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# Pay and Reward Made Human

Future Ready Insights for Payroll, Reward and Benefits Leaders



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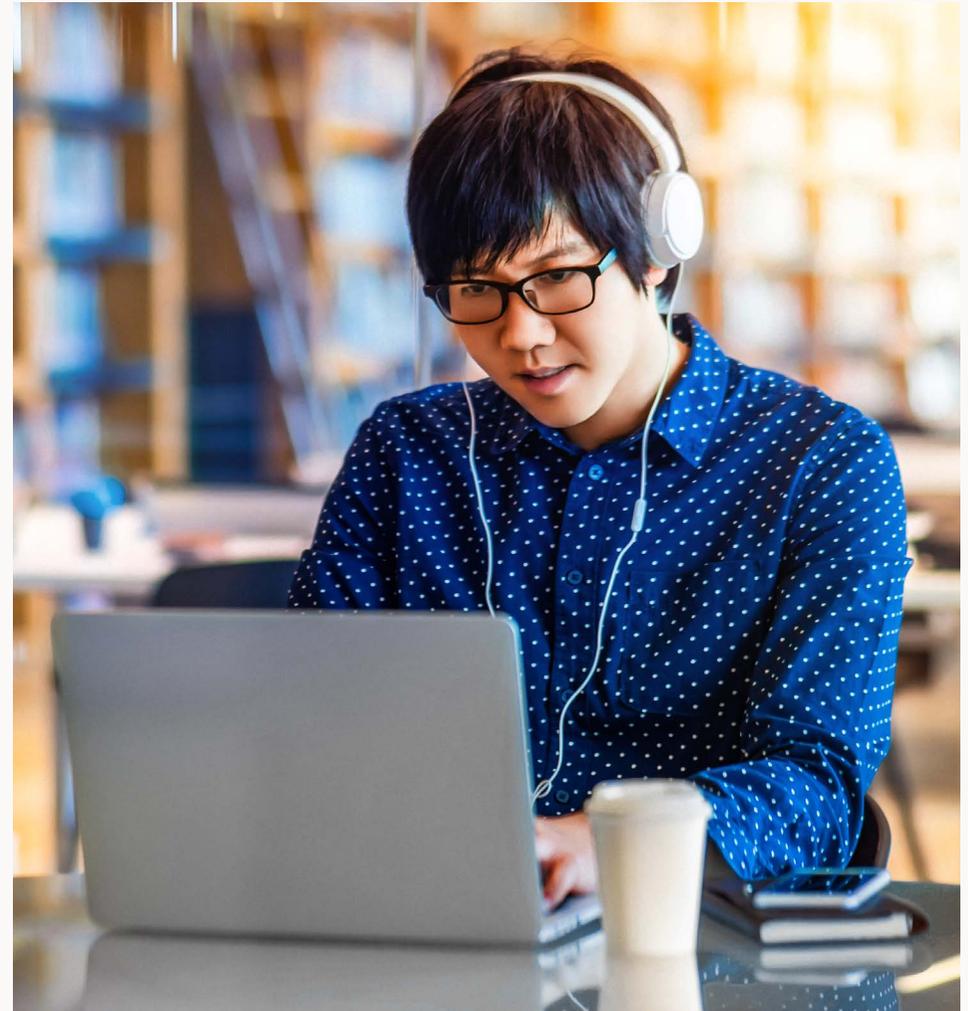


# Pay Made Personal

Top employers offer benefits that not only reward their people financially but recognise their value as individuals. Personnel Today believe that by 2025, the key reward drivers will include, “transparency around base, variable and equal pay, engaging and attracting talent, and paying for contribution and value in an increasingly remote workforce.”

A 2020 benefits trends survey shows that well over 90% of employers think that employees’ expectations are changing. Top of their wish list are more flexible working hours and agile and home working: “In response to these challenges, we are now seeing more interest in the use of apps to engage employees in their benefits. Although only 14% currently have an app, almost one third are considering introducing one – and this is certainly a strong trend”<sup>1</sup>

“Top employers offer benefits not just to reward their people financially, but to engage with them and show their value as individuals.”



<sup>1</sup> Aon, 'UK Benefits & Trends Survey 2020', 2020

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The latest Cloud applications give organisations the ability to master every stage of this talent lifecycle, from acquiring the right people to nurturing their growth and development while promoting wellbeing. Employees should be treated as the unique humans that they are.



