Global Compensation Training
Job Classification and Global Job Table Module
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
This is the Job Classification and Global Job Table module for compensation training. There are 8 other modules that have been developed to provide you a basic overview of many topics you should be aware of when managing employees at Oracle. Most compensation information applies globally; however, there are some topics that vary by country and/or region, so the global compensation team developed region-specific modules to cover topics that aren't relevant worldwide. Please review the modules for each region in which you have employees.

Keep in mind that this is simply an overview and it is not designed to teach you everything there is to know about compensation. It is important to work with your local compensation team representative and HR manager on employee compensation issues.
Topics

- Introduction
- Job Classification
- Global Job Table
- Impact on HR processes
- Impact on non-HR processes
- Further information sources
This is the agenda we will be covering together today. After a short introduction we will start our presentation on the Job Classification Methodology that we use globally at Oracle.

We will talk about what Job Classification is and show you the various elements of Job Classification. We will also mention the impact of Job Classification on other HR and non-HR processes by selecting the correct job for your employees.

And finally we will give you some things to consider as a manager in relation to Job Classification, for example where to find information on the jobs of your employees and how to change a job in the Oracle systems.
Introduction

- Job Classification is a consistent global framework for job related information that supports a number of key HR and non-HR processes as well as management reporting
- The Global Job Table is a key component of the Job Classification system, but other data also forms part of the overall system
- Managers are responsible for ensuring that employees on their teams are in the right job in HRMS
- Attaching employee records to the incorrect job in HRMS will result in multiple problems related to HR and other processes
Job classification is a consistent global framework for job-related information that supports a number of key HR and non-HR processes. The global job table is a key component of the job classification system. There are many system elements that are tied to employees based on the job code to which they are assigned, and managers are responsible for ensuring that employees are in the correct job code.

Assigning an incorrect job code to an employee could cause problems for various processes down the line, and we will discuss the potential issues that incorrect job codes may cause throughout this presentation.
Global Job Table

- To facilitate the global job classification process, Oracle uses a Global Job Table in which each job is assigned a unique combination of globally defined attributes.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job code</td>
<td>Unique identifier/reference number</td>
</tr>
<tr>
<td>Job Title</td>
<td>Commonly known as the “system job title”</td>
</tr>
<tr>
<td>Function</td>
<td>Describes the type of work the person performs. It is not specific to the employee’s LOB</td>
</tr>
<tr>
<td>Specialty</td>
<td>The specialist work within the Function</td>
</tr>
<tr>
<td>Career Level</td>
<td>Broad hierarchical category related to the level at which a job is performed</td>
</tr>
</tbody>
</table>
Global Job Classification at Oracle is a process that is all about ensuring that we assign the correct job code to each employee. In the next two slides we will first mention the elements of global job classification that are the most important to managers. We will also give a very short description of the elements.

After this short introduction of the most important elements, we will explain each topic in more detail.

It is very important to mention here that once a job code is selected, all the other elements have been defined for that job code. This means there will not be a jobcode that has more than one official job title or function or career level, etc.

One of the most important topics to remember right now is that the process is a global process, with no country specific job classification elements included. So if an employee moves from the US to the UK to perform the same job, e.g. Senior Consultant, then there will be no changes in terms of job classification and, therefore, no changes in the elements you have seen on this slide.
Job Code

- Every employee with the same Job Code will have the same Job Title, Function, Specialty Area and Global Career Level
- Example:
  Job 20410 appears as follows in HR Self Service:

```
20410/Senior Consultant/CONS/IMPDEL/IC2
```

Job Code  Job Title  Function  Specialty  Career Level
We will now start explaining the most relevant details of the job classification process.

On this slide you see job code 20410, which is only one of more than 1,000 unique job codes (and therefore jobs) that are included in the global job table.

The global job title is just a brief description of the job, referring to the official internal title of the job. The internal job title will be used mostly for system and reporting purposes.

In general the global job title is not the title the employee might use to describe his or her job on a business card, or when speaking to colleagues, clients or relatives.

