person* can also contain a search function. The object type *Person* is indicated by the object type-specific symbol .

Procedure

Searching for Persons Using the User View

Use the user view if you

- are a line manager and wish to adjust compensation for the employees in your area of responsibility
- are a compensation manager and wish to adjust compensation for the employees in your area of responsibility

1. Choose *User view*

   The *Search for Persons* dialog box appears.

2. Select either *Line manager* or *Compensation manager* and choose *Search*
3. Select the person from the *Selection area* by double clicking on him/her.

Searching for Persons using a Search Term

1. Choose *Search term* (or *Person*, if this object type has this function)

   The *Search for Persons* dialog box appears.

2. Enter a description. This can be a last name or a personnel number. You can also make masked (M++er, for example) or generic (M*) entries.
3. Choose *Search*

   The results of the search are displayed in the *Selection area*. The display in the overview area and the detail area does not change.

4. You can search for additional persons as required and add the results to the first set of results in the *Selection area* by choosing *Add*.
5. Select the person from the *Selection area* by double clicking on him/her.

Searching for Persons Using Free Search

The *Free Search* search function uses the *InfoSetQuery*.

1. Choose *Free Search*

   The *HR Object Selection* dialog box appears For more information, see Selection [Ext.] . The results of the search are displayed in the *Selection area*.

2. Select the person from the *Selection area* by double clicking on him/her.

Searching for Persons Using Collective Search Help

1. Choose *Collective search help*

   A dialog box appears, displaying a number of elementary search helps (organizational assignment, for example).

2. Enter your search in one of the fields available for an elementary search help. You can also make masked (M++er, for example) or generic (M*) entries.

3. Choose

   The results of the search are displayed in the *Selection area*. The display in the overview area and the detail area does not change.

4. You can search for additional persons as required and add the results to the first set of results in the *Selection area* by choosing *Add*.

5. Select the person from the *Selection area* by double clicking on him/her.

Using Search Variants

Use

In some search functions, for example *Search Term*, you can restrict the number of hits by using a combination of selection criteria. You can then save such a combination as a **search variant** so that you can use it again. You can also delete a search variant again, if necessary.

Procedure

Creating Search Variants

1. Use one of the search functions to search for objects.

    The system displays the hits in the **selection area**.

2. Choose and enter a name. Choose .

    The system saves the search criteria as a search variant and assigns them to the corresponding object type in the **search area.** The search variant is marked with .

3. Select the search variant you created and choose . You can check your search criteria.

Searching for Objects Using a Search Variant

1. Select a search variant.

    The hits are displayed in the **selection area**.

2. Double-click on the required object.

Deleting Search Variants

1. Select the search variant that you want to delete.
2. Choose .

    The search variant is deleted.

Configuring Columns

Use

You can decide which columns should be displayed in different screen areas.

Prerequisites

The columns that are available are determined in Customizing. For further information see the Implementation Guide (IMG) under *Personnel Management* → *Global Settings in Personnel Management* → *Column Framework* or the IMG for *Organizational Management*.

Procedure

1. Choose .

   The *Column configuration* dialog box appears.

2. Select the columns that you want to display.

   Some entries represent column groups, that is, more than one column will be displayed if you select one of these entries.

3. Confirm your entries by choosing .

Result

The columns you selected are displayed.

You can reset all of a user's column configurations using the report RH_DELETE_COL_USER_SETTINGS. Note that the reset takes place across all applications. For more information, see the report documentation.

Job Pricing

Purpose

Use this component to define a competitive compensation policy by storing job evaluation results and market data in the *Job Pricing* component. Use these results as the basis on which to build suitable salary structures for your organization. You can use the external market data as a basis on which to calculate your organization's competitive position and to plan and implement any corrective actions required.

This component supports compensation-related data at the job and position level and provides both reporting capabilities as well as maintenance functions for salary structures and jobs.

In brief, you can use this component to perform:

- Store and manipulate information from external job evaluation systems and salary surveys
- Generate and maintain salary structures
- Define pay grades and levels
- Run statistics programs to evaluate and compare jobs and job-related data

Implementation Considerations

Install this component if you want to generate salary structures based on external and internal information, and associate salary structures with the jobs and positions in your organization. This allows you to identify the internal worth of these jobs and positions.

Integration

To use this component, you must install:

- The *Personnel Administration* component so that you can access and update employee records.
- The *Organizational Management* component so that you can define an organizational structure and create jobs and positions.

See also:

The Job Pricing Process [Page 26]

Performing Job Pricing [Page 27]

Salary Structure Generation [Page 29]

Salary Structure Maintenance [Page 31]

Survey Data Extraction [Page 124]

Planned Compensation Infotype (1005)

Definition

This infotype uses the salary and pay scale structures to create planned compensation data at the job and position level. The system uses the information stored to suggest default values for the *Basic Pay* infotype (0008).

Use

When you maintain an employee's basic pay record, you can use the *Planned Compensation* infotype (1005) to suggest default values that are based on pay grade or pay scale data stored for the job or position occupied by the employee.

If the pay grade data is maintained, the system checks the amount entered in the *Basic Pay* infotype (0008) against the salary range specified for that pay grade in the Pay Grade table.

> Because compensation varies from country to country, you can create a number of planned compensation records for one job.
>
> When you change an employee's basic pay record, the system checks if there is a salary structure for the country grouping. If there is a salary structure, the system uses the information stored for the salary structure.

In addition to this, you can use Planned Labor Costs [Page 123] report (RHSOLO00) to calculate the planned labor costs for the organizational unit specified. This report uses the information stored in the *Planned Compensation* infotype (1005) as the basis for its calculations.

You can also compare the actual base salary that an employee receives to the salary range assigned to the job or position that the employee holds by running the Compare Actual Base Salaries with Planned Compensation [Page 118] report (RHCMPcompare_actual_planned).

Structure

The *Planned Compensation* infotype (1005) is divided into three planned compensation types:

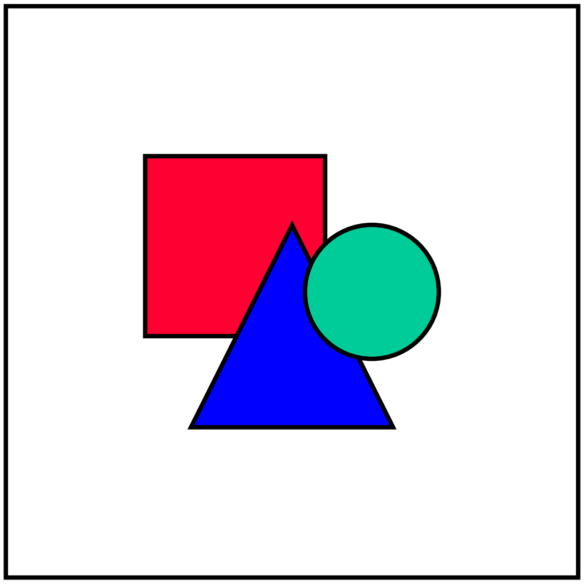
- Pay grade
- Pay scale
- Direct

Pay grade

You can store information from the salary structure, such as the pay grade and pay grade level. You can enter the pay grade and pay grade level that the job or position is to be assigned to. The system suggests the salary range, that is the lowest and highest amount that will be paid for the job or position and the reference salary.

Pay scale

You can store information from the pay scale structure, such as the pay scale area, type, group, and level. The system then suggests the minimum and maximum salary or wage for the job or position.



Because you cannot store a wage type on this infotype, you can only assign pay scales that do not have a wage type, to jobs and positions in this infotype.

Direct

You can enter the minimum and maximum amounts paid for a job and position, the currency and the unit of time. Use this planned compensation type if you do not have a salary or a pay scale structure.

See also:

Salary Structure for Jobs [Page 120]

Job Evaluation Results Infotype (1050)

Definition

This infotype stores the results of the job evaluation for the jobs/positions in your organization.

Use

Use the job evaluation results to determine the relative worth of each job and position in your organization. You can also use this infotype to indicate whether the job is a benchmark job

Structure

This infotype is divided into subtypes. Use the subtypes to represent different job evaluation systems. This allows you to store different sets of job evaluation results.

Subtype EV01 = Hay System

Subtype EV02 = In-house job evaluation system

Subtype EV03 = John Smith consultants

Salary Survey Results Infotype (1051)

Definition

This infotype stores the results of the surveys. This includes information such as the average base salary and average bonus. Salary surveys allow you to convert the worth of jobs and positions in your organization into dollars, pounds, euros, etc.

Use

Use surveys to compare salaries in your organization to salaries paid for similar jobs in similar organizations.

Structure

This infotype is divided into subtypes. Use the subtypes to represent different types of salary surveys. This allows you to store different sets of survey results.

Subtype SV01 = Survey comparing your organization with organizations in the same or related business

Subtype SV02 = Survey comparing your organization with organizations in the same geographical area

Subtype SV03 = Survey comparing your organization with organizations of a similar size

The Job Pricing Process

Purpose

Job pricing provides the basis for generating salary structures from internal and external information about the jobs and job functions within an organization.

This process allows you to create compensation-related infotype records at the job and position level. Job pricing currently uses the following infotypes:

Job Evaluation Results Infotype (1050) [Page 24]

Salary Survey Results Infotype (1051) [Page 25]

Planned Compensation Infotype (1005) [Page 22]

Prerequisites

Before you can store job evaluation results and salary survey data at the job level, you must have:

- Jobs in the SAP R/3 System
- Salary surveys and job evaluation results

Process Flow

1. Select the jobs you want to edit.
2. Store the compensation-related at the job level, that is, create infotype records for the jobs and positions using the infotypes provided.
3. Determine the internal worth of the jobs and positions in your organization based on internal and external data available.
4. Associate the jobs and positions to pay grades.
5. Generate your salary structures based on this data.

See also:

Performing Job Pricing [Page 27]

Salary Structure Generation [Page 29]

Salary Structure Maintenance [Page 31]

Job Pricing

Prerequisites

To perform job pricing, the following must exist in the SAP R/3 System:

- Jobs and positions
- Organizational units, if you want to perform job pricing over the organizational unit

Procedure

1. From the *Compensation Management* screen, choose *Administration* → *Job pricing*

   The *Compensation Management - Job Pricing* screen appears
2. Decide whether you want to perform job pricing for all your jobs at once or per organizational unit.
3. Enter data as required and choose

   The system displays a list of jobs together with the following information per job:
   - Job name
   - Number of positions associated with the job
   - Evaluation group
   - Benchmark job indicator
   - Evaluation points
   - Job code
   - Average basic salary
4. To create and change the job pricing data, select the relevant jobs and choose

   The *Compensation Management - Job Pricing* dialog box appears. Each tab in the tab strip represents an infotype record.
5. Enter data as required in each tab and scroll through the jobs selected by choosing or
6. To create an infotype record for a particular job, choose and enter the relevant data
7. To change data contained in an infotype record for a particular job, choose
8. Once you are happy with the data, choose to exit the dialog box.

Result

You have now successfully completed job pricing and have entered all the necessary compensation-related data for each job. You can now use this data to generate your salary structures.

See also:

Salary Structure Generation [Page 29]

Job Pricing

Salary Structure Maintenance [Page 31]

Salary Structure Generation

Use

The salary structure generation tools allow you to simulate and generate salary structures based on compensation-related data stored at the job level.

Integration

Once generated, the system stores the salary structures as pay grades and pay grade levels in the relevant table. You can then use the *Planned Compensation* infotype (1005) to assign these grades and levels to the jobs in your organization.

Features

You can display the salary structures using SAP Business Graphics.

Prerequisites

If you want to use the results of salary surveys and job evaluation systems as the basis for generating your salary structures, you must create a Job Evaluation Results Infotype (1050) [Page 24] record and a Survey Results Infotype (1051) [Page 25] record for each of your jobs.

Activities

You must decide:

- How many pay grades you want in your salary structure
- What percentage of the market reference salary you want to pay
- What the distance between the grades should be
- How many pay grade levels you want per pay grade
- What the distance between the pay grade levels should be
- How wide the levels should be

The system then calculates the salary ranges for all the pay grades and pay grade levels in accordance with the data that you entered, and generates the corresponding salary structure.

See also:

Generating Salary Structures [Page 30]

Salary Structure Maintenance [Page 31]

Display Salary Structure [Page 121]

Generating Salary Structures

Prerequisites

You have created a Job Evaluation Results Infotype (1050) [Page 24] record, a Survey Results Infotype (1051) [Page 25] record, and a Planned Compensation Infotype (1005) [Page 22] record for your jobs using the job pricing functions.

Procedure

1. On the *Compensation Management - Job Pricing* screen, select the job(s) whose average basic salary you want to use as the reference point and then choose *Extras* → *Generate salary struc.*

   The *Generate Salary Structure* dialog box appears

2. Enter data as required and choose

   The system generates a salary structure in accordance with your input parameters and displays the results as a list.

3. On the *Generate Grades – Result* screen, you can change the values manually. To do this, select a pay grade and choose *Edit* → *Select*

   The *Postprocess values generated* dialog box appears

4. Change the values as required and choose
5. Save your salary structure

   Because the salary structures are stored in the pay grade table, you need to assign your salary structure to a country grouping, a pay grade type and an area. You must also specify a validity period.

