

# 19 Compa Ratio and Range Penetration

## Use

The **Compa Ratio and Range Penetration** report displays for compa ratio:

- The annual amount relevant for the compa ratio calculation
- The midpoint of the pay range for each employee
- The compa ratio (which is the quotient of the annual amount and the midpoint)

The compa ratio describes the position of an individual in the pay range against the pay policy reference point for the range in Employee Central. It is called midpoint of the pay range. The compa ratio can be used to reposition a pay of an individual in the range. In Employee Central, the pay range is configured according to parameters like for example Legal Entity, Pay Group, and Geo Zone.

- The Annual Amount relevant for the range penetration
- The minimum and maximum amounts of the pay range for each employee

From these numbers, the range penetration can be derived, which is the level of an individual's pay compared to the total pay range. Both numbers can be exported from the report to, for example Excel. The range penetration can be calculated according to  $\text{Range Penetration} = (\text{Pay} - \text{Range Minimum}) \text{ divided by } (\text{Range Maximum} - \text{Range Minimum})$

## Remarks to the Design of the Report

- The pay range of each employee depends on the Employee Central default configuration from (1) Legal Entity, (2) Pay Group and (3) Geo Zone. In detail, the report is designed in the way that the pay range is joined to the Legal Entity via:

GlobalJobInfo => Legal Entity ( => Relationship Table) => Pay Range

To avoid duplicates the following approach was taken

- The Pay Grade is joined to the Pay Range
- The Location is joined via Geo Zone to the Pay Range
- 2 filters were applied:
  - GlobalJobInfo-location = location-code
  - GlobalJobInfo-pay grade = pay grade – pay grade ID

If the pay range depends in another instance on different parameters, it's required to adjust the report. For example,

- Pay range depends on job code and pay grade
- Then, you need to join the pay range to the job code (pay grade, respectively) and to have a filter for the pay grade similar as stated above (job code, respectively)
- "Currency Exchange Rate (Extended)" is joined to the following schema: (1) to table "Compensation"; (2) to table "Compensation (2)" and (3) to "Pay Range". A filter via 'field comparison' was applied to avoid duplicates (here, the "Target Currency" must always be the currency of the Pay Component Group)

- To enable the possibility to refer one pay component of type PERCENTAGE to another PC or PCG, the table 'Compensation' is joined twice. Here, the following logic is applied:
  - IF Pay Component Type = PERCENTAGE:
    - then Compensation-Amount is multiplied with the percentage of Compensation (2)
    - To avoid unwanted duplicates, a filter is applied in the way that "Base Pay Component Group" from "Pay Component (2)" and PCG from "Pay Component Group"
  - IF Pay Component Type = AMOUNT:
    - To avoid unwanted duplicates, a filter is applied in the way that both, "Pay Component Group ID" and "Pay Component" from Compensation and Compensation (2) must be identical

## List of Fields Used in Employee Central

personInfo	last-name
	first-name
	middle-name
personInfo	person-id-external
jobInfo	company
	business-unit
	division
	department
	cost-center
	employee-status
	job-title
	location
	pay-grade
	fte
payComponentRecurring	paycompvalue
	Pay-component
complInfo	pay-group
employmentInfo	isContingentWorker
	start-date
payComponent	externalCode
	name
	basePayComponentGroup

	payComponentType
payComponentGroup	externalCode
	name
	currency
	useForComparatioCalc
	useForRangePenetration
payFrequency	annualizationFactor
LegalEntity	countryOfRegistration
payRange	currency
	frequencyCode
	name
	minimumPay
	midPoint
	maximumPay
payGrade	externalCode
geozone	externalCode
location	externalCode
currency	code
currencyExchangeRate	currency
	exchangeRate

## Report Schema



## Calculated Columns

- Annual Amount (relevant for compa ratio): Following cases need to be differentiated:
  - Pay Component Type = AMOUNT: Then, the amount is simply 'Compensation-Amount' multiplied with "Annualization Factor" (from "Frequency" joined to "Compensation") multiplied with "Exchange Rate" (from "Currency Exchange Rate (Extended)" joined to "Compensation" => "Currency")
  - Pay Component Type = PERCENTAGE: Then, the amount is "Amount" (from "Compensation") divided by 100 multiplied with "Amount" (from "Compensation (2)") multiplied with "Exchange Rate (2)" (from "Currency Exchange Rate (Extended) (2)" joined to "Compensation (2)" => "Currency (2)") multiplied with "Base PC Annualization Factor" (from "Frequency (2)" joined to "Compensation (2)")
- Annual Amount (relevant for range penetration): Same as above just for "Range Penetration" (i.e. "Use for Range Penetration Calculation = 1")
- Minimum Pay, Midpoint, Maximum Pay: Multiplication with "Exchange Rate (3)" (from Currency Exchange Rate (Extended) (3)) joined to "Pay Range" => "Currency"). Furthermore, number of decimal places of all 3 calculated columns is restricted to 2.
- Min Pay, Mid Pay, Max Pay (only relevant for 1st page of the report): It's not possible to display fields of Data Type = "Number" as columns or rows in a Pivot table but this is only possible for fields of Data Type = "Text". To convert these numbers into text, these 3 calculated columns were introduced.
- Compa Ratio: "Annual Amount (relevant for compa ratio)" divided by "Midpoint" divided by "Pay Range Annualization Factor" (from "Frequency (3)" joined to "Pay Range") divided by FTE

## Filters

There are several filters applied:

- The filter conditions indicated in red are relevant for the pay range
- The filters indicated in green (blue, respectively) are relevant for the pay component types = PERCENTAGE (AMOUNT, respectively).
- In addition, there are following filters for the Currency (not shown in the screenshot below):
  - "Target Currency" (from Currency Exchange Rate (Extended)) joined to "Compensation" => "Currency") equals to "Currency" (from "Pay Component Group")
  - "Target Currency (2)" (from Currency Exchange Rate (Extended) (2)) joined to "Compensation (2)" => "Currency") equals to "Currency" (from "Pay Component Group")
  - "Target Currency (3)" (from Currency Exchange Rate (Extended) (3)) joined to "Pay Range" => "Currency") equals to "Currency" (from "Pay Component Group")

