IBM® Kenexa® CompAnalyst® on Cloud

Salary Planning Guide

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Chapter 1: Introduction

Topics:

Overview

CompAnalyst lets you eliminate risk, reduce costs, and increase your efficiency through its leading on-demand market pricing and pay analytics capabilities contained in one integrated system. Designed by Certified Compensation Professionals, CompAnalyst combines the intelligence you need with the productivity you want—all in a single, Web-based system.

You can combine CompAnalyst's flexible, on-demand modules to:

- Automate your market-pricing processes using your third party compensation surveys or Kenexa.com's single source of employer-reported data.
- Seamlessly develop market prices using your own third party compensation surveys by centralizing survey data in a shared, online repository.
- Simplify cumbersome survey participation processes.
- Quickly assess pay program competitiveness and internal equity, and combine data on employees, jobs, salary structures and market prices into a single report.
- Easily analyze and model internal pay structures against market rates and evaluate various cost scenarios.
- Model the cost of performance-based merit increase programs with ease.

CompAnalyst also provides a setup module for user, tasks, and GUI management. Using CompAnalyst is like having a compensation consultant dedicated exclusively to your organization.

About this guide

This guide is intended for compensation analysts and anyone who has to use the merit modeling feature to model the cost of performance-based merit increase programs. It contains the following chapters:

Chapter 1: Introduction

Describes the contents and structure of this guide, document conventions, additional sources of information about the CompAnalyst application, and application and browser recommendations.

Chapter 2: Creating a new merit matrix

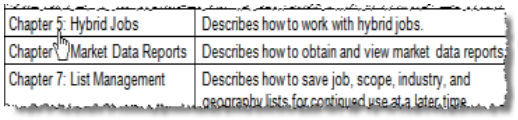
Describes how to create a new merit matrix and compare matrices.

Index

Provides an alphabetical listing of topics in this guide.

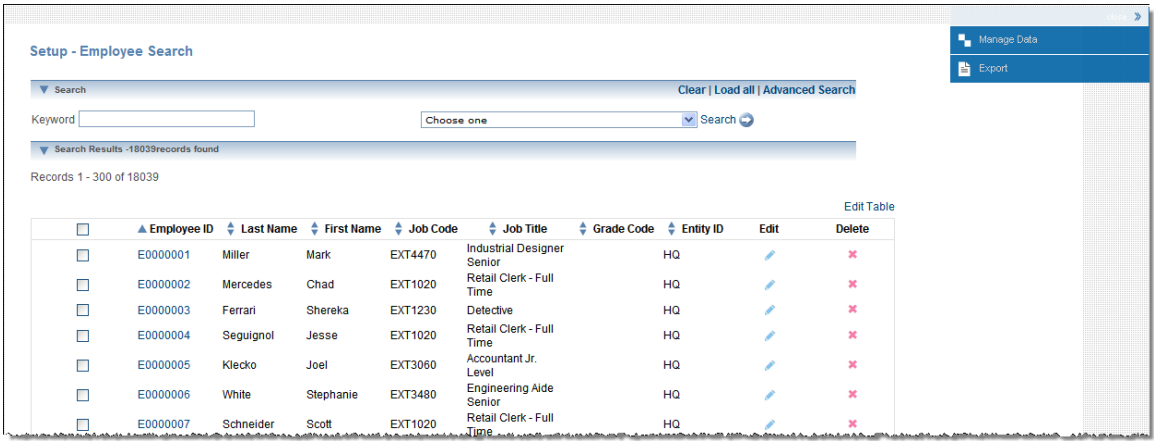
Document conventions

This guide uses the following document conventions.

Item	Convention	Example
Book titles	Title capitalization in italic.	*CompAnalyst User's Guide*
Chapter titles	Title capitalization in quotation marks.	See "Chapter 6: Market Data Reports."
Commands on menus and buttons	Bold in procedures with capitalization following that of the user interface.	Press **Submit**.
Emphasis	Bold	**Do not** press this button.
Linked text	Body text. Hand icon appears when Shift key is pressed on the text. Used in the Table of Contents, and chapter and topic references and cross-references.	

Sample data

This guide uses fictitious employee and user information in sample screens for example purposes only. The information does not reflect actual data.



Depending on the user interface theme selected to display CompAnalyst, the screens you see on your computer may appear different from the sample screens shown in this guide.

More information about CompAnalyst

The following table lists additional sources of information about CompAnalyst.

