





**ORACLE®**

# **Global Compensation Training**

**Managing Compensation at Oracle – an Introduction**

# Compensation Training Overview

- The Oracle Compensation Training for managers includes the following modules:
  - Introduction
  - Job Classification and Global Job Table
  - Salary Ranges
  - Managing Pay
  - Compensation Processes
  - Region specific modules
    - Americas
    - Asia Pacific
    - Europe, Middle East and Africa
    - Latin America





# Topics

- General Compensation Principles
- Components of Total Compensation



# Oracle's Comp Principles and Objectives

*Oracle must attract, retain and motivate highly skilled, high performing employees to be successful*

- Provide compensation programs that:
  - Attract and Retain by being Market Competitive
  - Motivate employees to maximize their productivity, but also consider shareholder interests
  - Focus energy on the right things to achieve corporate objectives
  - Are legally compliant
- Pay for Performance
  - Company Performance
  - Individual Performance



# Focus on Total Compensation

- Cash
  - Base Salary
  - Allowances
  - Short term incentives (commission/bonus)
- Stock
  - Long term incentive – stock options
  - ESPP
- Benefits
  - Country specific programs



# Base Salary

- Represents potential pay opportunity for a job.
- Linked to employee's skills and competencies in current role, as well as the performance of the employee and the situation in the local market.
- In some countries, base includes fixed allowances.

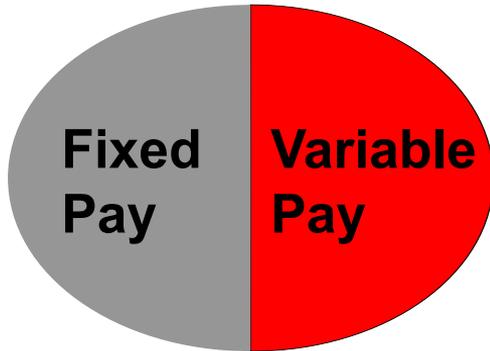


# Short Term Incentive (Bonus or Commission)

- Provides management with a mechanism to reward short term performance
- Payments vary according to performance and allow companies to lower cost when results are not achieved
- Commission
  - Tied to individual/team performance against quota
- Bonus
  - Tied to company or LOB results
    - Eg Global Bonus, Consulting Bonus, ACS Bonus

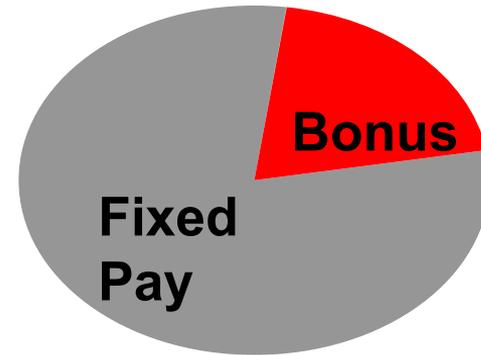
# Short Term Incentives

Different jobs have different pay at risk component (fixed vs. variable/bonus mix) – Short term incentive



Sales job-high pay at risk

*Keep them motivated - can be big payoff.*



Non-sales job-lower pay at risk

*Opportunity to reward based on performance*



# What are Stock Options

- Contractual agreement between Oracle and individual employee (10 year term)
- Allows employees to purchase a specific number of Oracle shares at a set price
- Employee earns right over time to purchase shares (vesting)



# Stock Options – Long Term Incentive

- What is the purpose of granting stock options?
- Recognize and retain key talent
- Focus senior management on delivering for key stakeholders (i.e. shareholders) – ownership
- This is a changing competitive market
- Different vehicles offered
- Tough to compete with growth companies



# Benefits / Perks

- Company benefits differ by country depending on market practice and government/state provisions but may include some of the following:
  - Medical, Dental, Vision insurance
  - Income protection in case of sickness & disability
  - Term Life (Life Insurance) and Personal Accident Coverage
  - Retirement plans
  - Company Car/Car allowances
  - Vacation days
  - Employee Assistance Program (EAP)
  - Savings plans

*\*Local summary plan descriptions provide further information including eligibility criteria for Oracle benefits.*

# It Isn't Always About the Money

	Ranking by:	
	Employees	Managers
Appreciation for work done	1	8
Feeling “in” on things	2	10
Sympathetic help on personal problems	3	9
Job Security	4	2
Good wages	5	1
Interesting work	6	5
Promotion/growth opportunities	7	3
Personal loyalty to workers	8	6
Good working conditions	9	4
Tactful disciplining	10	7



# Tools and Resources

- Your manager
- The local Compensation/HR department
  - the HR Global Website lists compensation contacts & you will find your HR Rep & Manager by checking your ARIA page
- Internal Websites
  - MEE
  - DBI
  - CWB – used for bonus, stock & salary increase processes
  - IWB – shows salary information and history for all employees within your organization
  - HR Global Website, global HR policies



# Information Workbench (IWB)

- Main View options:
  - Salary
  - Job Information
  - Sales Salary
  - Total Compensation (summarized - Rolling 12 months)
  - US hours worked - great tool to track overtime hours
- Filters:
  - All employees
  - Direct employees
  - By team
  - Per country
- There is also a training video available under: Information and Links / Trainings.

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