Result

You have generated a salary structure and saved the results on the database. You can now assign the salary structure to the jobs and positions in your organization and you can also use the structure maintenance tools to modify the values. For more information, see Salary Structure Maintenance [Page 31].

Salary Structure Maintenance

Use

The salary structure maintenance tools allow you to manipulate the salary structures directly.

Prerequisites

Before you can use the salary structure maintenance tools, you need to create salary structures. You can use either standard view maintenance via the Implementation Guide or the salary structure generation tool to create your salary structures.

Features

The salary structure maintenance tool allows you to adjust several entries in the pay grade table by a percentage and/or an amount.

Activities

User

- Selects the entries in the salary structure to be changed
- Enters the amount and/or percentage by which the pay grade should be changed
- Specifies the date on which the changes become effective

System

- Calculates the adjustments to the pay grades and levels
- Creates new entries as of the key date
- Delimits the old entries

See also:

Maintaining Salary Structures [Page 32]

Salary Structure Generation [Page 29]

Display Salary Structure [Page 121]

Maintaining Salary Structures

Prerequisites

You have created salary structures either directly using standard view maintenance via the Implementation Guide or using the salary structure generation tools.

Procedure

1. On either the *Compensation Management - Job Pricing* screen or on the *Generate Pay Grades - Results* screen, choose *Goto* → *Maintain salary struc.*

   You branch into the "Pay Grades" view in display mode.

2. Choose to change into the change mode and select the entries that you want to change.
3. Choose *Change amounts*

   The *Increase by Amount* dialog box appears

4. Enter data as required
5. Choose
6. Save your entries

Result

The system delimits the pay grades that you selected and creates new pay grades that become effective as of the key date. The system also changes the pay grade levels accordingly.

Budgeting

Purpose

You can use the budgeting tool to allocate both monetary and non-monetary funds to a particular organizational unit within your organization. Whether you want to plan your entire budget or use a more detailed budget structure and perform budgeting using the organizational structure, this component is flexible enough to encompass a variety of budget planning methods which you can process graphically.

This component provides the basis for Compensation Administration. The *Compensation Administration* component accesses the budget values created for organizational units. The compensation administrator uses these values to determine compensation adjustments (pay increases, bonuses, etc.) for the employees whose compensation is under review.

In brief, you can use this component to perform:

- Create budget units and structures
- Finance organizational units
- Change budget structures and values
- Copy budget structures and organizational structures
- Release budgets

Implementation Considerations

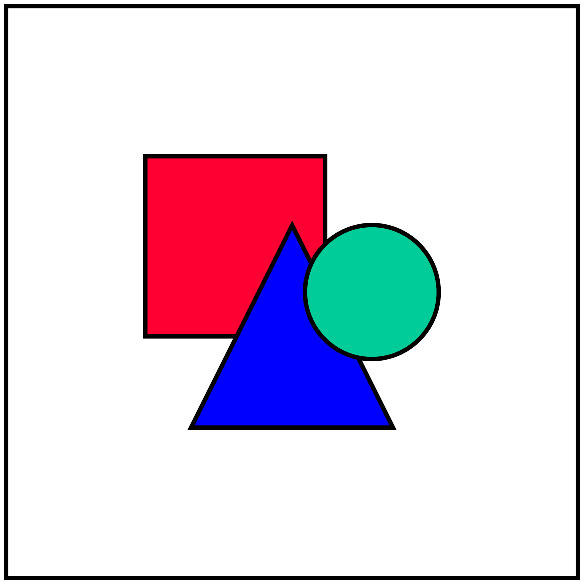
Install this component if you want to perform compensation budget planning and administration.

Integration

To perform budgeting over the organizational structure, that is, to assign organizational units to budgets units, install the *Organizational Management* component.

If you want to use the budget values as the basis of administering and planning compensation packages for employees, you must install the *Organizational Management* component so that you have the necessary employee, job, position and organizational unit data.

Integration with the *Organizational Management* component also acts as a control mechanism to make sure you stay within budget when administering compensation awards via the organizational unit.



The budget units in the *Compensation Management* component are solely used to distribute amounts and quantities when you plan and administer adjustments for a group of employees. You cannot use these budget units to track changes that occurred as a result of a new indirect valuation or a change in the employee's capacity utilization level.

Features

Budgeting has a roll-up feature that allows you to use a bottom-up process to submit the budget, and a top-down process to approve the budget.

Budget units are displayed in a hierarchical structure.

The *Budgeting* component has two display options you can use when changing and displaying budgets:

- The Budget distribution view

  Displays the budget structure. In this view, you can only work with the budget units.

- The Financing view

  Displays the budget structure and the corresponding organizational structure. In this view, you can assign financed objects to the budget units and determine what the budget unit finances.

See also:

[The Budgeting Process [Page 37]]

[Budget Structure Maintenance [Page 39]]

[Budget Administration [Page 49]]

Budget Unit

Definition

In the *Compensation Management Budgeting* component, a budget unit defines funds used for compensation.

Use

Use a budget unit to finance an organizational unit, and as a basis for compensation planning and administration.

Structure

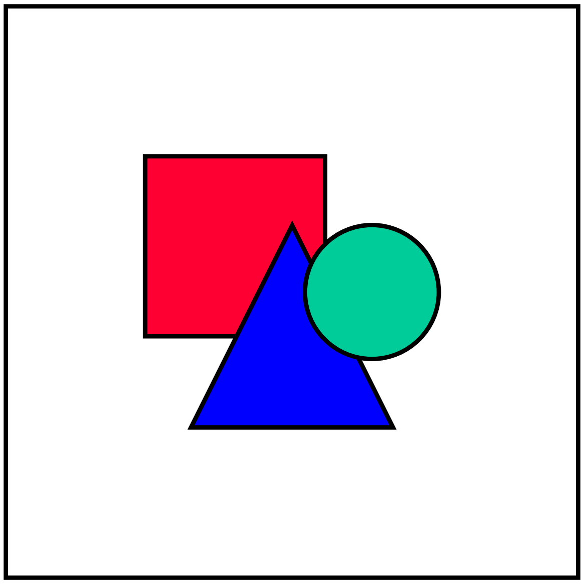
A budget unit includes the following attributes:

Attribute	Definition
Plan version	Defines where the information is stored
Budget type group	Identifies the application component to which the budget type belongs
Budget type	Determines the type of budget
Abbreviation	Identifies the budget object
Name	Describes the budget object
Budget period	Defines the period for which the budget is planned
Object ID	Assigned either automatically or manually when the object is created
Status	Determines the stage of the budget process

Integration

When the budget unit is created, you can enter amounts and quantities. You can create relationships between budget units – this creates the hierarchical structure with superior and subordinate budgets – and between a budget unit and a financed object, for example, an organizational unit.

Budget Unit



A budget unit can finance more than one organizational unit.

The Budgeting Process

Purpose

You can use this process to create one or several budgets that can be used by the *Compensation Management* component for compensation planning and administration.

Prerequisites

Before you start the budgeting process, you must create budget units. If you want to create links between budget units and financed objects, you must create an organizational structure.

Process Flow

When you have created your budget structure and, if required, your organizational structure, you can begin budget planning:

1. You create a budget structure, that is made up of one or more budget units. The budget has the status "planned"
2. Define budget to budget relationships (optional)
3. Define budget to financed object relationships (optional)
4. Edit budgets
5. Roll up budget amounts (optional)
6. Check budgets
7. Clear error log
8. When you are happy with the figures, you can release the budget structure.

   The budget now has the status *active* and cannot be changed.

Budgeting Process Functions

Choose	If you want to
Create	Create budget units and structures
Change	Define budget to budget and budget to financed object relationships Enter budget amounts and quantities Copy a budget structure Copy an organizational structure Extend the budget's validity Delete budget units and budget structures Check the budget structure's consistency Release a budget
Display	Display your budget structure together with amounts and quantities and status

See also:

Structure Maintenance [Page 39]

Budget Administration [Page 49]

Budget Structure Maintenance

Use

The structure maintenance tools allow you to:

- Create budget units and budget structures
- Create budget to budget and budget to financed object relationships
- Change budget structures
- Copy budget structures
- Copy organizational structures
- Enter amounts and quantities for the budget units
- Extending a Budget's Validity

Prerequisites

If you want to link your budget units to organizational units, so that the budget unit finances the organizational unit, you must create the necessary organizational units prior to performing budgeting.

Features

You can use these tools to create a budget structure analogous to your existing organizational structure. You can also extend the validity of an existing budget structure that has already been released and accessed by the compensation administration component.

See also:

Create Budget Structure [Page 40]

Change Budget Structure [Page 42]

Copy Budget Structure [Page 43]

Extend Validity [Page 47]

Budget Administration [Page 49]

Create Budget Structure

Use

This determines the budget structure's basic data. This includes:

- Budget type, for example, bonus, salary, stock
- Budget abbreviation and name
- Budget period

Integration

When you have created your budget structure, you can use the change, display, release, and copy budget functions.

Activities

User

- Decides what type of budget structure to create
- Enters necessary data
- Manually assigns a number to the budget structure if using external number assignment

System

- Assigns a number to the budget structure if internal number assignment is used for identifying the budget object.

See also:

Creating a Budget [Page 41]

Change Budget Structure [Page 42]

Creating a Budget Structure

1. Choose *Human resources* → *Personnel management* → *Compensation management*

   The *Compensation Management* screen appears.

2. Choose *Budgeting* → *Structure* → *Create*

   The *Create Budget Structure: Initial Screen* appears

3. Enter data as required and choose

Result

The system creates a budget structure containing a single budget unit and displays a message. You can now extend the budget structure, assign organizational units to the budget units, and enter amounts and quantities.

See also:

Change Budget Structure [Page 42]

Budget Administration [Page 49]

Change Budget Structure

Use

In the structure change mode, you can:

- Change the budget structure
- Define budget to budget and budget to financed object relationships
- Copying a Budget Structure
- Copying an Organizational Structure
- Extend a budget structure's validity
- Edit budget values
- Delete budget units and structures

Prerequisites

Before you can make any changes to a budget structure, you must first create it. For more information, see Creating a Budget Structure [Page 41]

Features

Within the change function, you can now create an budget structure analogous to your organizational structure by copying the organizational structure. You can also extend the validity period of an existing budget structure, thus allowing you to reuse a budget that has already been released.

The delete function has been enhanced. You can now delete partial budget structures.

See also:

Copy Budget Structure [Page 43]

Extend Validity [Page 47]

Budget Administration [Page 49]

Copy Budget Structure

Use

You can either use this function to copy a budget structure from one budget period to another and from one budget type to another or to create a budget structure by copying an existing organizational structure. This means you do not have to create the budget structure from scratch in order to create a budget for a different period or budget type. Copy a budget and use the change functions to update it.

Because you can copy substructures and entire budget/organizational structures, use this function if:

- Your budget structure has not changed
- You want to create the same budget structure for a different budget period
- You want to create the same budget structure for a different budget type
- You want to create a budget structure analogous to your organizational structure

Features

This function has the following copy options:

- Budget amounts or quantities
- Financing relationships
- Organizational structure depth

The options allow you to copy budget structures and their amounts or quantities or the budget structures and the objects they finance. The organizational structure depth option allows you to decide how many levels you want to copy, starting from the root object.

See also:

Copying a Budget Structure [Page 44]

Copying an Organizational Structure [Page 45]

Copying a Budget Structure

1. On the Compensation Management screen, choose *Budgeting* → *Structure* → *Change*

   The *Change Budget Structure: Initial Screen* appears

2. Choose

3. Enter the type and the name or abbreviation of the budget structure you want to copy.

4. Select a budget type – if it differs from the original budget – and a budget period for the copied budget.

5. Select a copy option, and choose

   The system copies the budget structure and all its subordinate budget units and depending on the copy options selected, the objects financed by the budget units.

See also:

Copying an Organizational Structure [Page 45]

Copying an Organizational Structure

1. On the *Compensation Management* screen, choose *Budgeting* → *Structure* → *Create*

   The *Create Budget Structure: Initial Screen* appears

2. Choose

3. On the Generate Budget Structure screen, enter the name of the organizational unit that you want to copy.

4. Select a budget type and a budget period for the budget structure that you want to create.

5. Enter data as required in the *Options* section

6. Set the *Use organizational unit's relationship period* indicator if you want the system to take relationship period between the root organizational unit and the subordinate organizational unit into consideration.
   Do not set this indicator if you want the system to use the period in which both the organizational unit and the corresponding budget unit exist.

Object	**Validity Period**
Org. unit O1	01.01.1998 - 01.10.1998
Org. unit O2	01.03.1998 - 01.11.1998
Relationship O1 - O2	01.05.1998 - 01.07.1998
Budget unit BU1	01.01.1998 - 31.12.1998
Budget unit BU2	01.01.1998 - 31.12.1998
Relationship BU1 - BU2	01.01.1998 - 31.12.1998

If the indicator is set, the relationships between the budget units and the organizational units will have the following validity periods:

Relationship	**Validity Period**
BU1 - O1	01.02.1998 - 01.10.1998
BU2 - O2	01.05.1998 - 01.07.1998

If the indicator is not set, the relationships between the budget units and the organizational units will have the following validity periods:

Relationship	**Validity Period**
BU1 - O1	01.02.1998 - 01.10.1998
BU2 - O2	01.03.1998 - 01.11.1998

7. Choose

Result

The system copies the organizational structure and creates the corresponding budget structure. The system automatically assigns the organizational units to the corresponding budget units. The system gives the budget units the same name as the organizational units that they finance.