In the next slides we will discuss the function, specialty area and career level.
Function

- Function describes the type of work the employee performs
- It is not necessarily specific to the employee's LOB.
- The following are the Functions recognized by Oracle

<table>
<thead>
<tr>
<th>Administration</th>
<th>Business Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consulting</td>
<td>Development</td>
</tr>
<tr>
<td>Facilities</td>
<td>Finance</td>
</tr>
<tr>
<td>Human Resources</td>
<td>IT</td>
</tr>
<tr>
<td>Legal</td>
<td>Manufacturing &amp; Distribution</td>
</tr>
<tr>
<td>Marketing</td>
<td>Pre Sales</td>
</tr>
<tr>
<td>Sales (all LOB's)</td>
<td>Support</td>
</tr>
<tr>
<td>Training</td>
<td></td>
</tr>
</tbody>
</table>
The function describes the general type of work the employee performs. This slide lists all of the global job functions at Oracle, including IT, Development, Facilities, Legal and Sales.

All employees working in a sales position, will be part of the Sales Function, regardless of the exact job title or job code. The same applies, for instance, for all employees in Finance.

If an employee is working in a financial position for Consulting, then the job code assigned should be part of the Finance function, despite the fact that the employee is working in the Consulting organization.
Specialty Area

- Specialty describes the work performed within the Function
- Each Function has typically 4 – 8 Specialty Areas
- If an employee’s role covers more than one specialist area, then chose the job whose speciality is most representative

Example:

Function: Finance
Speciality Areas
Accounting
Audit
Budget, Planning & Analysis
Credit & Collections
Contracts Management
Financing
Licence Compliance (LMS)
Payroll/Commissions
Purchasing
Revenue Integrity
Tax
Treasury
The specialty area is more specific, and it describes the work the employee performs within the defined function.

In this slide, we clearly show that within the Finance function, not all employees are doing the same type of work. Employees in the finance function may be working in one of twelve specialty areas, such as accounting, contracts, purchasing, or tax. The specialty area assigned to a job helps to pinpoint the responsibilities of that job.

For example, when employees send in expenses to be reimbursed, they will be processed by employees in the Shared Service Center in the Accounting specialty area, but our salaries are processed by local payroll. Both Accounting & Payroll/Commissions are specialty areas within the Finance function.
Global Career Level

- Global career levels are a set of broad, hierarchical categories related to the level at which a job is performed
- Responsibilities, individual contributions and job complexity increase from one job level to the next job level in the hierarchy
- The global career level structure has two paths: Management (M1 – M10) and Individual Contributor (IC0 – IC6). There is no correlation between M and IC level
- An employee is considered to be a manager if his/her primary responsibility is management (with hire/fire authority) of two or more regular full time equivalent Oracle employees. All other employees should be considered individual contributors, including team leaders
A job family is a series of levels where the nature of the work is similar. The distinct levels represent Oracle's requirements for increased skill, knowledge, and responsibilities. The higher the career level, the higher the complexity of the job duties.

This means that if a job in Finance has the same level of responsibilities and complexity as a job in Sales, the career level of the two jobs will be the same.

There are career levels for Management positions (with levels ranging from M1 through M10) and for non-management positions, the so-called individual contributors (with levels ranging from IC0 through IC6). In order to be considered a manager in the US, you must have at least 2 people reporting to you, and your primary responsibility should be that of managing people. For all other countries, only 1 report is necessary. For the individual contributor career path, assignment to the IC6 level is “gated”, meaning that there is a rigorous appointment process within groups, most typically development, that use this level. There are very few employees worldwide in this level.
Management Career Levels

<table>
<thead>
<tr>
<th>Manager Career Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>M10 CEO</td>
</tr>
<tr>
<td>M9 President</td>
</tr>
<tr>
<td>M8 EVP</td>
</tr>
<tr>
<td>M7 SVP</td>
</tr>
<tr>
<td>M6 VP</td>
</tr>
<tr>
<td>M5 Senior Director</td>
</tr>
<tr>
<td>M4 Director</td>
</tr>
<tr>
<td>M3 Senior Manager</td>
</tr>
<tr>
<td>M2 Manager</td>
</tr>
<tr>
<td>M1 Supervisor</td>
</tr>
</tbody>
</table>
This slide gives an overview of all Management Career Levels, which is more or less self explanatory. The information is meant to give a quick total overview of all existing Management Career Levels at Oracle.

Definitions of these levels are available. The formal definitions can be helpful when recruiting a new employee, or when making a decision on whether or not to give a promotion to an employee.