At its best, payroll is a strategic enabler. Successful reward plans ensure competitiveness via incentives, bonuses, share ownership, commission plans, salary benchmarking and non-financial benefits. According to a recent review of payroll future trends by PwC, the Payroll Function is increasingly seen as the link between “technological improvements and the rest of the business.” This, they say, leaves the payroll manager as “the ambassador of this new tech wave.”<sup>2</sup>

The core fundamentals of payroll are unlikely to change. However, today’s pay and reward are about making the impersonal, personal. That’s why we call Oracle HCM Cloud ‘Work Made Human’. Our cloud-based portals integrate payroll processing with employee self-service—supporting benefit process enrolment and administration. Payment vehicles can be personalised, such as payment of overtime immediately once earned. Such vehicles help employees manage their cash flow and avoid the need to take out high interest bearing arrangements such as pay day loans.

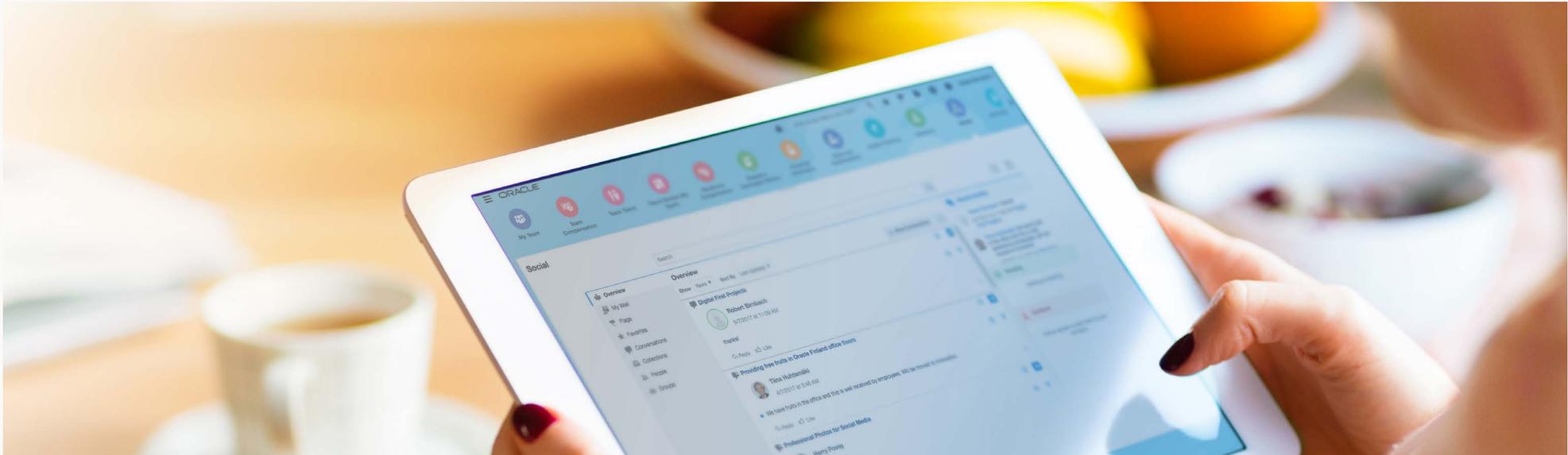
This means that organisations can both proactively monitor global payroll status and processes via interactive dashboards, while employees maintain their own personal journey.

“Today’s pay and reward are about making the impersonal, personal.”

<sup>2</sup> PwC, ‘Payroll Future Trends’, 2019

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# Engagement Through Payroll

Payroll is an enabler for the reward and benefits strategy, and the cornerstone of a successful HR strategy. Advances in technology are upending traditional payroll processes, automating previously manual methods and introducing transformative change in areas such as reporting and reconciliation. The cloud is at the heart of this transformation. This on-demand computing model offers a new era of agility, flexibility, automation – and efficiency. Employees can use self-service to create, change, update and own their personal data, while managers can make approvals online and remove the need for paper trails.

This starts with the basics: you need to define and apply company-specific rules and compensation guidelines. This could be to ensure an employee with a high-performance rating receives an increase, or to allocate compensation across a group of employees, regardless of geographies.

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Oracle HCM Cloud gives employers the ability to model, budget and administer an unlimited number of compensation plans locally and across the globe. This can align compensation to performance and communicates a total compensation picture to each of your employees. Message alerts provide feedback to managers, so they can make decisions that support the business objectives, while embedded analytics provide immediate comparisons to budget and pay history. You can include other industry standard markers like comp-ratio and position-in-range, too.

Digital assistants – based on artificial intelligence are already available in many human capital management systems – can also help in terms of follow up once a payment has been processed. The beauty of the Cloud is that everything is joined up into a seamless reward and payroll experience. The ability to do modelling and drive insight is the icing on the cake.