Extend Validity

Use

Using this function you can extend the validity period of a budget structure that has already been released.

You have created a budget structure for salary increases for the budget period 1998. You want to use this budget structure for the budget period 1999. Rather than having to create a new budget structure, you can simply extend the available one.

Prerequisites

The budget structure must already exist and have been released.

Features

You can also extend the validity of partial budget structures.

See also:

Extending a Budget's Validity [Page 48]

Extending a Budget's Validity

Prerequisites

The budget structure whose validity you want to extend, has the status *released.*

Procedure

1. On the *Compensation Management* screen, choose *Budgeting* → *Structure* → *Change*

   The *Change Budget Structure: Initial Screen* appears

2. Choose *Extend validity*

   The Extend Budget Structure's Validity screen appears

3. Enter the type and name of the budget structure whose validity you want to extend
4. In the *Validity Extension Period* area, enter the new budget period.
5. Under *Options*, specify the budget depth, if required, and if you want to copy the budget amounts/quantities or the financing relationships or both.
6. Choose *Extend validity*

Result

The system extends the budget structure's validity and you can now make changes to the budget structure and amounts/quantities.

See also:

Structure Maintenance [Page 39]

Budget Administration [Page 49]

Budget Administration

Use

The administration function is intended as more of a tool for managers and other users that have access to budget information, such as the budgets available and who do not necessarily want to have create and maintain budget structures.

Use these tools to enter and manage budget amounts and quantities for existing budget structures.

You cannot use this tool to make any changes to the budget structures.

You can use this tool to:

- Edit budget values
- Roll up budget amounts and quantities
- Display budget structures together with their amounts and quantities
- Check the budget structure's consistency
- Release the budget structure

Prerequisites

Budget structures exist.

Features

Budgeting can handle multiple currencies. You can create budget structures and budget units in different currencies and the system converts and displays the amounts in the budget reference currency that you set when you customized the Compensation Management component.

See also:

Budget Structure Maintenance [Page 39]

Display Budget Structure [Page 50]

Edit Budget Value [Page 52]

Checking a Budget [Page 56]

Release Budget [Page 55]

Display Budget Structure

Use

Use this function to display budget units and structures. You cannot change using this function.

Features

This function has two display options:

- Budget distribution
- Financing

The options allow you to display the budget structures and their amounts or quantities (budgeting distribution) or the budget structures and the objects they finance (financing).

See also:

Displaying a Budget [Page 51]

Displaying a Budget

1. On the *Compensation Management* screen, choose either:
   - *Budgeting → Administration → Display*

     The *Display Budget: Initial Screen* appears
   - *Budgeting → Structure → Display*

     The *Display Budget Structure: Initial Screen* appears
2. Enter data as required.
3. Select a display option.
4. Choose

Result

The system displays the selected budget structure and, depending on the display option selected, the budget amounts/quantities and/or financed objects.

Editing a Budget Value

Use

Use this function to enter the amounts (for bonuses or salaries) or quantities (for stock options) for a budget unit. You can also use this function to change amounts or quantities and roll up budget amounts or quantities using the bottom-up process..

Features

You can enter a new budget amount, increase or decrease the budget by an amount, a percentage, or both.

To increase or decrease a budget amount by a percentage and an amount, enter a percentage and an amount in the relevant fields in the *Revalue Budget Amount* dialog box. The system first increases or decreases the budget amount by the percentage. Then it adds or subtracts the amount you entered.

Revalue by an Amount and/or Percentage or Both

			New Budget Amount
Old budget amount	1.500,00	USD	
Change by %	5	%	1.575,00
Change by amount	200,00	USD	1.775,00

You can use the roll up function to add budget amounts or quantities from the bottom up. The system calculates what is required by the subordinate budget units and enters this amount or quantity in the root budget unit's amount/quantity field. To make funds available for the root budget unit and the object that it finances, simply increase the amount or quantity for this budget unit.

See also:

Entering a Budget Amount [Page 53]

Changing a Budget Amount [Page 54]

Entering a Budget Amount

1. On the *Compensation Management* screen, choose either *Budgeting* → *Structure* → *Change* or *Budgeting* → *Administration* → *Change*

   The *Change Budget: Initial Screen* appears

2. Enter data as required and choose

   The Change Budget screen appears

3. Select the budget unit for which you want to enter an amount or quantity and choose

   The Revalue Budget dialog box appears.

4. Enter the amount in the *New budget amount/quantity* field, and choose

See also:

Changing a Budget Amount [Page 54]

Changing a Budget Amount

1. On the *Compensation Management* screen, choose either *Budgeting* → *Structure* → *Change* or *Budgeting* → *Administration* → *Change*

   The *Change Budget: Initial Screen* appears

2. Enter data as required and choose

3. On the *Change Budget* screen, select the budget whose amount or quantity you want to change and choose

4.

To change the amount	Enter	Sample Entry
By a percentage	A percentage in the *Change by %* field	5
By an amount	An amount in the *Change by amount* field	500,00
By a percentage and an amount	A percentage in the *Change by %* field and an amount in the *Change by amount* field	6,5 300,00

To increase or decrease a budget by a percentage and an amount, enter a percentage and an amount in the relevant fields in the *Revalue Budget* dialog box. The system first increases or decreases the amount by the percentage. Then it adds or subtracts the amount you entered.

5. Choose

   The system changes the total budget amount or quantity for the selected budget unit.

Release a budget

Use

Use this function to release budgets so that *Compensation Management* can access this data. You can only release an entire budget structure.

When you have released your budget, you can only set the status back to *planned* if the budget's validity has not been extended and the budget has not been used by the financed objects.

Prerequisites

You can only release a budget structure when the error log is empty, that is, when the superior budget covers all subordinate budgets.

See also:

Releasing a Budget [Page 57]

Checking a Budget

If you are using the structure maintenance tools, choose *Budgeting* → *Structure* → *Change* and then on the *Change Budget Structure* screen, choose *Budget structure* → *Check*.

If you are using the administration tools, *choose Budgeting* → *Administration* → *Change* and then on the *Change Budget screen*, choose *Budget structure* → *Check.*

If there are no budget deficits, the system displays an appropriate message. If a root budget unit does not have enough funds to cover the subordinate budget amounts, the system displays an error log.

Working with the Error Log

Procedure

1. In the error log, select an error, and choose

   The *Revalue Budget Amount* dialog box appears

2. Enter an amount or a percentage, and choose

3. Correct all errors.

Result

Your budget structures are consistent and ready to be released.

See also:

Release Budget [Page 55]

Changing a Budget Amount [Page 54]

Releasing a Budget

Prerequisites

Before you can release a budget it must be consistent, that is, the error log must be empty. To release a budget, you need to be in the change mode.

Procedure

1. If you are using the structure maintenance tools, choose *Budgeting* → *Structure* → *Change* and then on the *Change Budget Structure* screen, choose *Budget structure* → *Set status* → *Release*

   If you are using the administration tools, *choose Budgeting* → *Administration* → *Change* and then on the *Change Budget* screen, choose *Budget* → *Set status* → *Release*

2. Confirm the system messages

Result

Your budget has *status 1 (active)* and can now be used by the *Compensation Administration* component.

You can only release entire budget structures.

Compensation Administration

Purpose

Use this component to establish compensation methods that not only support the employee's corporate thinking and sense of responsibility, but also reward them. The *Compensation Administration* component provides you with the necessary tools for strategic remuneration planning that reflects both your corporate culture and your salary policies. User-defined calculation rules and eligibility criteria mean that you can create compensation adjustments that meet your individual requirements and comply with your compensation policy.

In brief, you can use this component to perform:

- Distribute and change employee compensation adjustments
- Display employee compensation adjustments

Implementation Considerations

You can use this component to:

- Assign compensation adjustments to employees based on eligibility criteria
- Plan and administer adjustments over the organizational structure
- Plan and administer adjustments for individuals or groups of employees
- Roll up remuneration distribution

Integration

To use this component, you must install:

- The *Personnel Administration* component so that you can access employee data and update employee records
- The *Organizational Management* component so that you can define an organizational structure for selecting employees
- The *Budgeting* component if you want to administer compensation within budget guidelines

Features

This component also comprises the following components:

- Compensation Packaging [Page 62]

  Use this component to make the distinction between different types of compensation and to categorize the compensation types.

- Eligibility [Page 67]

  Use this component to identify who qualifies for compensation adjustments based on a series of eligibility criteria.

- Guidelines [Page 71]

  Use this component to determine how compensation adjustments are calculated or to set limits on the calculation results.

- Adjustments [Page 73]

  Use this component in conjunction with the *Compensation Administration* component to determine how and when you want to distribute your compensation adjustments. You can also use this component to select which employees should participate, either at the organizational unit level or at the employee level.

  To simplify compensation administration, this component:

- Allows you to perform compensation tasks, for example, increase salaries, distribute a bonus over the organizational structure
- Provides mechanisms for multi-level approval
- Allows you to store and track compensation adjustments changes using the Compensation Adjustment Infotype (0380) [Page 75] record
- Applies compensation adjustments for groups of employees over the organizational structure

See also:

The Compensation Administration Process [Page 60]

Adjust Compensation [Ext.]

Compensation Administration Process

Purpose

This process describes how to:

- Award compensation adjustments for one or more organizational units or for a list of employees
- Submit compensation adjustments for approval
- Approve adjustments
- Activate adjustments

Prerequisites

Before you start the compensation administration process, you must have:

- Completed budgeting for the necessary organizational units (optional)
- Defined compensation components and adjustment types
- Defined adjustment reasons for distributing adjustments
- Set up guidelines and eligibility rules (optional)
- Created an organizational structure
- Generated a list of employees using the employee selection function

Process Flow

1. Select the compensation adjustment reason and decide how you want to select your employees.
2. Generate a list of employees for the selected compensation period
3. Apply guidelines or change the values by a percentage or an amount (optional)
4. Award compensation adjustments to the employees in the list.
5. When you have processed all the employees selected, save your changes.
6. You now need to submit your adjustments for approval.
7. Your adjustments are approved and the status is changed from approved to activated. If your adjustments are rejected, they are returned to you for further processing.
8. Once your adjustments have the status approved, they can be activated.

Result

Once your adjustments are activated, the system creates new infotype records for your employees as of the compensation adjustment's effective date.

See also:

Adjusting Compensation Using the Adjustments Menu [Ext.]

Activate Adjustments [Page 86]

Compensation Packaging

Purpose

In the modern labor market, there are a variety of ways and means of rewarding your employees for work done. In order to be able to differentiate between the different types of compensation that your organization offers its employees and determine how the system handles these different types, you need to implement this component.

Your organization offers the following different types of compensation:

- Base pay
- Merit pay
- Bonus
- Commissions
- Profit sharing

Implementation Considerations

You can use this component to:

- Differentiate between different types of compensation, by determining whether they are *fixed* or *variable.*
- Categorize compensation types by assigning the components to a Compensation Category [Page 63]
- Determine which employee record is updated as a result of the compensation administration process.

You need to implement this component in order to be able to use the Adjustments [Page 73] component.

Compensation Category

Definition

When you have completed the compensation administration process and your adjustments have been submitted and approved, you can then activate them. When you activate your adjustments, the employees' master data records are updated with the new data.

The compensation category determines which master data records are updated. Compensation categories are SAP-defined system values and cannot be changed.

SAP currently supports the following categories:

Compensation Category	Infotype Updated
fixed	Basic Pay (0008)
variable	Basic Pay (0008), Additional Payments (0015)
Long-Term Incentives	Long-Term Incentives (Distributed) (0382)

See also:

Compensation Adjustment Infotype (0380) [Page 75]

Long-Term Incentives (Distributed) Infotype 0382 [Page 90]

Compensation Components

Definition

Compensation components represent the types of compensation that you offer your employees. For example, base pay, bonuses, stock options, executive incentives.

General compensation components can be further defined per compensation category and compensation area.

For more information, see

Compensation Category [Page 63]

Fixed Compensation Components [Page 65]

Variable Compensation Components [Page 66]

Fixed Compensation Components

Definition

An organization's compensation policy is defined by the type of compensation it offers to it's employees. Fixed compensation components are used to represent compensation that affects the employee's basic pay in the SAP R/3 System.

Structure

A fixed compensation component includes the following attributes:

Attribute	Definition
Compensation area	Specifies the area for which the component applies
Validity Period	Determines the period for which the component is valid

Integration

When fixed compensation components are applied, the system updates an employee’s basic pay infotype record (0008).

Variable Compensation Components

Definition

An organization's compensation policy is defined by the type of compensation it offers to it's employees. Variable compensation components are used to represent compensation that is not fixed, for example, bonus payments, sales commission, performance-based pay.