User's Guide	Description
Market Data	Describes how to access and use CompAnalyst market data to perform compensation-related tasks such as job pricing, job benchmarking, and data analysis.
Market Pricing	Describes how to use the Market Pricing tool to create market

User's Guide	Description
	composites out of select, third-party data sources.
Survey Participation	Describes how to create and view survey participation reports; match survey jobs to company jobs manually or import a group of matches though a tab-delimited text file; access new updated job matches from the composite builder and Survey Library; and export your survey participation reports to several output formats.
Salary Structures	Describes how to analyze, manage, and model your organization's pay structures.
Reporting Analysis	Describes how to create pay analytics of your company's employees and jobs in comparison with market data using standard and custom reports.
Job Description Builder	Describes how to create, edit, and manage your company job descriptions.
Company Data Management	Serves as an introduction to creating and setting up your company's information in CompAnalyst.

Chapter 2: Creating a new matrix

Topics:

- Accessing merit modeling functionality
- Defining rating scales
- Creating a new matrix
- Comparing matrices

Accessing merit modeling functionality

To access the merit modeling functionality, on the main navigation menu bar, click **Salary Planning**, and then select **Merit Modeling**. The 'Cost a merit program page' opens.

On this page you can:

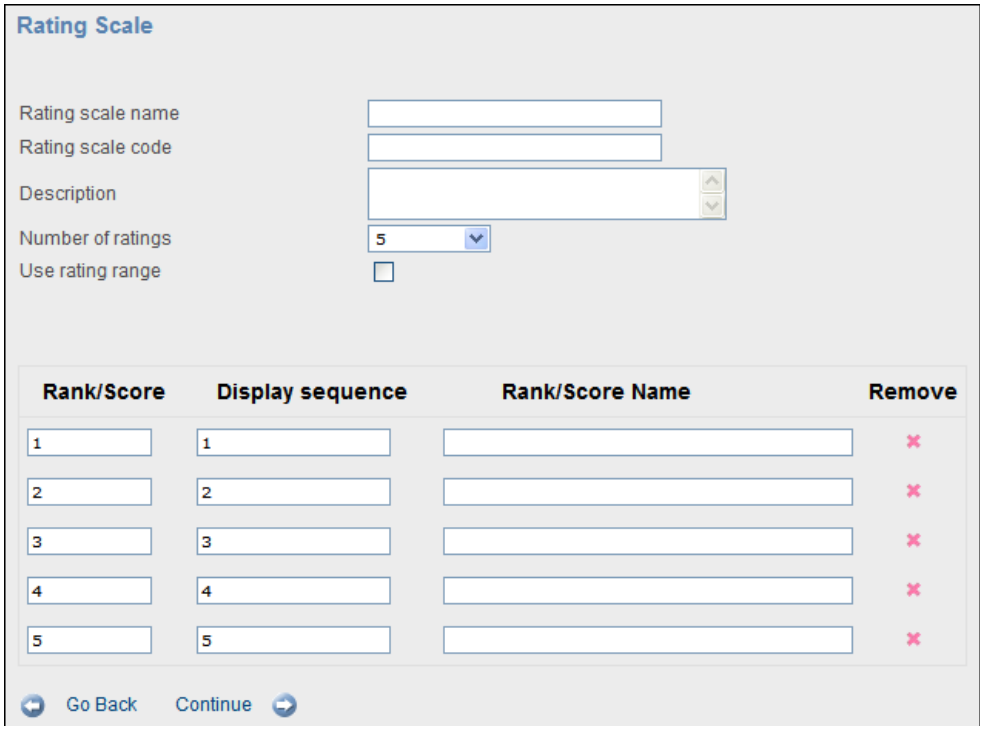
- Use the Options menu to define a rating scale
- Start the procedure to create a new matrix
- View, edit, copy, or delete an existing matrix
- Run a report based on the existing matrices