Forward-thinking organisations are even beginning to take a transformative approach to pay and reward. Some, for example, are now exploring pay self-assessment processes, where employees self-determine their own salary levels with a focus on fairness and matching performance and contribution.

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# Benefits to Society

Over three quarters (77%) of UK employers now say that their employee value proposition (EVP) – a benchmark of the value employees receive from their role, including both financial and non-financial reward – has a positive impact on employee engagement, retention (76 per cent) and recruitment (78 per cent).<sup>3</sup>

Employees and job movers are attracted to companies that provide positive user experiences and good benefits. Mercer describes delivering on the employee experience as “HR’s top priority” for 2020. Yet just 33% of companies say more diverse rewards and compensation is actually on their agenda for 2020, so there is room for improvement.<sup>4</sup> We understand that companies need to do whatever they can to lure top talent, going beyond typical benefits. Through an automated recruiting process, our customers are able to reduce the overall time to hire by 44%, and were able to realize productivity improvements at an average of 32%, via automated and streamlined review and approval of performance management process.<sup>5</sup>



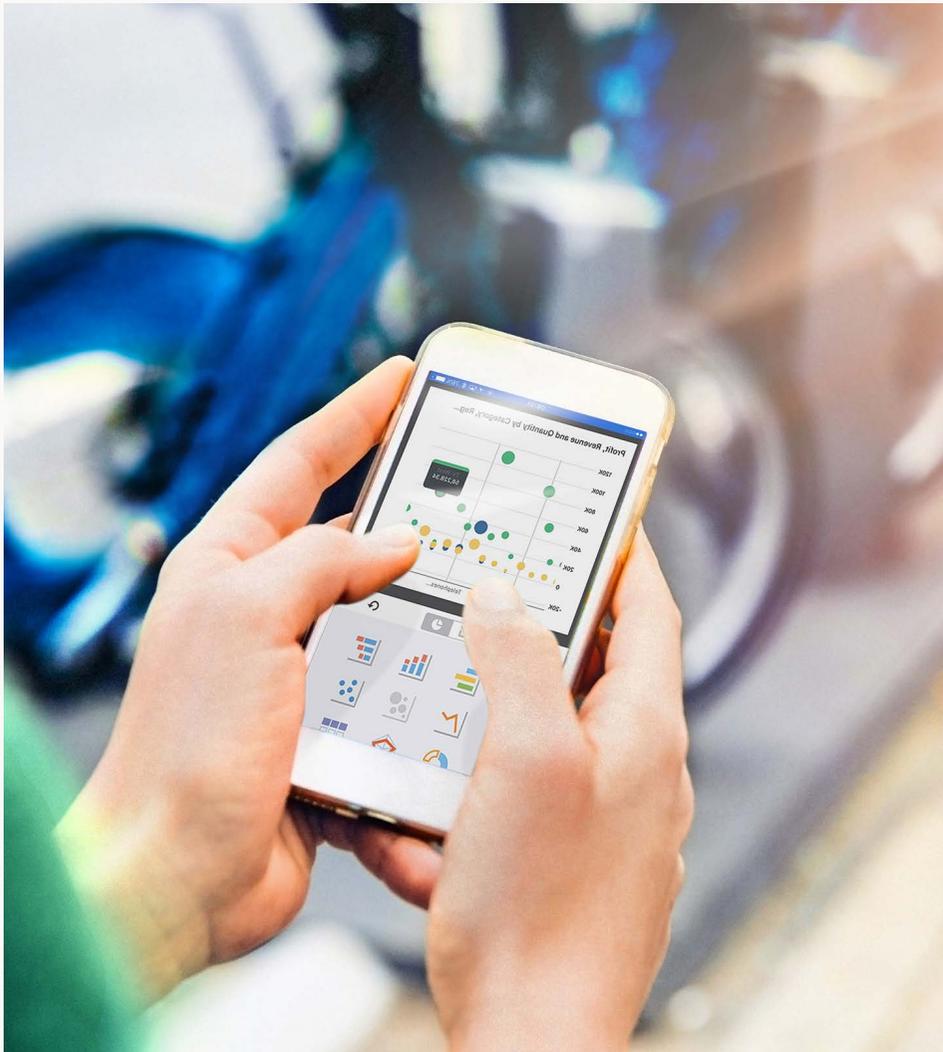
“77% of UK employers now say that their employee value proposition has a positive impact on employee engagement, retention and recruitment.”<sup>3</sup>