Structure

A variable compensation component includes the following attributes:

Attribute	Definition
Compensation area	Specifies the area for which the component applies
Validity Period	Determines the period for which the component is valid
Component category	Determines which infotype record is update
Wage type	Determines which wage type is inserted on the infotype record

Integration

When variable compensation components are applied, the system either updates the employee’s *basic pay* (0008), or *additional payments* record (0015).

Eligibility

Purpose

Most compensation adjustments are intended for particular groups of employees, managers, for example. You can use this component to define eligibility criteria and create eligibility rules to facilitate the distribution of compensation adjustments.

Features

You can base your eligibility criteria on when the employees were hired or how long they have been with the organization, work schedule information, and other organizational information such as number of hours worked, job, and performance.

Integration to the *Personnel Development* component's *Appraisal System* means that you can use the point value results from a wide range of performance appraisals, for example, 360° feedback appraisals, personnel appraisals, etc. as a means for determining an employee's eligibility. For more information on the *Appraisal System* see *Appraisal Systems* in the *Personnel Development* component.

You can also override the eligibility criteria at the employee level by creating a Compensation Adjustment Eligibility Infotype (0381) [Page 70] record for the employees that are eligible for compensation adjustments irrespective of the eligibility criteria set.

See also:

Eligibility Rules [Page 68]

Eligibility group [Page 69]

Compensation Adjustment Infotype (0381) [Page 70]

Eligibility Rules

Definition

Eligibility rules determine whether an employee receives a compensation adjustment or not. An employee must meet these criteria to qualify for the compensation adjustment. For example, an employee has to work for the company for at least one year before being eligible for bonus payments.

Use

Use eligibility rules to determine which employee qualifies for which compensation adjustment. Eligibility rules and eligibility groups allow you to define criteria that must be met.

Structure

Eligibility rules are determined by the following:

Criteria	Definition
Eligibility group [Page 69]	Determined by organizational assignment data
Validity Period	Determines the period for which the adjustment is valid
Employment requirements	Denotes the date before which the employee must be hired, or the employee’s length of service
Work schedule data	Denotes the minimum working time
Other criteria	Determines whether the employee’s pay grade, pay scale group, job, performance, salary level or company-specific criteria are relevant

Integration

Eligibility rules are assigned to a compensation adjustment. The adjustment is then included in an adjustment reason and processed by the Compensation Administration component..

See also:

Eligibility group [Page 69]

Compensation Adjustment Eligibility Infotype (0381) [Page 70]

Eligibility Group

Definition

Use Eligibility Groups to categorize employees and define criteria for an eligibility rule. You can use decision trees to define these groups.

Use

Your company has a bonus award. Employees must be with the company for at least one year to qualify for this bonus. However, in your French subsidiary, only managers with the company for at least one year qualify for the bonus payment. Define a bonus component and adjustment, define an eligibility rule of “1 year of service”, define an eligibility group for the country grouping “France” for the pay grade group “Manager”. Your eligibility rule and group are as follows:

eligibility rule	**eligibility group**	**Criteria**
Rule A		1 years service
Rule A	MANAGER	1 years service

In this case, the French subsidiary uses the eligibility rule defined by a group. When the system selects employees eligible for bonus awards, it first checks the country grouping. If the country grouping is 06 (France), it checks the eligibility group.

Structure

Eligibility groups are determined by decision trees based on an employee’s organizational assignment data.

Compensation Adjustment Eligibility Infotype (0381)

Definition

This infotype stores eligibility information at employee level per compensation adjustment.

Use

Use this infotype to override eligibility criteria for employees. By setting the *Eligibility* indicator for an employee, the employee is always eligible for that compensation adjustment. The system then overrides the eligibility rules stored on the adjustment type.

Guidelines

Purpose

Whether you want to be able to award a 5% salary increase across the board, or award a $2000 bonus to all employees with a performance rating of more than 100 points, then the *Guidelines* component provides you with the necessary tools.

Use the *Guidelines* component to depict the calculation methods that you use to calculate your compensation adjustments in the SAP R/3 System.

Features

The SAP R/3 System supports three types of guideline:

- fixed
- Matrix
- User-defined

You can create guidelines that calculate an adjustment using a fixed percentage, a fixed amount, or a fixed number. Alternatively, you can use employee attributes, such as compa ratio and performance, to calculate an adjustment type or you can use a user exit to define calculation methods not covered by standard methods provided by SAP.

Integration to the *Personnel Development* component's *Appraisal System* means that you can use the point value results from a wide range of performance appraisals, for example, 360° feedback appraisals, personnel appraisals, etc. as the basis for your calculations. For more information on the *Appraisal System* see *Appraisal Systems* in the *Personnel Development* component.

See also:

Guidelines [Page 72]

Guidelines

Definition

Guidelines determine how compensation adjustments are calculated. Guidelines are values of a range for compensation. Ranges can be a percentage, an amount, or a unit.

Use

Compensation adjustments are decided by the manager. *Compensation Management* allows you to set guidelines for compensation calculations, or set limits for the manager's recommendations.

Structure

SAP R/3 System contains the following types of guidelines:

- fixed
- Matrix
- User-defined

Fixed Guidelines

Compensation adjustments are calculated using a fixed percentage, fixed amount, or a fixed number.

Matrix

Compensation adjustments are calculated using matrices, or one or more criteria. Matrix guidelines are one dimensional, two dimensional, or three dimensional.

A one-dimensional matrix calculates the compensation adjustment based on length of service. A three-dimensional matrix calculates compensation adjustments based on length of service, performance, and pay grade

User-defined

These allow you to distribute compensation adjustments based on company policies that are not covered by fixed and matrix guidelines.

Integration

Guidelines provide calculating methods for the compensation administration process and can be applied during this process.

Adjustments

Purpose

What compensation adjustment types you have in your organization, how, why and when they are distributed, how employees are selected for the compensation administration process, and how compensation adjustments can be tracked is all handled by the *Adjustments* component.

In brief, you use the *Adjustments* component to define the key elements required to perform compensation administration.

See also:

Compensation Adjustment Types [Page 74]

Adjustment Reason [Page 77]

Compensation Adjustment Infotype (0380) [Page 75]

Compensation Adjustment Types

Definition

Compensation adjustment types represent the methods used to determine the amount or quantity by which the Compensation Components [Page 64] are changed.

Use

You use compensation adjustment types to determine what the compensation components are made up of and to reflect the different calculation methods used.

In your organization, the employees' base pay component consists of a salary increase and a special adjustment. The bonus component can also consist of an incentive bonus and a year end bonus.

Structure

A compensation adjustment type includes the following attributes:

Attribute	Definition
Compensation area	Specifies the area for which the adjustment applies
Compensation component	Determines what type of adjustment is being awarded and which infotype is updated
Validity Period	Determines the period for which the adjustment is valid
Effective date	Determines when the adjustment becomes effective
Calculation data	Determines how the adjustment is calculated, which wage types are created
eligibility rule	Determines who will qualify for the adjustment (optional)

Integration

Adjustment types are assigned to an adjustment reason and are distributed in the compensation administration process.

See also:

Adjustment Reason [Page 77]

The Compensation Administration Process [Page 60]

Adjust Compensation [Ext.]

Adjust Compensation Using Mass Maintenance Tool [Ext.]

Compensation Adjustment Infotype (0380)

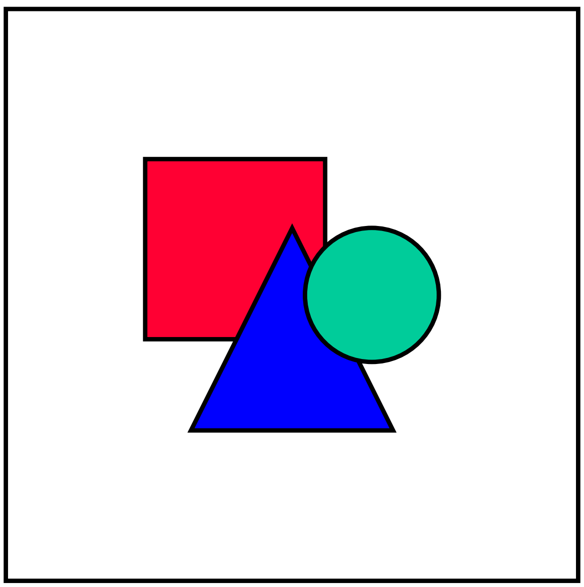
Definition

Means by which you can keep track of the compensation adjustments awarded to an employee per adjustment type, together with the calculations for each adjustment type and the breakdown.

Use

You can use this infotype to create a compensation history for each employee. You should only use this infotype for information purposes.

You cannot use this infotype to award compensation adjustments to employees manually. To create, change, and delimit this infotype, you must award adjustments or make changes to adjustments from within the compensation administration process. You can, however, delete infotype records for this infotype.



Deleting infotype records could lead to inconsistencies in the system and in the budget data.

Structure

This infotype is divided into subtypes. Each subtype represents a compensation adjustment type. You can store different sets of calculations for each adjustment type and reason at the employee level. This allows you to keep a record of compensation adjustment changes for an employee over time. You can also keep a record of the breakdown of the compensation adjustment.

As a result of the annual salary review, employee A receives a salary increase. In this infotype, the system enters the elements that make up the salary increase.

A salary increase can, for example, include the following elements:

– Promotion

- Adjustment
- Annual 3% increase

Integration

When the compensation planning and administration process is complete and you have activated the compensation adjustments, the system automatically creates an infotype record for each compensation adjustment type and reason for all the employees that received included in the administration process.

See also:

The Compensation Administration Process [Page 60]

Adjust Compensation [Ext.]

Adjust Compensation Using Mass Maintenance Tool [Ext.]

Activate Adjustments [Page 86]

Adjustment Reason

Definition

The adjustment reason provides an automated process for updating the following infotype records:

- Basic Pay (0008)
- Additional Payments (0015)
- Long-Term Incentives (Distributed) (0382)

The adjustment reason defines the:

- Time unit to display compensation amounts
- Compensation adjustment types to apply and which budgets they reduce

Use

The adjustment reasons determines why compensation adjustments are being planned and administered. You can use adjustment reasons to distributes adjustments in accordance with your company's compensation policies.

Structure

The adjustment reason includes the following elements:

Element	**Definition**
Adjustment types	Determine which employee records are updated
Time unit	Determines which unit of time is used to calculate and display amounts or quantities in compensation administration
Budget type	Determines what type of budget is used
Reason	Determines why compensation is being adjusted
Message type	Determines system's reaction if budget available is exceeded

See also:

The Compensation Administration Process [Page 60]

Compensation Adjustments [Page 74]

Adjusting Compensation for Employees

Procedure

1. Choose *Human Resources* → *Personnel Management* → *Compensation Management* → *Administration* → *Adjustments* → *Change*.

   The *Change Compensation Adjustment* screen appears.

2. Choose *Settings* → *Change planning period...* and enter a planning period.
3. Choose *Settings* → *Change adjustment reason...* and enter an adjustment reason.
4. Enter an adjustment type in the *Type* field of the *Overview* area.
5. Select an employee in the *Search area*

   For more information, see Using Search Functions [Page 17]

   The system displays the selected employee in the *Selection area*.

6. Select the person from the *Selection area* by double clicking on him/her.

   The system displays the compensation adjustments made for this employee in the *Overview area*.

   If you want to process more than one employee at a time, select the employees in the Selection area.

7. Choose *Edit* → *Apply guidelines* or *Apply rounding rules* or *Percentage increase* or *Set status*, according to how you want to adjust the compensation.
8. Save your entries

Result

You have completed the compensation adjustments and can submit your adjustments for approval.

See also:

Adjusting Compensation Using Mass Maintenance Tool [Page 79]

Adjust Compensation Using Manager's Desktop [Page 82]

Compensation Adjustment Infotype (0380) [Page 75]

Activate Adjustments [Page 86]

Adjusting Compensation Using Mass Maintenance Tool

1. Choose *Human Resources* → *Personnel Management* → *Compensation Management* → *Adjustments* → *Change*.

   The *Change Compensation Adjustment* screen appears.

2. Select an adjustment reason, an adjustment (optional) and a planning period

3. Select an employee in the *Search area*

   For more information, see Using Search Functions [Page 17]

   The system displays the selected employee in the *Selection area*.

   You can determine which columns of employee information are to be displayed in which order in the spreadsheet and how the rows are to be sorted. Choose *Edit* → *Spreadsheet* → *Column configuration* → *Determine*.

   If you then want to display the columns according to SAP standard settings, choose *Edit* → *Spreadsheet* → *Column configuration* → *Undo*.

4. Choose *Edit* → *Spreadsheet* → *Adjustment type* or *Adjustment reason*.

5. On the *Maintain Compensation Adjustments* screen, select the adjustment type you want to edit, and choose *Extras* → *Percentage increase* or *Apply guidelines*.

   The system makes compensation adjustments for all the employees in the table.

6. Enter the necessary adjustment data, for example, an absolute amount or a percentage

7. If you want to update the data in the table, choose *Adjustment* → *Update*, do this if you want to know how much of your budget is left over, for example.

8. When you are happy with the adjustments, choose *Goto* → *Back*.

   You can only save your data from within the SAP R/3 Compensation Management component and not in the Excel worksheet.