Defining rating scales

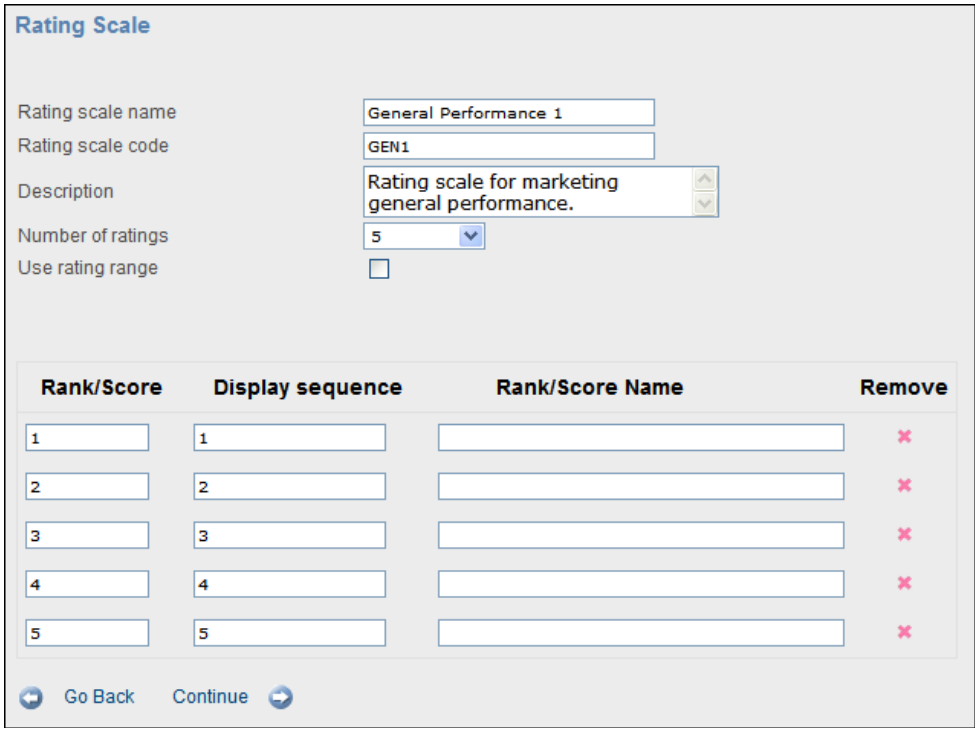
To use Merit Modeling, you need to have at least one rating scale set up in CompAnalyst. To set up a rating scale:

1. In the Options menu in the upper right corner of the 'Cost a merit program' page, click **Define rating scales**. The Performance Rating Scale page opens.

2. On the Performance Rating Scale page, click **Add Rating Scale**. The Rating Scale page opens.

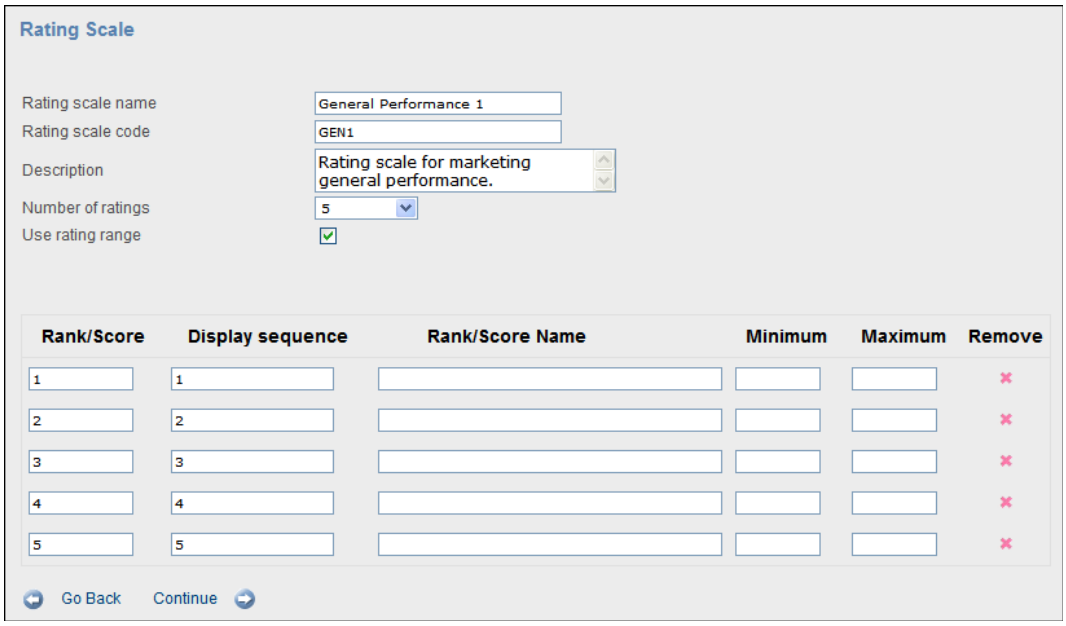


3. Enter the rating scale information in the appropriate boxes, for example:



Scale names and codes must be unique, and display sequence and rank/score do not need to be consecutive.

4. Optionally, you can use a rating range in your rating scale by checking the **Use rating range** box. The table expands to show a Minimum and Maximum column in which you can enter a minimum and maximum range for the rating scale.



The minimum and maximum values must be a number that contains no more than a single decimal point.

5. Click **Continue** to save your rating scale and return to the Performance Rating Scales page. You cannot delete a rating scale if it is associated with employees or a merit matrix.