<sup>3</sup> Aon, ‘UK Benefits & Trends Survey 2020’, 2020

<sup>4</sup> Mercer, ‘Global talent Trends 2020’

<sup>5</sup> Oracle ‘Value Realization HCM Cloud / ERP Cloud Benchmark Report Evidence from customer business outcomes’, January, 2019

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Today's unique benefits are an indicator of what workers want, influenced by both lifestyle and financial situations. Many companies are expanding into new areas such as financial wellness, which seeks to help employees achieve financial security through budgeting tools, automatic savings programs, and other money management efforts. Student loan assistance can help employees pay off school debt: in some cases, employers have replaced employee's existing college loans with a newer loan at a lower interest rate. There are even pet benefits, which include providing veterinary care, pet-friendly offices, and discounts on pet supplies.

To be able to deliver such a portfolio of flexible benefits, you need equally flexible and tailored digital applications. This means intuitive consumer-style enrolment that guides employees step-by-step through the selection process of their personalised benefits entitlements.

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# A Reward-based Business Strategy

Reward is where payroll becomes strategic. Reward and performance management should go hand-in-hand. Employers need the ability to incorporate employee performance management measures to drive the planning, budgeting, and approval of compensation allocations. Oracle HCM Cloud empowers administrators and managers to build allocation models that are based on the employee's performance ratings, with further performance-based recommendations generated for making budget and compensation decisions. Managers view performance ratings and can link them to full appraisal details as they enter and approve compensation changes.

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Eligibility for rewards may be based on any number of criteria including performance rating, business unit, job, location or length of service. Authorised users can define complex target award amounts and other fields dynamically.

User experience and transparency are again key. The latest trends research from Mercer finds that 71% of employees want a midlife check-up for 71% health, wealth and career.<sup>6</sup>

With Oracle HCM Cloud, employees can receive alerts for each reward in their compensation plan, while their managers can tailor the application themselves, set filters and tailor what is displayed to them. Employees can also view their Total Compensation Statements through Employee Self-Service. This can communicate rewards year-round to employees, with statements to display employer and employee costs as well as contributions to different types of reward programs including earnings, equity awards, benefits, savings and retirement plans, and even non-financial rewards.

<sup>6</sup> Mercer, 'Global talent Trends 2020'

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# Goal Setting and Wellbeing

Balancing and integrating health, career, and family is a constant challenge for working professionals. Getting that balance right or wrong can be the difference between high performance or low productivity. As a result, many employees are attracted to companies that not only promote work-life balance but crucially are there to help their employees set the right goals to achieve it.



With an ageing, multi-generational workforce, goal-setting is a way to promote wellness and improve the health of their employees. Oracle HCM Cloud includes Work Life Solutions, a module that increases employee engagement by aligning individual employee goals with the employer's. Employees can list their skills on their employee profile, giving their managers and leaders the chance to tap into these profiles and discover hidden talents and accelerate their career development. The My Wellness module also encourages employees to set their health goals, including the ability to personalise, keep track of their fitness activities and learn about fitness groups within their organisation.

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# Payroll in a Moving Market