Please contact your compensation representative if you are interested in seeing how each management level is defined.
## Individual Contributor Career Levels

<table>
<thead>
<tr>
<th>IC Career Levels</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IC6</td>
<td>Architect</td>
</tr>
<tr>
<td>IC5</td>
<td>Guru</td>
</tr>
<tr>
<td>IC4</td>
<td>Senior Professional</td>
</tr>
<tr>
<td>IC3</td>
<td>Staff Professional</td>
</tr>
<tr>
<td>IC2</td>
<td>Professional</td>
</tr>
<tr>
<td>IC1</td>
<td>Entry Level Professional</td>
</tr>
<tr>
<td>IC0</td>
<td>Trainee, Intern, Clerical</td>
</tr>
</tbody>
</table>
This slide gives an overview of all Individual Contributor Career Levels.

Definitions of these levels are also available. Please contact your compensation representative if you are interested in seeing how each individual contributor level is defined.

It is important to note that there is NO correlation between M-levels and IC-levels. Each career path is considered separate from the other, and transfers or job changes across the paths are to be evaluated on a case-by-case basis.

Please also note that the IC6 level is exceptional and requires a special promotion process in most LOBs.
Additional Job Table Information (1)

The following additional information is also held against individual jobs:

**Compensation Type**
- Broad categories of commission/bonus plans as follows
  - Consulting Bonus Plan
  - Sales/Pre-Sales Commission Plan with Annual Target Variable
  - Education Bonus for Trainers
  - Recruiters' Bonus
  - Global Bonus
- Employees with the same job code are eligible to participate in the same variable/bonus plan type (for exceptions see the Regional Compensation Training Modules)
In addition to job code, function, specialty area and career level, there are other elements in the global job table that are held against the individual jobs.

One of the critical elements is Compensation type. Oracle Consultants who are "billable" may be eligible to participate in the Consulting Discretionary Bonus Plan. Consulting bonuses are administered through Global Incentive Planning.

Sales commissions are designed to direct, motivate, and reward sales employees for achieving desired business objectives. Sales commissions are administered through Global Sales Compensation. Oracle Instructors, outside the U.S., who are "billable" are eligible to receive a quarterly bonus. Instructor bonuses are administered through Global Incentive Planning.

Only Oracle recruiters are eligible for the Recruitment plan. This plan is based on measurable recruitment goals. The Global Performance Bonus Plan is an annual plan, but the Bonuses are discretionary and there are no entitlements.

It is important to note that, in general, employees with the same job code are eligible to participate in the same variable or bonus plan, so correctly assigning the job code, and therefore, the compensation type, is critical to ensuring that your employees are on the right plan.
Additional Job Table Information (2)

- Salary Grades
  - These link to base salary ranges that assist managers to make decisions about salaries during the salary increase review, promotion or recruitment processes
- Consulting Target Bonus
  - This may differ from country to country
- Consulting Job Level
- Billable Flag
  - Relevant Consulting jobs only
Other important information that is tied directly to the job table includes salary grades, consulting target bonus levels, consulting job levels and the billable flag, which is relevant to some consulting jobs.

Salary grades link a range to each job code, and the grades are assigned at the country level. Grades are determined based on local market analysis, so a grade 8 in the US is not the same as a grade 8 in Australia, or a grade 8 in France. There is a separate training module on how salary ranges are developed and used at Oracle, so please check out that presentation when you have some time.
Impact on HR Processes

- The classification of a job has direct impact on:
  - Compensation
    - Salary range
    - Compensation type
  - iRecruit/Offer Letter
  - Employment terms for acquired employees
  - Benefits (eligibility/level of benefits coverage)
  - Appraisal (individual profile/job competencies)

- Eligibility for Compensation Workbench Processes
  - Sales Increase/Salary Review
  - Non-Sales Increase/Salary Review
  - Global Bonus
  - Consulting Bonus (managed outside CWB outside US)
  - Approval authority levels for HR processes
The classification of a job has a direct impact on many processes.

First, if the employee is in the wrong job, it could have a direct impact on the variable compensation of the employee. If you have, for example, a Consulting Sales Representative on your team, that is mapped to a consulting delivery job, you will have problems in issuing a comp plan, because the consulting job is eligible for a consulting bonus plan. In addition, we have 2 salary increase processes at Oracle. One is for the Sales function and the other is for all other functions. If someone is misclassified, he or she may not be eligible at the appropriate salary increase time for his or her role. This again illustrates how each job code has pre-defined elements that can not be changed.