6. Click **Complete**. The Identify Methodology and Eligible Population page opens.

Creating a new matrix

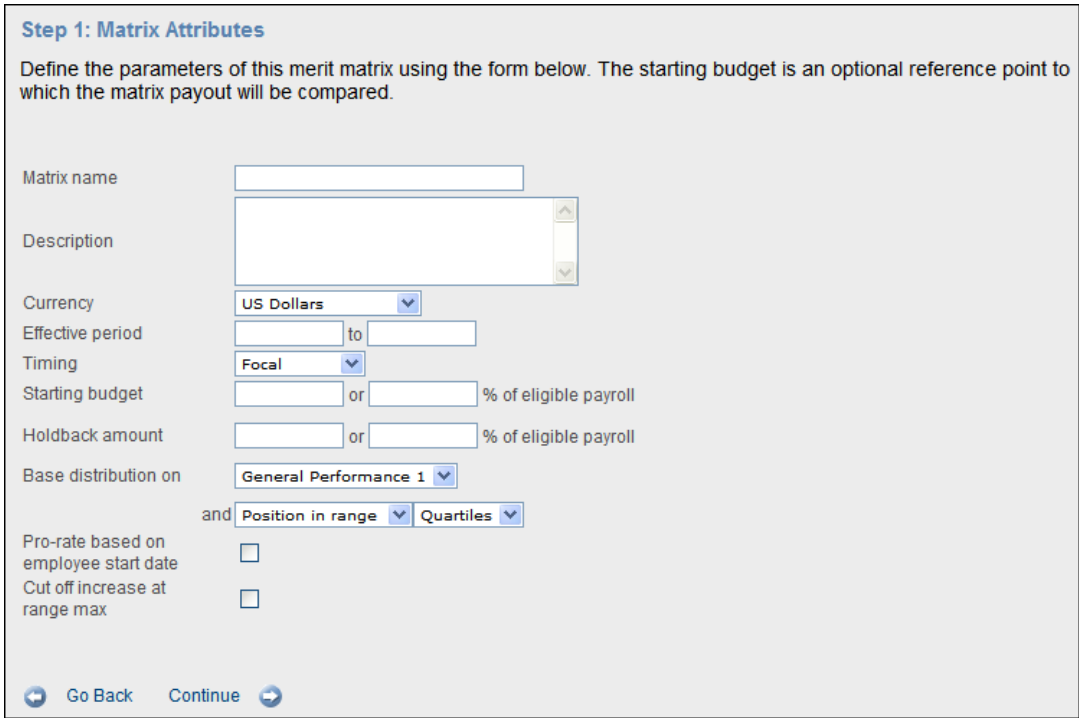
The procedure for creating a new matrix is as follows:

- Define matrix attributes
- Identify methodology and eligible population
- Define matrix elements

Defining matrix attributes

To define matrix attributes:

1. On the “Cost a merit program“ page, click **New Matrix**. The Step1: Matrix Attributes page opens.



2. Enter attributes for the new matrix.

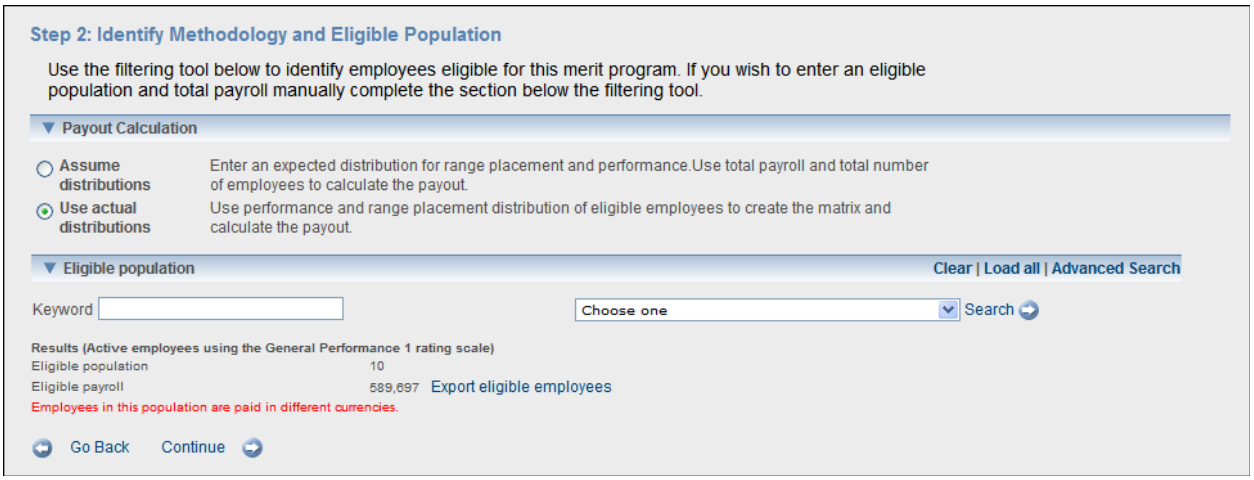
Parameter	Description
Matrix name	Name of the matrix.
Description	Description of the matrix.
Currency	All money values for the merit matrix will be converted to the currency selected from the drop-down menu.
Effective period	The effective period determines total number of months the program is effective for (up to 12 months). The start date must be earlier than the end date.
Timing	Timing can be either Focal or Anniversary. If you select Anniversary, you must choose the date that will serve as the anniversary date from the drop-down menu.
Starting budget	Enter either a dollar amount or a percentage. This field is not required.
Holdback amount	Like the starting budget, you can enter either dollars or a percentage. The holdback amount cannot be larger than the starting budget. This field is not required.
Base distribution on	Select a rating scale and from one of these four options: • Position in range (default): If position in range is selected; select quartiles, thirds, or custom (in which you specify the number of categories and define the categories later). • Compa-ratio: Enter the desired number of categories for the matrix. • Market index: Select the desired Market reference point from all percentiles (Base, TCC, TDC, Total Remuneration, Total cash at Target). • Performance only: Selecting this option creates a one-