9. Save your entries

Result

You have completed the compensation adjustments and can submit your adjustments for approval. The system creates Compensation Adjustments infotype (0380) records for the employees per adjustment type.

See also:

Excel Worksheet for Compensation Adjustments [Page 80]

Compensation Adjustment Infotype (0380) [Page 75]

Activate Adjustments [Page 86]

Excel Worksheet for Compensation Adjustments

Definition

Means by which you can award several compensation adjustments to a group of employees at the same time in an Excel spreadsheet environment.

Structure

The following columns are displayed in the SAP Standard System. You can change the sequence of columns or add new ones. You can display a maximum of 15 columns:

Column	Definition
Name	Identifies the employee
Cost center	Identifies the employee's cost center
Organizational unit	Identifies the employee's organizational assignment
Job	Represents the job of the position that the employee holds. If there is no data stored at the position level, the system reads the data stored at the job level.
Position	Is the position that the employee holds
Manager	Is the employee that occupies the chief position of the employee's organizational unit
Planned compensation	Identifies what type of salary structure the employee is assigned to, for example, pay grade, or pay scale
Type	Identifies the pay grade or pay scale type
Area	Identifies the pay grade or pay scale area
Group	Identifies the pay grade or pay scale group in which the employee lies
Level	Identifies the pay grade or pay scale level in which the employee lies
Ruling	Groups the employee for the collective agreement
Base salary	Is the employee's base salary. This is the total of the wage types that have the indicator ‘Add to total amount' on the Basic Pay infotype (0008)
Currency	Represents the currency in which the employee is paid. If all the employees are paid in the same currency, then this column does not appear.
Capacity utilization level	Defines which percentage of standard working time the employee works.

The system also always displays the following columns:

Column	Definition
Effective date	Is the date on which the adjustments come into effect

Status	Is the current status of the adjustment, for example, active, planned.
Calculation base	Serves as the basis for calculating the adjustment increase. The system calculates the calculation base using wage types stored on the Basic Pay (0008), Additional Payments (0015) and Recurring Payments and Deductions (0014) infotype records. This is achieved using a wage type that is a valuated wage type that is associated with a module, for example, ANSAL. In Customizing for Compensation Management, you can determine which wage types are used by choosing *Compensation Management* → *Planning and Administration* → *Adjustments* → *Wage Types for Adjustment Types* → *Define Valuation of Base Wage Types*
Currency	Is the currency of the base salary. If all the employees are paid in the same currency, then this column does not appear.
Wage types	Are the wage types that appear on the employee's Compensation Adjustment (0380) infotype. If all the employees receive the same wage type, then this column does not appear.
Amount	Represents the amount of the adjustment. The total field is all the total of all the amounts added together – the amounts are converted into one currency
Percentage	Is the percentage that the employee received as an adjustment. The total here represents a mean value.
Total amount	Is the total of all the adjustments that the employee has received.
Total percentage	Is the total percentage that the employee received. The total here represents a mean value.
Budget	Determines how much you have at your disposal for the adjustments
Remaining budget	Determines how much of the budget you have left.

See also:

Adjusting Compensation Using Mass Maintenance Tool [Page 79]

Adjust Compensation Using Manager's Desktop

Use

The functions included in the *Compensation Management* theme category in *Manager's Desktop* allow the compensation line manager to carry out salary-related tasks, such as salary increases and annual bonus, for the employees for which he/she is directly responsible.

The manager can access the *Compensation Management* functionality directly from within *Manager's Desktop*.

Prerequisites

To use this function, you must:

- Create an organizational structure complete with positions and holders
- Create budgets for the adjustment types for the organizational units (optional)
- Be the chief in the organizational unit that you want to process
- Make sure that *Manager's Desktop* has been configured in accordance with your requirements for the necessary scenarios and for the theme category *Compensation Management*. For more information see Configuring Manager's Desktop for Compensation Management [Page 83]

Activities

1. User chooses the category *Costs + Budget*
2. The system displays a list of all the functions that are assigned to this category and the relevant organizational structure, that is the organizational units and persons for which the user is responsible.
3. The user then selects the organizational unit or the person(s) for which he/she wants to, for example, award salary increases and uses drag and drop to drag the desired function to the selected objects (or vice versa).
4. The system then starts the function, checking to see whether a budget type has been specified for the adjustment type being carried out and asks the user for a plan period
5. The user enters a plan period
6. The system takes the user into the *compensation administration* transaction
7. The user maintains compensation adjustments, bonuses etc for the employees. For more information, see Adjusting Compensation for Individual Employees [Ext.] .

See also:

Manager’s Desktop [Ext.]

Configuring Manager's Desktop for Compensation Management

Use

You can use *Manager's Desktop* to award compensation adjustments types, for example, salary increases, and annual bonuses, to your employees directly.

SAP delivers categories and pre-configured functions. The SAP R/3 System is configured so that it uses the adjustment types that are assigned to the adjustment reason 99 as the functions in *Manager's Desktop*.

If you want to be able to perform different functions in the *Compensation Management* theme category, you can either assign different adjustment types to adjustment reason 99 or you can change the customizing settings in *Manager's Desktop* so that it reads a different adjustment reason.

Procedure

Assigning Different Adjustment Types to Adjustment Reason 99

1. In Customizing, choose *Personnel Management* → *Compensation Management* → *Planning and Administration* → *Adjustments* → *Define Adjustment Reasons*
   The Change *"Compensation Adjustment Reason" : Overview* screen appears
2. Select adjustment reason 99 and choose *Compensation Adjustment Details* in the navigation area
3. On the next screen, enter the relevant adjustment types
4. Choose

Assigning a Different Adjustment Reason

1. In Customizing, choose *Personnel Management* → *Manager's Desktop* → *Enhancement of Function Codes* → *Define Structure of Function Codes*
   The *Change View "Function Code Hierarchies for Manager's Desktop": Overview* screen appears
2. Select the entry for scenario **MWB1** for the Higher-level Fcode **COMP_NODE** and choose
3. On the next screen, enter the two-character identifier of your adjustment reason in the *Function code prefix* field and choose

Result

The system displays new functions in the *Compensation Management* theme category in *Manager's Desktop*

Adjust Compensation After Completing an Appraisal

Use

This function allows you to award an adjustment to an employee directly after completing an appraisal for this employee using the *Personnel Development* component's *Appraisal System.*

Completing the appraisal triggers further processing which takes you directly into *Compensation Management's Compensation Administration* component where you can award an adjustment. For more information, see Adjusting Compensation for Individual Employees [Ext.].

Integration

To use this function, you must:

- Implement *Personnel Development's Appraisal* component
- Make sure that there is at least one appraisal model defined
- Activate integration between the *Personnel Development* and *Compensation Management* components. In Customizing for *Personnel Development* set the further processing indicator by choosing *Appraisal Systems* → *Edit Appraisal Catalog*
- Define matrix guidelines that contain the required appraisal model ID

Activities

1. User completes appraisal for employee
2. System triggers further processing
3. User chooses a planning period and an adjustment type
4. System branches into the *Maintain Compensation Adjustment* screen
5. User awards an adjustment and saves entries

Displaying a Compensation Adjustment

Procedure

7. Choose *Human Resources* → *Personnel Management* → *Compensation Management* → *Adjustments* → *Display*.

   The *Display Compensation Adjustment* screen appears.

8. Choose *Settings* → *Change planning period...* and enter a planning period.
9. Choose *Settings* → *Change adjustment reason...* and enter an adjustment reason.
10. Enter an adjustment type in the *Type* field of the *Overview* area.
11. Select an employee in the *Search area*

    For more information, see Using Search Functions [Page 17]

    The system displays the selected employee in the *Selection area*.

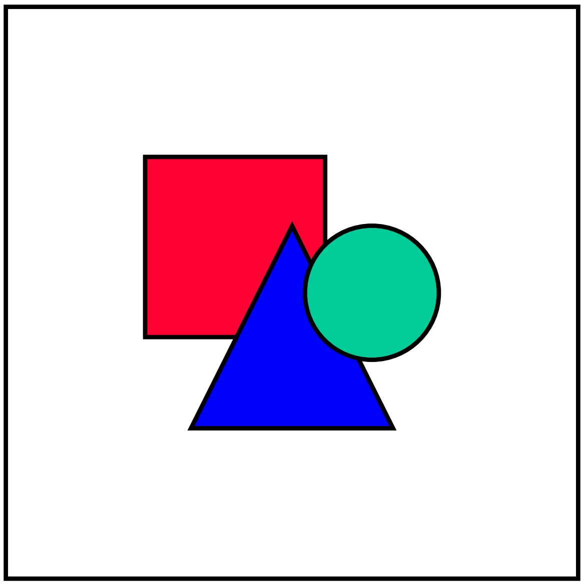
12. Select the person from the *Selection area* by double clicking on him/her.

    The system displays the compensation adjustments made for this employee in the *Overview area*.

Activate Adjustments

Purpose

This process includes all you need to do to submit your adjustments, have them approved, and activated, so that the adjustments are activated and have the status *active*, that is, the system automatically updates the employee records.



You can use workflow to approve and activate adjustments. For more information about using workflow to approve and activate adjustments, see *Activate Adjustments (PA-CM)* in the *Personnel Administration* Workflow Scenarios in the *Basis* Component.

Process Flow

1. Manager 1 maintains adjustments for the employees in his area of responsibility, saves the data and changes the status to *submitted.*
2. a. Manager 2 approves the submitted adjustments and activates them

   b. Manager 2 rejects the submitted adjustments and sends them back to manager 1 for amendments.

   The adjustments have either the status *approved* or *rejected.*
3. Steps 1 and 2 are repeated until the adjustments have the status *approved.*
4. Manager 2 activates the adjustments. The system updates the employee records.

Result

The adjustments are implemented and the system updates the employee records.

See also:

Approve and Activate Adjustments [Ext.]

Long-Term Incentives

Purpose

In today's rapidly changing corporate climate, keeping employees focused, motivated and efficient is becoming increasingly difficult. Not only do long-term incentives, such as stock awards, recognize an employee's performance but they also tie the employee's performance and therefore, their compensation to the performance of the organization.

Long-term incentives provide an answer to the retention challenges faced by organizations in today's competitive labor market as they usually require an employee to stay with the organization to receive the full benefits of these awards.

The Compensation Management *Long-Term Incentives* component provides you with the necessary toolset for granting and administering long-term incentives for your employees.

In brief, you can use this component to perform:

- Administer a variety of long-term incentives, including Incentive Stock Options (ISOs), Non-qualifying Stock Options (NQSOs), Performance Shares, Performance Units, and Restricted Stock.
- Handle a variety of vesting schedules
- Grant awards to eligible employees using guidelines
- Exercise stock options
- Handle life events, such as retirement, merger, employee termination
- Canceling Awards
- Forfeit awards due to life events
- Track long-term incentive awards at the employee level using the Awards Infotype 0382 [Page 90] record.

Implementation Considerations

Install this component if you want to grant and administer long-term incentives, for example, awards, stock options to your employees using an automated process that also enables you to use the eligibility and guideline capabilities provided by the *Compensation Administration* component.

See also:

Eligibility [Page 67]

Guidelines [Page 71]

Long-Term Incentive Administration [Page 91]

Long-Term Incentive Plans

Definition

Means by which the organization determines how many shares are available to be granted. This block of shares must first be approved by the shareholders. A long-term incentive plan can consist of several types of award, for example, you can have a long-term incentive plan that contains non-qualified stock options and performance units.

Use

You can use the long-term incentive plan to associate a fixed block of shares that has been approved by the shareholders, to a compensation component that is categorized as a long-term incentive.

You can also use the long-term incentive plan to track how many shares have been distributed to employees.

Structure

A long-term incentive plan includes the following attributes:

Attribute	Definition
Component	Classifies the plan
Validity Period	Determines the period for which the plan is valid
Number of shares approved	Determines how many shares the shareholders have allowed to be granted
Number of shares distributed	Determines how many of the shares have already been granted to employees

See also:

Long-Term Incentives (Distributed) Infotype 0382 [Page 90]

Long-Term Incentive Administration [Page 91]

Awards Infotype 0382

Definition

Means by which you can keep track of the number of awards granted to an employee together with the pricing information.

Use

The system automatically creates an infotype record for an employee once you have granted an employee shares under the award.

You should only use this infotype for information purposes. You should not create or change infotype records manually. You are also advised not to use this infotype for assigning awards.

Long-Term Incentives Administration

Purpose

This is the basic common process used by compensation departments to grant and administer long-term incentive awards. In this instance, we are assuming that no change events or life events occur.

Prerequisites

Before you start this long-term incentives administration process, you must have:

- Set up long-term incentive plans
- Defined award types and awards
- Set up and assigned eligibility rules and guidelines to determine who takes part and how many options are granted per employee.
- Defined change events, life events, vesting schedules, and exercise methods

Process Flow

You have set up your long-term incentive plan and have defined the necessary awards for the different award types.