Second, in some countries certain benefits are linked directly to the job of the employee, for example the eligibility for a company car or car allowance. Correctly assigning a job code impacts the benefits for which the employee is eligible.

Third, access to Manager Self Service and Compensation Workbench is limited — only employees with a global career level of M1 through M10 are granted access to these tools.

And finally, by incorrectly classifying an employee, we are misrepresenting survey data being reported, and we could be violating local laws putting the company at risk for litigation.

These topics clearly illustrate the importance of having your employees in the correct job.
Impact on non-HR Processes

- Compensation plan issuance
  - The type of sales compensation plan is linked to the employee's job
  - Employees with jobs with Function of Sales or Pre-Sales must have an Annual Target Variable
- General Ledger
  - The employee's job is one of the parameters that generates the Headcount Account for Headcount Reporting by Finance
- Projects
  - Billing rates - linked to Consulting Job Level
  - Only employees with a job with Function of Consulting and Billable Flag set to Y can be charged out with the standard cost rate for the job
- Sales Applications
  - Basic details of Sales applications, such as CRM, are synchronized with employee details of the HR database. Yet, this is true only for employees having a Job Function of Sales or Pre-Sales as access to these applications is restricted to these functions
In addition to impacting HR processes, the job code selected will impact various non-HR processes.

Some of these processes include: compensation plan issuance, headcount reporting for the general ledger and sales applications. Project billing rates for consultants are also linked to the job classification of each employee. If an employee is mapped too low, this could have a direct impact on the margin of the business.

***PLEASE HOLD ON THIS SLIDE FOR A BIT TO GIVE VIEWERS A CHANCE TO READ ALL BULLETS***
Further Information Sources

- Detailed definitions of the Function, Specialty Area, Global Career Levels can be found on the Managers' Resource Guide (MRG) accessed via manager HR Self Service.
- The MRG also contains detailed information on:
  - Where to find information on jobs
  - How to change the job of your employees
  - How to change the product association and Industry code for your employees
Through Manager HR Self Service, also known as MEE (Manage Employee Events), managers can view an employee's assignment, salary and training information and change employee details by processing HR transactions through a web browser.

An extensive manual is also available to managers, the MEE Handbook for Managers, in which the manager can find a description of all the options that are included in MEE.

The job code assigned to an employee can also be found in Information Workbench and in MyOracle at People Search.
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
In a self service organization like Oracle, there are many resources available to educate you on making compensation decisions.

Your manager should be your number 1 resource for compensation-related discussions. He or she can give you direction about compensation decisions made at the line-of-business level. For example, during the salary increase, bonus and stock processes, some LOBs may implement specific strategies on how they want to allocate their budget pools.

Another important resource for you is the local Compensation manager or HR manager for the country in which the employee works. He or she will be able to provide expertise on local practices, processes and requirements for that country. In addition to providing advice on day-to-day comp decisions, the compensation team and HR team can also provide advice for some of the more difficult compensation-related challenges that you may face. You can find your HR Contact and HR Manager by checking your ARIA page. The appropriate compensation contact can be found on the HR Global website.

In addition to personal resources, Oracle has plenty of online resources available to you. There is a wealth of information available through the global HR website and through HRMS applications like Manager Self Service (often referred to as MEE), Compensation Workbench -or CWB- and Information Workbench (often referred to as IWB).

On the HR Global Website you will find the country HR sites, global compensation information, employee handbooks and global policies such as code of ethics and Business Conduct.

Compensation Workbench is used for comp processes such as the Global Corporate Bonus and the Salary Increase Review and on IWB you will find job and salary information and history for all employees within your organization.
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.
Information Workbench is accessed via your Compensation Workbench responsibility. IWB is a tool available to assist you in monitoring all compensation related information pertaining to your employees. In addition to base salary history, bonus history, job history and salary range data, IWB enables you to track overtime and exception pay history for US employees in your hierarchy. The data is refreshed every month.

The main view options that you will find on Information Workbench are salary, job information, and sales salary. But you will also be able to find a summarized total compensation overview of your employees. The overview will show what base and variable compensation your employees have received in the last 12 months.

If you want to view specific sections of your organization, there are filters available in Information Workbench. You may filter by country or direct report team, or you may choose to view just your direct employees or all employees who report up to you.

If you have little experience with Information Workbench, you can use the training video that is available in Compensation Workbench under Information and Links and then Training.