Parameter	Description
	dimensional matrix based on performance performance rating alone.
Pro-rate based on employee start date (Focal timing only)	If selected, CompAnalyst calculates the employee's merit increase based on a number of factors including the employee's start date, the start and end dates for the effective period, number of days between the effective period start and end dates, and the employee's merit increase percentage.
Cut off increase at range max	If selected, prevents an employee's base salary from exceeding the range maximum as a result of their merit increase. Applies to employees whose distribution is based on "position in range: Quartiles."

3. Click **Continue** when you finish entering attributes on the page. The Identify Methodology and Eligible Population page opens.

Identifying methodology and eligible population

On the Step 2: Identify Methodology and Eligible Population page, you select the methodology used to build the matrix and identify the population eligible for the matrix. You can filter by any employee or job-related field. An eligible employee count appears at the bottom of the page.



Selecting the payout calculation

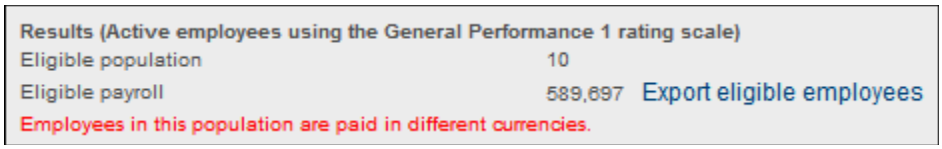
Choose a methodology to use in creating the matrix:

- Assume distributions: Enters an expected distribution for range placement and performance. This method uses the total payroll and total number of employees to calculate the payout.
- Use actual distributions: Uses the performance and range placement distribution of eligible employees to create the matrix and calculate the payout.

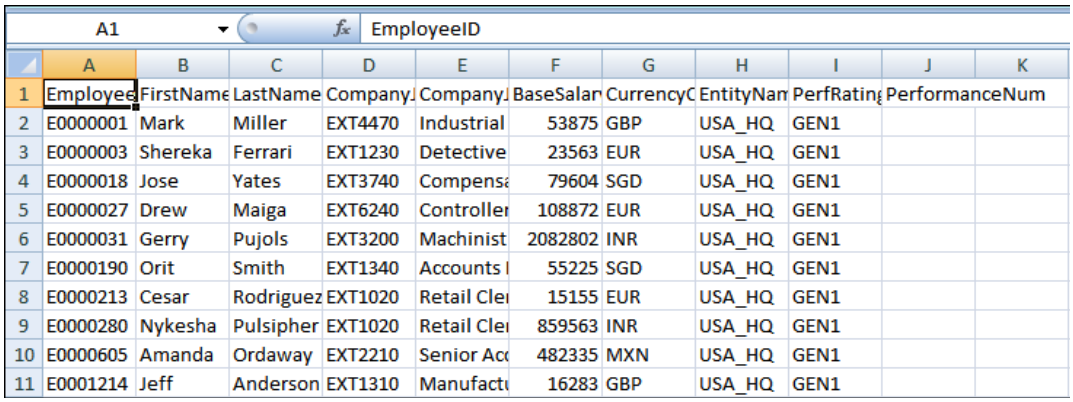
Selecting the eligible population

To select the population eligibility for your matrix:

1. Enter a keyword in the search field and select the search criteria from the drop down menu. Alternatively, you can select the search criteria first and click the magnifying glass icon next to the search box to open a separate window where you can select from a list of keywords.
2. Click **Search** and the eligible population and payroll appear in the Results section at the bottom of the page.



3. Optionally, you can export employee population information to an Excel spreadsheet by clicking **Export eligible employees**.