1. Select an award and decide how you want to select your employees. For more information, see Employee Selection for Compensation [Ext.]
2. Grant the options to the eligible employees. You can use guidelines to determine how many options an employee receives based on pre-defined criteria such as performance, length of service, compa ratio, etc.
3. Change the number of options granted at the employee level and save your changes
4. The employee is now vested in the award and must wait until the vesting restrictions have lapsed before he/she can purchase the awards in which he/she is vested.
5. The vesting restrictions have lapsed and the awards can now be exercised, that is the employee can now purchase the awards.
6. The employee can now keep or sell the shares.

Result

When the awards are granted, the system creates an Awards Infotype 0382 [Page 90] record so that you can track the status of the grants and awards.

See also:

Long-Term Incentive Plans [Page 89]

Granting Awards [Ext.]

Exercising [Ext.]

Expiring/Forfeiting [Page 98]

Canceling Awards [Page 100]

Processing Life Events [Page 102]

Granting Awards

Use

Granting is the process of allocating or awarding long-term incentive awards, such as stock options, restricted stock, performance units to eligible employees.

Prerequisites

- There is an award available
- You have defined awards
- If you want to allocate the awards using guidelines, then you must define guidelines.
- If you want to restrict the allocation, then you must define eligibility rules

Procedure

1. Choose *Human Resources* → *Personnel Management* → *Compensation Management* → *Administration* → *Long-term Incentives* → *Granting* → *Change*.

   The *Change Award Granting* screen appears.

2. Choose *Settings* → *Change awards...*

   The *Determine Award* dialog box appears.

3. Select an award
4. Select an employee in the search area

   For more information, see Using Search Functions [Page 17]

   The system displays the selected employee in the *Selection area*.

5. Select the person from the *Selection area* by double clicking on him/her.

   The system displays the awards granted to this employee in the *Overview area*.

   If you want to process more than one employee at a time, select the employees in the Selection area.

6. If you want to use guidelines to distribute a particular number of shares/options, choose .

   If you want to apply guidelines to more than one employee, select more than one employee from the Selection area and choose *Edit* → *Apply guidelines*.

   The system distributes the shares/options according to the guidelines.

7. If you want to grant shares/options manually, you can do this on the *Overview screen* for each employee.

   Select an employee and enter the number of shares/options in the *Shares* field.

8. Save your entries

Result

You have granted awards to your employees. The system creates a Awards Infotype 0382 [Page 90] infotype record per award, so that you can track who was granted what and when and at what price. The employees must now wait until the vesting restrictions have lapsed before they can exercise their options.

See also:

Exercising Awards [Page 96]

Expiring/Forfeiting [Page 98]

Canceling Awards [Page 100]

Display Granted Awards

Use

This procedure enables you to display which awards have been granted to which employees.

Prerequisites

- There is an award available
- You have defined awards

Procedure

9. Choose *Human Resources* → *Personnel Management* → *Compensation Management* → *Administration* → *Long-term Incentives* → *Granting* → *Display*.

   The *Display Award Granting* screen appears.

10. Choose *Settings* → *Change awards...*

    The *Determine Award* dialog box appears.

11. Select an award
12. Select an employee in the search area

    For more information, see Using Search Functions [Page 17]

    The system displays the selected employee in the *Selection area*.

13. Select the person from the *Selection area* by double clicking on him/her.

    The system displays the awards granted to the employee in the *Overview area*.

Exercising Awards

Use

Exercising typically refers to stock options and is when an employee is allowed to purchase the options in which he/she is vested. Options are generally exercised at the discretion of the employee.

Prerequisites

- Options have been granted to the employee. For more information, see Granting Awards [Page 93]
- The vesting restrictions have lapsed and the waiting periods are over.

Procedure

1. Choose *Human Resources* → *Personnel Management* → *Compensation Management* → *Administration* → *Long-term Incentives* → *Exercising* → *Change*.

   The *Change Award Exercising* screen appears.

2. Choose *Settings* → *Change awards...*

   The *Determine Award* dialog box appears.

3. Select an award
4. Select an employee in the search area

   For more information, see Using Search Functions [Page 17]

   The system displays the selected employee in the *Selection area*.

5. Select the person from the *Selection area* by double clicking on him/her.

   The system displays the awards granted to this employee in the *Overview area*.

   If several awards have been granted to an employee, the system displays them in a table. Double-click on the granting whose exercising data you wish to change.

6. In the Overview area, enter a date and the number of shares that the employee wants to exercise
7. Enter the fair market value of the shares and the exercise method that the employee wants to use

   If integration with *Treasury* is active, the system displays the fair market value taken from *Treasury*.

8. Save your entries.

Result

The employees have now exercised options in which they were vested.

Display Exercised Awards

Use

Allows you to display which employees have been granted which awards and how many of those awards he/she has exercised.

Prerequisites

Options have been granted to the employee. For more information, see Granting Awards [Page 93]

Procedure

9. Choose *Human Resources* → *Personnel Management* → *Compensation Management* → *Administration* → *Long-term Incentives* → *Exercising* → *Display*.

   The *Display Award Exercising* screen appears.

10. Choose *Settings* → *Change awards...*

    The *Determine Award* dialog box appears.

11. Select an award

12. Select an employee in the search area

    For more information, see Using Search Functions [Page 17]

    The system displays the selected employee in the *Selection area*.

13. Select the person from the *Selection area* by double clicking on him/her.

    The system displays the awards exercised by this employee in the *Overview area*.

Expiring/Forfeiting

Use

Expiring typically refers to stock options. An option is said to have expired when an employee fails to exercise the stock options before the expiration date which is defined as the end of the award term.

Forfeiting is the result of employee giving up the right to exercise his/her options. Forfeiture most commonly occurs under the following circumstances:

- The organization terminates the employee's work contract
- The employee gives notice
- The employee retires
- The employee becomes disabled
- The employee dies

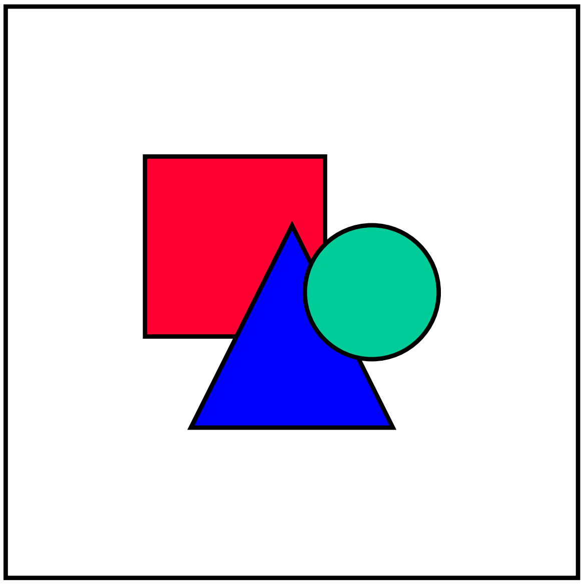
Prerequisites

Options must have been granted to the employees. For more information, see Granting Awards [Ext.]

Procedure

1. On the *Compensation Management* screen, choose *Administration* → *Long-term incentives* → *Expiring/Forfeiting*
   The *Grants Expired and Forfeited* screen appears.
2. Enter a selection period

   All awards granted between January 1 1999 and March 31 1999 that have not been exercised, expire.



The selection period must be in the past.

3. Enter an award and choose
   The system displays a list of all the employees that were granted awards in the selection period together with the total numbers of shares that were granted and the number of shares that will expire or be forfeited
4. Choose

Result

The shares have expired or are forfeited. The system subtracts these shares from the total number of shares distributed in the long-term incentive plan. These shares can now be granted anew.

Canceling Awards

Use

An award is canceled when, for example, new options or restricted shares are issued or exchanged, or when a company undergoes a merger. In this instance, the company's options may be canceled and replaced with the options or other long-term incentives issued by the successor company.

Prerequisites

Options must have been granted to the employees. For more information, see Granting Awards [Ext.]

Procedure

1. On the Compensation Management screen, choose *Administration* → *Long-term incentives* → *Canceling*
   The Award Cancellation screen appears.
2. Enter an award
3. Enter a cancellation date

   All options issued under the Stock Plan 1 award will be canceled on March 31 1999.

   The cancellation date must be in the past.
4. Decide whether you want to cancel both the unvested and vested shares or whether you just want to cancel unvested shares and choose
   The system displays a list of all the employees that were granted the award chosen, together with the number of shares granted, the number of shares exercised and the number of shares to be canceled.
5. Choose

Result

The shares/options are canceled. The system subtracts these shares from the total number of shares distributed in the long-term incentive plan. These shares can now be granted anew.

The system sets the cancellation indicator for this award. If you only decided to cancel the unvested shares, then the system splits the Awards Infotype 0382 [Page 90] record into two records, so that one record exists for the shares that have been granted and vested and which can still be exercised and the other record is for the unvested shares which is delimited as of the cancellation date.

Life Events

Definition

Means by which you can change an award's vesting schedule, or forfeit an award as a result of an incident involving the employee (for example, change in family status, death, retirement, etc.) or the organization (for example, merger).

Structure

A life event can either be an employee event which affects a particular employee or it can be a corporate event which then affects all the employees in the organization.

See also:

Processing Life Events [Page 102]

Processing Life Events

Use

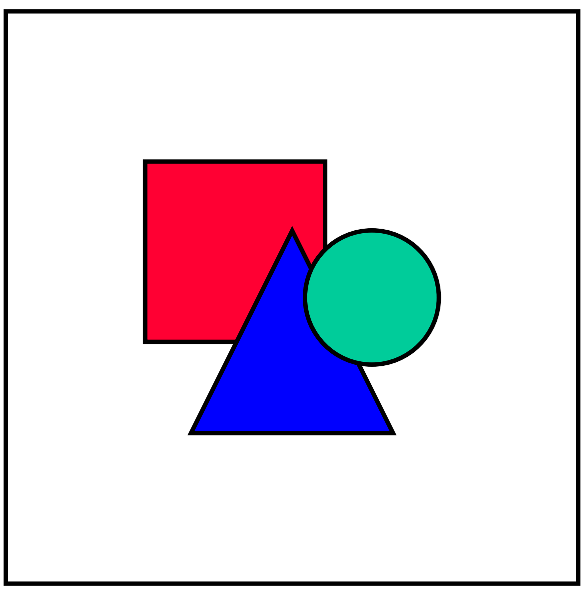
Many awards have vesting schedules that change as a result of a pre-defined life event occurring. For example, unvested shares vest immediately, all or a portion of the shares become immediately exercisable, etc.

Prerequisites

- Options must have been granted to the employees.
- Life events have been defined
- Life event vesting has been set up

Procedure

1. On the *Compensation Management* screen, choose *Administration* → *Long-term incentives* → *Life events*
   The *Life Events for Long Term Incentives* screen appears.
2. Enter the date on which the life event occurred
3. Enter the event type

   If you select an employee event, you must also enter the employee's personnel number
4. Choose 
5. If you selected an employee event, the system displays the following information:

- Name of employee
- Award
- Grant date

- Number of shares granted
- The effect that the life event has had on the vesting schedule of the award
- If a new vesting rule takes effect, then the system displays the new term of the award as of the date of the life event and the original term of the award

6. If you selected a corporate event, the system lists all the employees that have been granted awards that are affected by this particular life event, together with the following information:

- Grant date
- Number of shares granted
- The effect that the life event has had on the vesting schedule of the award
- If a new vesting rule takes effect, then the system displays the new term of the award as of the date of the life event and the original term of the award

7. Choose

Result

If the life event results in the awards being forfeited, then the system forfeits the awards and subtracts the number of shares forfeited from the total number of shares distributed in the long-term incentive plan.

If the life event changed the vesting schedule, then the new vesting rules take effect as of the life event date.

See also:

Life Events [Page 101]

Pay scale changes

Purpose

The *Pay Scale Changes* component provides a toolset for handling pay scale reclassifications and pay increases that reflect the terms and conditions laid down by the collective bargaining agreement prevalent in your organization.

In brief, you can use this component to perform:

- Automatic pay scale reclassifications based on an employee's age, or length of service, or length of time in a particular pay scale group and level
- Automatic pay scale reclassifications based on hours worked
- Automatic pay increases

Integration

To perform automatic pay scale reclassifications based on hours worked, you must install the *Time Evaluation* component and have set up your time evaluation schema.

See also:

Display Pay Scale Structure [Page 122]

Time Spent in Pay Scale Group/Level [Page 115]

Defaults for Pay Scale Reclassification [Page 113]

Display Pay Scale Structure (Report RHPAYSC0)

Use

This report displays the pay scale groups in your organization.

Prerequisites

Pay scales must exist.

Features

Selection

By making an entry under *Further selection*, you specify which pay scale groups you wish to display. You can enter a particular country grouping, for example, In so doing, you can display pay scale groups for the individual countries in which your company has subsidiaries.

Output

This report lists the pay scale groups in a table together with the following data per pay scale group:

- Pay scale type and area
- Grouping for collective agreement provision
- Pay scale level
- Amount
- Currency and unit of time

Time Spent in Pay Scale Group/Level (Report RPLTRF00)

Use

This report displays the pay scale classification together with the length of time spent in the pay scale group/level per employee.

Integration

If your collective agreement stipulates that an employee is moved into a different pay scale group or level on reaching a certain age or after spending a specified amount of time in his/her current pay scale group or level, then you can run the Defaults for Pay Scale Reclassification [Page 113] report (RPLTRF10) to display suggestions for the pay scale reclassification for individual employees.