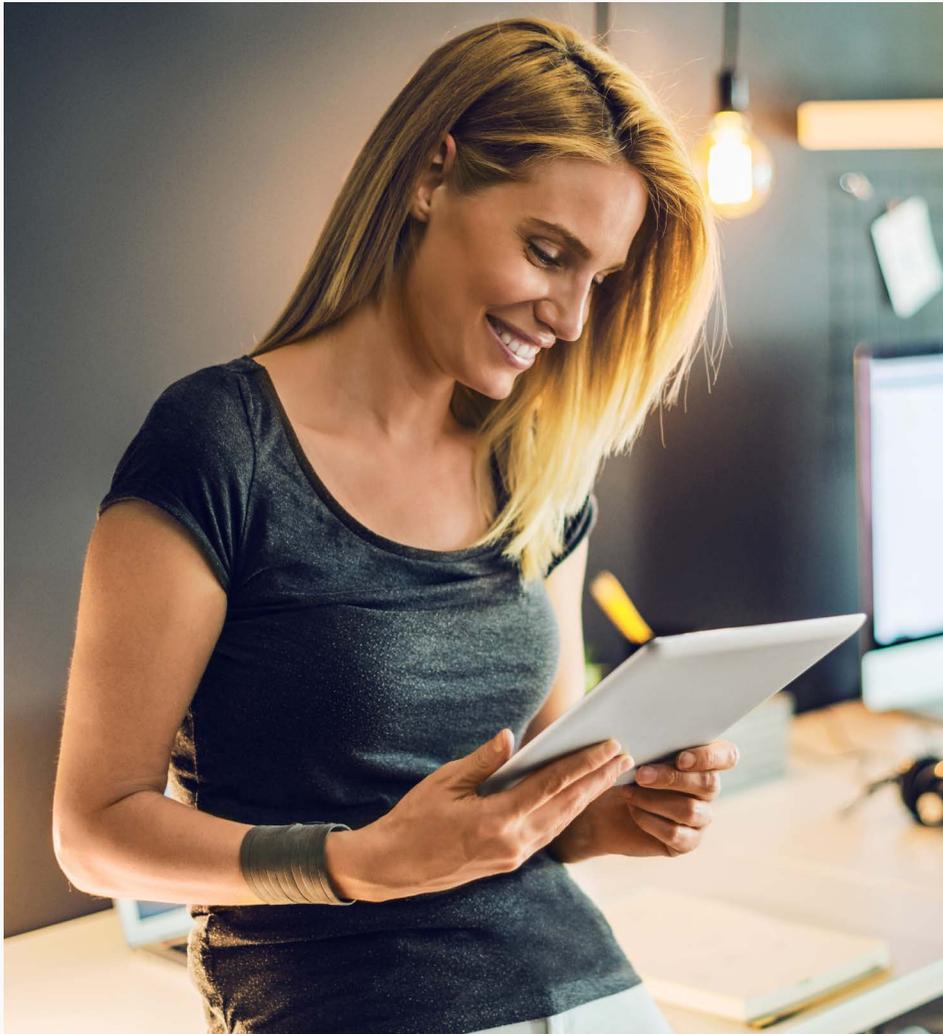
In today's mobile, remote workforce, it is crucial for employees to be able to view payslips and pay details on their phone. Whether your business is required to accurately process payroll for Canada and Kuwait, or the United Kingdom and the United Arab Emirates, you need compliance support and payroll tax reporting that adheres to local regulatory requirements.

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The Global Payroll Interface (GPI) offering within the standard Oracle HCM Cloud is a packaged solution which allows you to unify and simplify your local payroll providers. The same payroll extract is used across the global organisation, considering the specifics per legal entity or country. The output format can be configured per specification of your local payroll provider to process the output correctly. The calculated payroll results can then be fed back from your local provider to Oracle HCM Cloud for reporting purposes, and the payslips can be made available to your employees via their mobile self-service app.

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## Advanced HCM Controls

Artificial intelligence (AI) has also changed the game for HR applications. This revolution first began in the home, thanks to the smart technology behind Siri, Alexa, and Google Assistant, which have found a place in our daily lives. We can ask questions and expect helpful and accurate answers. Now, a far more sophisticated toolset is available for professional settings, too.

To mitigate risks and strengthen compliance by easily detecting security access anomalies, Oracle uses comprehensive controls leveraging AI and machine learning. This prevents fraud and supports the segregation of duties so that only authorised personnel can view sensitive HR data. Security dashboards also automatically monitor and manage exceptions and policy violations. Keeping data safe while easily providing access controls is vital – and advance AI and HCM controls can do just that.

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# Recognising the Opportunities

Pay and reward used to be a laborious admin task. Now, it is the key to employee engagement, recruitment and retention. Oracle can free up payroll time, allowing you to focus on developing a reward strategy.

By adopting innovations such as predictive, real-time reporting dashboards, organisations can drive real and lasting payroll efficiency. And that makes all the difference to employee engagement. An innovative approach to pay and reward may also enable employees to avoid the need to use payday lenders whilst waiting for the end of the month to receive their overtime and wages.



Combined, these tools can be a vital component of an integrated attraction and retention strategy. Employee information, security structures and hierarchies from Oracle HCM Cloud provide a secure means of distributing benefits and allocating rewards to diverse and dispersed groups of employees. The familiar consumer-style self-enrolment experience makes signing up for benefits easy and allows employers to build their own benefits programs and set eligibility criteria.

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You need pay, benefit and reward programmes that offer flexibility, ease, and accuracy by leveraging mobile, social, analytics and big data. To pay accurately and on time is the most basic, expected transaction between employer and employee; but to truly recognise and reward the individual at every step and stage of their career journey, goes beyond expectations – it is work made human.

“You need benefits programmes that offer flexibility, ease, and accuracy by leveraging mobile, social, analytics and big data.”

If you would like to discover how to make your compensation and benefits more human, [reach out](#) to your Oracle account manager for more information.



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To find out how these transformational technologies can help innovate your employee experience, why not try Oracle HCM Cloud today?

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