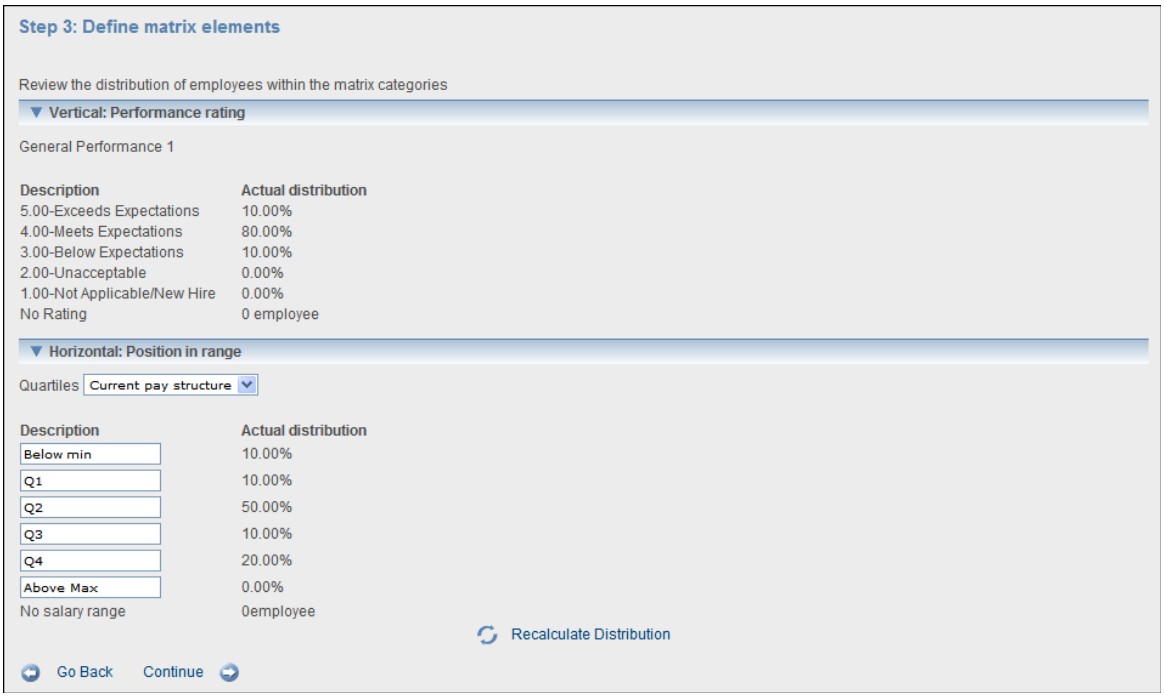


	A	B	C	D	E	F	G	H	I	J	K
1	EmployeeI	FirstName	LastName	CompanyI	CompanyI	BaseSalar	CurrencyC	EntityNan	PerfRating	PerformanceNum	
2	E0000001	Mark	Miller	EXT4470	Industrial	53875	GBP	USA_HQ	GEN1		
3	E0000003	Shereka	Ferrari	EXT1230	Detective	23563	EUR	USA_HQ	GEN1		
4	E0000018	Jose	Yates	EXT3740	Compensa	79604	SGD	USA_HQ	GEN1		
5	E0000027	Drew	Maiga	EXT6240	Controller	108872	EUR	USA_HQ	GEN1		
6	E0000031	Gerry	Pujols	EXT3200	Machinist	2082802	INR	USA_HQ	GEN1		
7	E0000190	Orit	Smith	EXT1340	Accounts I	55225	SGD	USA_HQ	GEN1		
8	E0000213	Cesar	Rodriguez	EXT1020	Retail Cler	15155	EUR	USA_HQ	GEN1		
9	E0000280	Nykesha	Pulsipher	EXT1020	Retail Cler	859563	INR	USA_HQ	GEN1		
10	E0000605	Amanda	Ordaway	EXT2210	Senior Acc	482335	MXN	USA_HQ	GEN1		
11	E0001214	Jeff	Anderson	EXT1310	Manufactu	16283	GBP	USA_HQ	GEN1		

4. Click **Continue** when you finish entering information on the Identify Methodology and Eligible Population page. The „Define matrix elements‟ page opens.

Defining matrix elements

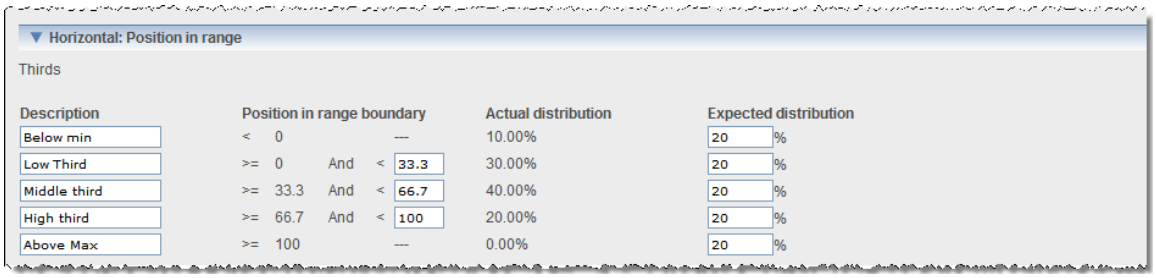
The “Define matrix elements‟ page is where you can review the distribution of the eligible population within the vertical and horizontal dimensions of the matrix. The vertical dimension displays the performance rating scale you selected. The horizontal dimension presents the position in range, as selected.