If you want the system to automatically reclassify your employees once they have reached a certain age or once they have spent a specified amount of time in a pay scale group or level, then you can use the Pay Scale Reclassification According to Age and/or Time Spent in Pay Scale (RPITUM00) to do this.

Prerequisites

The relevant employees must be assigned to a pay scale structure. The employees cannot be directly valuated nor can they be assigned to a pay scale structure.

A valid Basic Pay infotype record (0008) must exist for the relevant employees.

Features

Selection

By making entries under *Selection* and *Further selections* you can determine which employees' pay scale data is displayed.

Output

This report displays the names of the employees in a table together with the following data per employee:

- Personnel number
- Pay scale type, area, group and level
- Date as of which the employee has been in the current classification
- Length of time spent in the current pay scale group or level in years and months

This data is taken from the Basic Pay infotype (0008).

If errors occur, you can also display an error list for each of the employees. To display the error list, choose *List* → *Display error list*.

Defaults for Pay Scale Reclassification (Report RPLTRF10)

Use

This report displays the next standard pay scale reclassification for individual employees. You can use this report to determine whether you have forgotten to reclassify an employee or to determine when and who is due for a reclassification.

Integration

If your collective agreement stipulates that an employee is moved into a different pay scale group or level on reaching a certain age or after spending a specified amount of time in his/her current pay scale group or level, then you can run the Time Spent in Pay Scale Group/Level [Page 115] report (RPLTRF00) to display the current pay scale classification of your employees as well as the length of time spent in the pay scale group or level.

If you want the system to automatically reclassify your employees once they have reached a certain age or once they have spent a specified amount of time in a pay scale group or level, then you can use the Pay Scale Reclassification According to Age and/or Time Spent in Pay Scale (RPITUM00) to do this.

Prerequisites

The relevant employees must be assigned to a pay scale structure. These employees cannot be directly valuated nor can they be assigned to a pay grade structure.

These employees are in a pay scale grouping that is defined as being relevant for automatic reclassification. For more information on how to set up automatic pay scale reclassifications, see Pay Scale Changes in the Compensation Management or the Personnel Administration Implementation Guide.

Features

Selection

By making entries under *Period, Selection* and *Further selections* you can determine which employees' pay scale reclassification is displayed.

Output

This report displays the names of the employees in a table together with the following data per employee:

- Personnel number
- Social insurance or tax number
- Pay scale type, area, group and level
- Period of current classification
- New pay scale group and level
- Period of new classification

Defaults for Pay Scale Reclassification (Report RPLTRF10)

This data is taken from the Basic Pay infotype (0008).

This report only specifies a suggestion for reclassification if the date of the next standard pay scale reclassification lies within the validity period of the corresponding pay scale group or level.

You can also display an error list for each of the employees. To display the error list, choose *List* → *Display error list*.

Reports in Compensation Management

Use

Numerous standard reports are available in *Compensation Management*. Using these reports, you can carry out statistical evaluations which access employees' compensation data, the pay scale/pay grade structure of your company or data from external salary surveys.

Features

You can execute the following standard reports in the *Compensation Management* infosystem.

- Reports relating to employees' compensation data

  Total Compensation Statement [Page 111]

  Total Compensation Statement – Mass Printing [Page 112]

  Defaults for Pay Scale Reclassification [Page 113]

  Time Spent in Pay Scale Group/Level [Page 115]

  Compa Ratio [Page 116]

  Compare Actual Base Salaries with Planned Compensation [Page 118]

- Reports relating to the pay scale/pay grade structure

  Pay Grade Structure for Jobs [Page 120]

  Displaying Pay Grade Structure [Page 121]

  Display Pay Scale Structure [Page 122]

  Planned Labor Costs [Page 123]

- Reports relating to salary surveys

  Data Extraction for Participation in Salary Surveys [Page 125]

  Hay PayNet: Data Extraction for Participation in Salary Surveys [Page 128]

You can also create your own reports in addition to these. The generic reporting tool in *Human Resources* is available for this purpose. For more information on how to create reports, see the Human Resources Information System documentation under HR in the Infoset Query [Ext.].

Activities

To execute the standard reports from the *SAP Easy Access* menu, choose

- *SAP Menu → Human Resources → Personnel Management → Compensation Management → Infosystem → Reports*
- *SAP Menu → Infosystems → Human Resources → Reports → Personnel Management → Compensation Management*
- *SAP Menu → Human Resources → Information System → Reports → Personnel Management → Compensation Management*

Employee Compensation Data

Use

Using these reports, you can report on employees' compensation data.

You can display, for example, how long the employee has been at his or her pay scale level. This will help you to decide which pay level to move the employee to. You can display suggestions as to which pay scale level to move the employee to.

You can also display the employee's compa-ratio within the salary band. You can compare the employee's actual base salary and the planned compensation assigned to the employee's job or position.

Total Compensation Statement

Use

This report enables you to display *Total Compensation Statements* for individual employees in your company.

Prerequisites

- The *Total Compensation Statement* is set up in the *Compensation Management* IMG.
- You have installed the *Adobe Acrobat ® Reader*.

Features

Selection

Select an employee using the *Object manager* search functions and enter a date and period for the *Total Compensation Statement*.

Output

The report displays the selected employee's *Total Compensation Statement*.

Activities

Displaying an Employee's Total Compensation Statement

1. Choose *Settings → Date and preview period...*

   The *Specify date and preview period* dialog box appears.

2. Enter a *start date* and a *period* or an *end date*.
3. Choose *Execute*.
4. Select an employee in the *Search area*

   For more information, see Using Search Functions [Page 17]

5. Select the person from the *Selection area* by double clicking on him/her.

   The system displays this employee's *Total Compensation Statement* in the *Overview area*.

Displaying an Error List

1. Select several employees.
2. Choose *Goto → Error list*.

Printing the Total Compensation Statement

1. Select one or more employees.
2. Choose *Total Compensation Statement → Print*.

Total Compensation Statement – Mass Printing (Report RHCMPTCS_PRINT)

Use

Using this report, you can print out *Total Compensation Statements* for several employees so that you can send individually by mail. The report is intended to enable you to print a very large number of *Total Compensation Statements*.

Prerequisites

The *Total Compensation Statement* is set up in the *Compensation Management* IMG.

Features

Selection

Select a period for the *Total Compensation Statement* and an employee for whom you wish to print the *Total Compensation Statement*.

We recommend that you carry out a test run of the report by selecting the *Test run with error log* field. By doing this, you avoid the risk of printing out the *Total Compensation Statement* with incorrect information.

You can also execute the report in the background, as it can take a very long time. To do this, choose *System* → *Services* → *Jobs* → *Job Definition*.

Output

The report prints out *Total Compensation Statements* for the selected employees.

If you executed a test run of the report in which errors occurred, the system displays an error log. You can correct the errors and restart the report.

Defaults for Pay Scale Reclassification (Report RPLTRF10)

Use

This report displays the next standard pay scale reclassification for individual employees. You can use this report to determine whether you have forgotten to reclassify an employee or to determine when and who is due for a reclassification.

Integration

If your collective agreement stipulates that an employee is moved into a different pay scale group or level on reaching a certain age or after spending a specified amount of time in his/her current pay scale group or level, then you can run the Time Spent in Pay Scale Group/Level [Page 115] report (RPLTRF00) to display the current pay scale classification of your employees as well as the length of time spent in the pay scale group or level.

If you want the system to automatically reclassify your employees once they have reached a certain age or once they have spent a specified amount of time in a pay scale group or level, then you can use the Pay Scale Reclassification According to Age and/or Time Spent in Pay Scale (RPITUM00) to do this.

Prerequisites

The relevant employees must be assigned to a pay scale structure. These employees cannot be directly valuated nor can they be assigned to a pay grade structure.

These employees are in a pay scale grouping that is defined as being relevant for automatic reclassification. For more information on how to set up automatic pay scale reclassifications, see Pay Scale Changes in the Compensation Management or the Personnel Administration Implementation Guide.

Features

Selection

By making entries under *Period, Selection* and *Further selections* you can determine which employees' pay scale reclassification is displayed.

Output

This report displays the names of the employees in a table together with the following data per employee:

- Personnel number
- Social insurance or tax number
- Pay scale type, area, group and level
- Period of current classification
- New pay scale group and level
- Period of new classification

Defaults for Pay Scale Reclassification (Report RPLTRF10)

This data is taken from the Basic Pay infotype (0008).

This report only specifies a suggestion for reclassification if the date of the next standard pay scale reclassification lies within the validity period of the corresponding pay scale group or level.

You can also display an error list for each of the employees. To display the error list, choose *List* → *Display error list*.

Time Spent in Pay Scale Group/Level (Report RPLTRF00)

Use

This report displays the pay scale classification together with the length of time spent in the pay scale group/level per employee.

Integration

If your collective agreement stipulates that an employee is moved into a different pay scale group or level on reaching a certain age or after spending a specified amount of time in his/her current pay scale group or level, then you can run the Defaults for Pay Scale Reclassification [Page 113] report (RPLTRF10) to display suggestions for the pay scale reclassification for individual employees.

If you want the system to automatically reclassify your employees once they have reached a certain age or once they have spent a specified amount of time in a pay scale group or level, then you can use the Pay Scale Reclassification According to Age and/or Time Spent in Pay Scale (RPITUM00) to do this.

Prerequisites

The relevant employees must be assigned to a pay scale structure. The employees cannot be directly valuated nor can they be assigned to a pay scale structure.

A valid Basic Pay infotype record (0008) must exist for the relevant employees.

Features

Selection

By making entries under *Selection* and *Further selections* you can determine which employees' pay scale data is displayed.

Output

This report displays the names of the employees in a table together with the following data per employee:

- Personnel number
- Pay scale type, area, group and level
- Date as of which the employee has been in the current classification
- Length of time spent in the current pay scale group or level in years and months

This data is taken from the Basic Pay infotype (0008).

If errors occur, you can also display an error list for each of the employees. To display the error list, choose *List* → *Display error list*.

Compa-Ratios (Report RHCMPR0)

Use

You can use this report to calculate the compa-ratio, that is where individual employees sit in their respective salary bands. You can then use the compa-ratio to check to see whether your employees' salaries are still within the salary band or whether in individual cases, an employee needs to receive a salary adjustment or be moved into a different pay grade or level.

Prerequisites

The relevant employees and their salaries must be assigned to a pay grade structure (not pay scale structure).

A valid Basic Pay [Ext.] infotype record (0008) must exist for the relevant employees.

Features

Selection

You can either use the *Selection* or *Further selections* functions to select the employees or you can choose *Org. structure.* If you want to select your employees via the organizational structure, then you must enter a root organizational unit. The system then selects all the employees from this organizational unit and all its subordinate organizational units.

The system calculates an employee's compa-ratio by taking an employee's base or annual salary and comparing it to the midpoint of the salary band or level. The system takes the employee's capacity utilization level into account.

Compa-ratio = (100/employment level) * (Basic salary or annual salary/midpoint)

Whether the system uses the midpoint of the pay grade group or the reference value to calculate the compa-ratio depends on the settings you make in the Implementation Guide (IMG) for *Compensation Management* under *Set System Parameters* for the *CRCAL* switch.

Whether the system uses the base salary or the annual salary to calculate the compa-ratio depends on the settings you make in the Implementation Guide (IMG) for *Compensation Management* under *Set System Parameters* for the *CRSAL* switch.

Whether the system uses the midpoint of the pay grade group or level to calculate the compa-ratio depends on the settings you make in the Implementation Guide (IMG) for *Compensation Management* under *Set System Parameters* for the *CRVAR* switch.

Output

The report lists the names of the employees in table together with the following data per employee:

- Country grouping
- Pay scale type, area, group and level
- Midpoint of pay grade or level

- Basic or annual salary
- Compa-ratio

You can also display an *error list* for each of the employees. To display the error list, choose *List → Display error list*.

Comparing Actual Basic Salaries and Planned Compensation

Use

You can use this report to compare the actual base salary that an employee receives, that is the salary entered in an employee's Basic Pay infotype (0008) record and the planned compensation assigned to the job or position in the Planned Compensation infotype (1005) record.

Prerequisites

A Basic Pay infotype [Ext.] (0008) record must exist for the relevant employees and a Planned Compensation infotype [Page 22] (1005) record must exist for the jobs or positions held by the employees.

Features

Selection

You can either use the *Selection* or *Further selections* functions to select the employees or you can choose *Org. structure.* If you want to select your employees via the organizational structure, then you must enter a root organizational unit. The system then selects all the employees from this organizational unit and all its subordinate organizational units.

Output

This report displays the names of the selected employees in a table along with the following data per employee:

- Actual base salary and where they are in the pay scale or pay grade structure.

  This data is taken from the Basic Pay infotype (0008).

- Position's planned compensation. If the system cannot find any planned compensation data for the position, then it displays the planned compensation data for the job.

  This data is taken from the Planned Compensation infotype (1005)

If errors occur, you can also display an error list for each of the employees. To display the error list, choose *List* → *Display error list*.