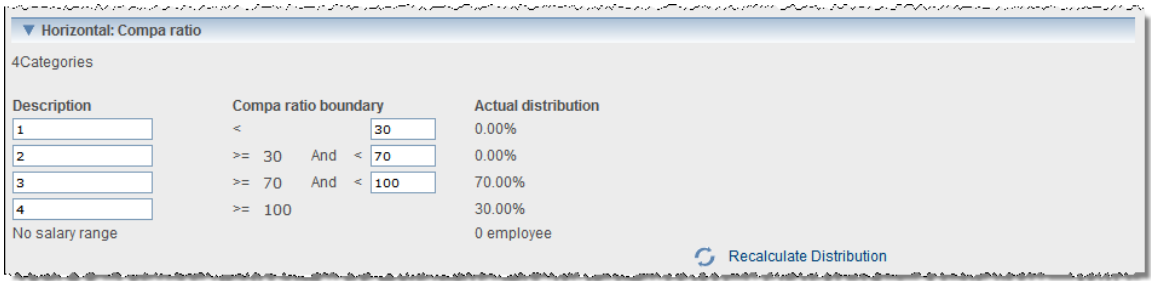
If you selected to use actual distributions for the matrix, these fields will be pre-populated with the actual information.

To define matrix elements:

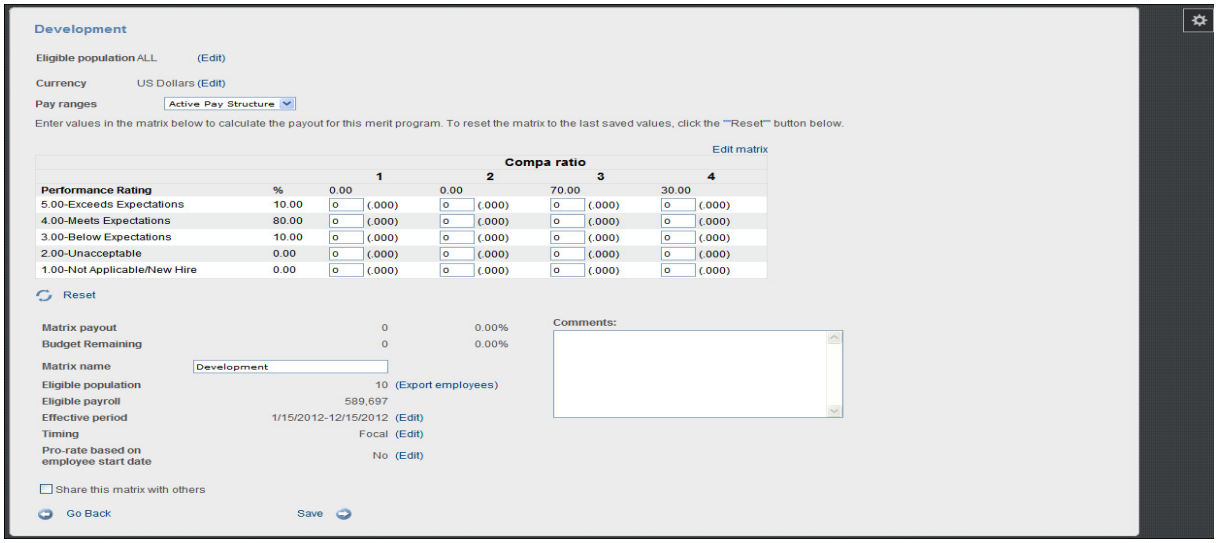
1. For “Position in range" and “Performance only", edit the descriptions in the table and enter expected distribution percentages totaling 100.



2. For “Compa-ratio" and “Market index", edit the category descriptions (if necessary) and set the boundaries. Click **Recalculate Distribution** to view the actual distributions.



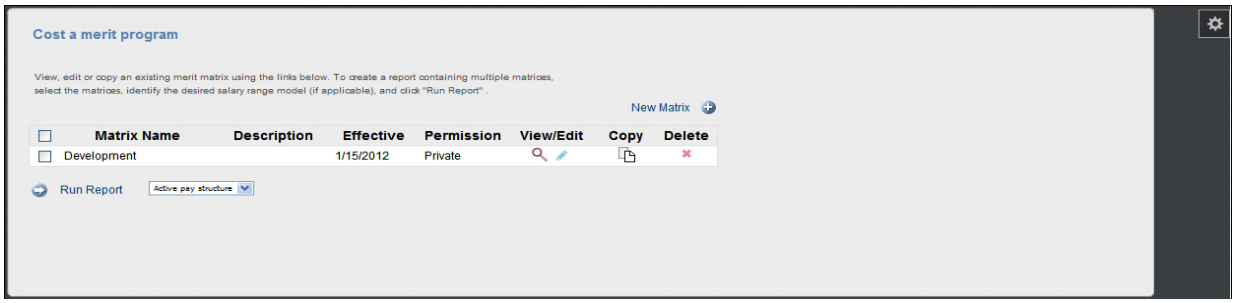
3. When you finish defining matrix elements, click **Continue** at the bottom of the page. The matrix page displays where you can enter values to calculate the payouts for the program.



4. At each intersection of “Performance Rating" and „Position in range" (or „Compa-Ratio" or “Market Index") enter a percentage value. CompAnalyst recalculates the matrix based on the values you entered in each cell without refreshing the page.
5. Optionally, you can do the following on the matrix page:
   - Click **Hide cell** payout to hide the payout row (last row) in the table.
   - Click **Edit matrix** to open the „Edit matrix elements" page.
   - Click **Reset** to return the page to its previous state.
   - Click **Edit** to modify attributes for the matrix.

- Check the box to share the matrix with other people in your organization.

6. Click **Save** to retain changes to the matrix and return to the „Cost a merit program‟ page.



7. Optionally, you can save the matrix under a different name by clicking **Save as New** to open the “Save as new matrix‟ page.

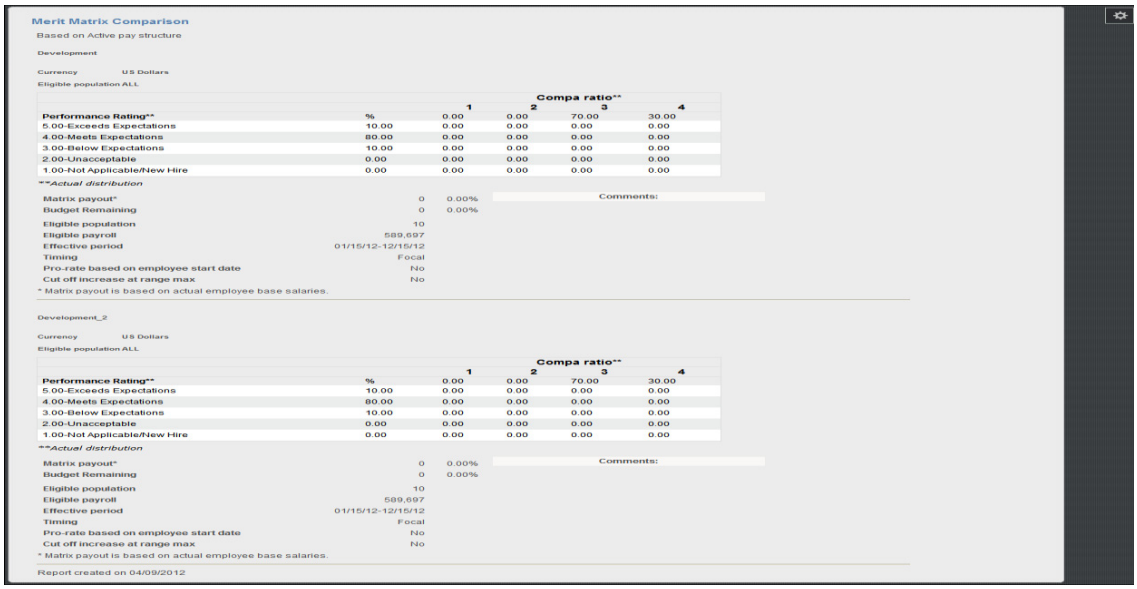
Running a matrix report

1. In the table on the “Cost a merit program‟ page, check the box next to the matrix for which you want to run a report.
2. Select a salary structure from the drop down menu, if applicable.
3. Click **Run Report**. The Merit Matrix Comparison page opens.
4. Optionally, you can export the report to **Excel**, **PDF**, or **E-mail** by selecting the appropriate option in the Options menu.

Comparing matrices

To compare matrices:

1. In the table on the “Cost a merit program‟ page, check the box next to each matrix for which you want to run a report.
2. Select a salary structure from the drop down menu, if applicable.
3. Click **Run Report**. The Merit Matrix Comparison page opens.



4. Click **Back to main** in the Options menu to return to the “Cost a merit program‟ page.
5. Optionally, you can export the report by clicking **Excel**, **PDF**, or **E-mail** in the Options menu.

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