See also:

Planned Compensation Infotype (1005) [Page 22]

Pay Structure

Use

Using these reports, you can display the pay structure for your company or for particular areas of your company.

You can also display planned compensation for the positions and jobs in your company.

Salary Structure for Jobs (Report RHCMPJOBPLCOMP)

Use

This report lists the planned compensation amounts assigned to jobs.

Prerequisites

A Planned Compensation [Page 22] infotype (1005) record must exist for the jobs. The planned compensation for the jobs is assigned to a salary structure.

Features

Selection

You can either run this report for **all** the jobs in your organization or just for the jobs in an organizational unit. If you want to run this report for a particular organizational unit, enter the root organizational unit. The system then searches for all the jobs for the positions in this organizational unit and all subordinate organizational units.

Output

The report lists the names of the jobs in a table together with the following information per job:

- Country grouping
- Pay grade type and area
- Pay grade group
- Lowest and highest pay grade level per pay grade
- Reference salary of pay grade
- Minimum and maximum salary paid in a pay grade level

The currency and unit of time are the same for each job and correspond to the values that you entered on the report selection screen. If the jobs have different currencies and different units of time in their respective Planned Compensation infotype (1005) records, the system converts the values so that all the jobs have the same currency and unit of time so that you can compare them.

Activities

By clicking on the job names in the list, you can branch into the infotype maintenance for the jobs and maintain the following data:

- Evaluation – Job Evaluation Results infotype (1050) [Page 24]
- Survey data – Survey Results infotype (1051) [Page 25]
- Planned Compensation – Planned Compensation infotype (1005) [Page 22]
- Description – Description infotype (1002) [Ext.]

Display Pay Grade Structure (Report RPLCMP01)

Use

This report displays the pay grades and levels in your organization.

Prerequisites

Pay grades and levels must exist.

Features

Selection

By making an entry under *Further selection*, you specify which pay grade groups you wish to display. You can enter a particular country grouping, for example, In so doing, you can display pay grade groups for the individual countries in which your company has subsidiaries.

Output

This report displays pay grades. This information is organized according to country grouping, pay grade type and pay grade area. The following data is also output:

- Reference salary of the pay grade (table T710A)
- Minimum and maximum salary of the pay grade levels (T710A)
- Currency and unit of time (T710A)

Activities

In the output table, you can display the following additional data by changing the display variant:

- Midpoint of the pay grade (table T710)

  (Total of the minimum + maximum divided by 2) = (minimum + maximum) / 2

- Range of the pay grade (table T710)

  (Difference between minimum value and the midpoint as a percentage of the midpoint)

  = ((maximum – minimum) / midpoint) * 100

- Differential (level n) of pay grade level (table T710)

  (Difference from the next lowest level as a percentage of the current average. This remains empty for the lowest pay grade level).

  = (Average(n) – (Average(n-1) / Average(n) * 100

Display Pay Scale Structure (Report RHPAYSC0)

Use

This report displays the pay scale groups in your organization.

Prerequisites

Pay scales must exist.

Features

Selection

By making an entry under *Further selection*, you specify which pay scale groups you wish to display. You can enter a particular country grouping, for example, In so doing, you can display pay scale groups for the individual countries in which your company has subsidiaries.

Output

This report lists the pay scale groups in a table together with the following data per pay scale group:

- Pay scale type and area
- Grouping for collective agreement provision
- Pay scale level
- Amount
- Currency and unit of time

Planned Labor Costs (Report RHXSOLO0)

Use

This report calculates the planned compensation per position for one or several organizational units.

Integration

If you want to use selection criteria, you can navigate to the detailed Planned Labor Costs [Ext.] report, by selecting the *Standard selection screen* field and choosing *Execute*. This detailed report enables you to, amongst other things, select a different evaluation path which includes jobs and transfers the amount from the job, if there is no planned compensation amount maintained for the position.

Prerequisites

A Planned Compensation [Page 22] infotype (1005) record must exist for the positions or at least for the jobs in the organizational units.

Features

Selection

Enter one or several root organizational units. The system selects all the positions from these organizational units and their subordinate organizational units.

Output

The report provides you with a list of planned compensation amounts per position together with the position's organizational unit.

If the system does not find a Planned Compensation infotype (1005) record for the positions using the standard evaluation path, then this report does not display an amount.

When you exit the list display, the system displays the error log, if an error has occurred.

Activities

In the output list, you can double click on the position text or on the job text to branch into the infotype maintenance for these positions or jobs.

Salary Surveys

Use

Using these reports, you can gather information available in the R/3 system on salary survey providers in general, or for the Hay Group in particular and participate in their salary surveys.

Once you have gathered all the necessary data, you can correlate it into a list or table. You can then download this information and send it to the salary survey providers.

Data Extractor for Salary Surveys(Query SALSURVEY_EXT)

Use

This report enables you to collect data available in the R/3 System for providers of salary surveys and take part in their salary surveys.

Once you have gathered all the necessary data, you can correlate it into a list or table. You can then download this information and send it to the salary survey providers.

This query is assigned to the *HR: Compensation Management* (/SAPQUERY/H0) user group within the *Global Area*.

Prerequisites

To provide the salary survey providers with as much information as possible, the following data needs to be available in the system:

- Job Evaluation Results Infotype (1050) [Page 24] record per job
- Survey Results Infotype (1051) [Page 25] record per job
- Planned Compensation Infotype (1005) [Page 22] record per job
- Job codes and survey data per survey
- Address infotype (1028) [Ext.] record at the position
- Pay grades and levels

Features

Selection

Your entries under *Period, Selection* and *Program Selections* determine the employee for which you want to gather salary data.

Output

The report outputs the following data:

Column	Definition
Organizational unit	Is the internal code that identifies the organizational unit
Organizational unit text	Is the name of the organizational unit, for example, Human Resources Department
Job ID	Is the internal code that identifies the job
Job name	Is the name of the job, for example, Market Researcher
Job code from survey	Is the code given to the job by the survey. Is the means of linking the jobs in the SAP R/3 System to those listed in the survey
Name of job from survey	Is the name given to the job in the survey

Data Extractor for Salary Surveys(Query SALSURVEY_EXT)

Average salary from survey	Average salary to be paid for this job, which you specified in *Compensation Management* Customizing under *Basic Settings* → *Define System Settings*.
Currency key	Currency of average salary
Unit of time for compensation	Identifies whether this amount is a monthly, weekly, annually, etc. paid amount
Evaluation points	Represents the number of evaluation points that have been assigned to the job in the Job Evaluation Results infotype (1050)
Benchmark job	Specifies whether job is a Benchmark job [Ext.]
Number of employees	Specifies the number of incumbents (employees) that hold the job being reported
Personnel number	Represents the unique identifier for each incumbent (employee) reported
Previous year's annual salary from survey	Annual salary which was paid for job last year, based on salary survey.
Currency key	Currency of previous year's salary.
Current salary from salary survey	Annual salary paid for job in current year, based on salary survey.
Currency key	Currency of current annual salary.
Minimum of pay grade	Represents the minimum amount paid for a particular pay grade
Currency key	Currency of minimum of pay grade.
Unit of time for amount	Identifies whether this amount is a monthly, weekly, or annual, etc. amount
Midpoint of pay grade	Midpoint between the lowest amount in the pay grade and the highest.
Currency key	Currency of the midpoint of the pay grade.
Unit of time for amount	Identifies whether this amount is a monthly, weekly, or annual, etc. amount
Maximum of pay grade	Represents the maximum amount paid for a particular pay grade
Currency key	Currency of maximum of pay grade.
Unit of time for amount	Identifies whether this amount is a monthly, weekly, or annual, etc. amount

Total incentives paid in a given period	Represents the total of all the payments recorded in the Additional Payments infotype (0015) in a given period of time. You can specify this period when you configure your system. For information on how to set this parameter, in Customizing choose *Personnel Management* → *Compensation Management* → *Basic Settings* → *Set System Parameters* and refer to the documentation for the switch PCOMP SSINT. If you did not specify a period in Customizing, the system determines a period of a year from the date you entered on the selection screen. For example, if you entered May 12 1999, the system would define the period as May 12 1998 to May 11 1999.
Currency key	Currency of the sum of all premiums
City	Is the name of the city in which the incumbent's place of work is located
Postal code	Identifies where the incumbent's place of work is located
Country	Identifies the country in which the incumbent's place of work in located

Activities

1. The user starts the relevant query.
2. The system gathers all the data and outputs it in a list
3. The user determines how he/she wants to display the information by choosing one of the display options
4. The user can now download and send the information to the salary survey provider

See also:

Hay PayNet: Data Extraction for Participation in Salary Surveys (Query SALSURVEY_HAY) [Page 128]

Hay PayNet: Data Extraction for Salary Surveys (SALSURVEY_HAY)

Use

This report enables you to collect data available in the R/3 System for the Hay Group (providers of salary surveys) and take part in their salary surveys.

Once you have gathered all the necessary data, you can correlate it into a list or table. You can then download this information and send it to the salary survey providers.

This query is assigned to the *HR: Compensation Management* (/SAPQUERY/H0) user group within the *Global Area*.

Prerequisites

To provide the salary survey providers with as much information as possible, the following data needs to be available in the system:

- Job Evaluation Results Infotype (1050) [Page 24] record per job
- Survey Results Infotype (1051) [Page 25] record per job
- Planned Compensation Infotype (1005) [Page 22] record per job
- Job codes and survey data per survey
- Address infotype (1028) [Ext.] record at the position
- Pay grades and levels

Features

Selection

Your entries under *Period, Selection* and *Program Selections* determine the employee for which you want to gather salary data.

Output

The report outputs the following data:

Column	Definition
Organizational unit	Is the internal code that identifies the organizational unit
Job ID	Is the internal code that identifies the job
Job name	Is the name of the job
Job code from survey	Specimen job from Hay Paynet® survey catalog. Assign the job to the specimen job.

Hay match level	Identifies the level of the match between your organization's job and the Hay Model Job. This information is not available in the SAP R/3 System and must be entered manually. The system displays NP (not provided) in the output.
Hay job family number	Identifies the Hay job family for jobs that you could not match to a specific model job. This information is not available in the SAP R/3 System
Hay discipline code	Further identifies your professional/managerial positions in the Engineering family. This information is not available in the SAP R/3 System
Personnel number	Represents the unique identifier for each incumbent (employee) reported
Postal code	Identifies where the incumbent's place of work is located
Number of employees	Specifies the number of incumbents that hold the job being reported
Evaluation points	Represents the number of evaluation points that have been assigned to the job in the Job Evaluation Results infotype (1050)
Midpoint of pay grade	Midpoint between the lowest amount in the pay grade and the highest.
Currency key	Currency of the midpoint of the pay grade.
Annual salary from salary survey	Annual salary paid for the job based on the salary survey.
Currency key	Currency of annual salary from survey
Total incentives paid in a given period	Represents the total of all the payments recorded in the Additional Payments infotype (0015) in a given period of time. You can specify this period when you configure your system. For information on how to set this parameter, in Customizing choose *Personnel Management* → *Compensation Management* → *Basic Settings* → *Set System Parameters* and refer to the documentation for the switch PCOMP SSINT. If you did not specify a period in Customizing, the system determines a period of a year from the date you entered on the selection screen. For example, if you entered May 12 1999, the system would define the period as May 12 1998 to May 11 1999.
Currency key	Currency of the sum of all premiums

Activities

1. The user starts the relevant query.

Hay PayNet: Data Extraction for Salary Surveys (SALSURVEY_HAY)

2. The system gathers all the data and outputs it in a list
3. The user determines how he/she wants to display the information by choosing one of the display options
4. The user can now download and send the information to the salary survey provider

See also:

General Salary Survey Data Extractor (Query SALSURVEY_EXT) [Page 125]

ESS Services in Compensation Management

Executing Salary Surveys

1. Enter a key date for internal salary data.
2. Select a benchmark job, a survey provider and a survey country.
3. Choose *Display Job Information.*

   A screen containing information on the benchmark job you selected appears.
4. Choose the link to the survey provider.

   If the survey provider has a corresponding job which has been assigned to the SAP system, the link leads directly to this job.

   If no job has been assigned, select the survey provider and a job.
5. Select the market criteria you require and transfer the data to the SAP system.

   A screen appears displaying salary data for the internal benchmark job (calculated in the same currency as the currency used for the survey results) along with the survey results.

   If there was no assignment to an external job, and you selected the job yourself from the survey provider, you can save this assignment in the SAP system by choosing *Enter external job number in SAP system*.

   All employees assigned to the benchmark job via positions are also displayed.
6. In the *Calculate variation according to salary segment*, select a segment and choose *Recalculate*.

Displaying a Total Compensation Statement

Enter a period for the Total Compensation Statement and choose *Refresh*.

The system displays your personal Total Compensation Statement for the period selected.

Exercising Awards

For One Granting

1. Enter an exercising date or use the current date which appears as a default.
2. Enter the number of awards you wish to exercise.
3. Select an exercising method.
4. Choose *Save exercise.*

For More than One Granting

1. Select an award

   A screen appears in which you can enter exercising data.
2. Enter an exercising date or use the current date which appears as a default.
3. Enter the number of awards you wish to exercise.
4. Select an exercising method.
5. Choose *Save exercise.*