The Advantages of Automating Complex Compensation Management Processes

Every business is unique and has its own special needs and requirements when it comes to compensation management. But where all businesses are alike is their requisite for a compensation program that is managed accurately and without error. Organizations that use multi-module HCM solutions are often unable to manage the complexities inherent with today’s rapidly changing variable pay demands. They are forced to work outside of the HCM suite employing manual processes and homegrown solutions.

According to a study by the IOSR Journal of Business and Management, “Human Resource Information Systems and its impact on Human Resource Planning: A perceptual analysis of Information Technology companies,” Human Resource Information Systems (HRIS) help organizations in planning their human resources, both quantitatively and qualitatively and quantitatively. By employing HRIS, companies can store data about the employees,
By employing HRIS, companies can store data about the employees, make healthier HR decisions, reduce cost and make more informed decisions with regard to salary planning and performance.

Benefits of Automating Compensation

In short, by automating their compensation processes and doing away with manual compensation and spreadsheets, organizations can realize the following benefits:

1. Reduce time, cost and manual errors
2. Centralize compensation data in a decentralized environment
3. Gain real-time access to centralized compensation data
4. Minimize exposure of confidential compensation data that would be otherwise housed on spreadsheets scattered throughout the organization
5. Immediately react to changes that affect compensation, such as organizational structure, compensation plans, performance measures, data sources and more
6. Forecast total compensation costs based on an unlimited number of “what if” planning scenarios
7. Enforce corporate compensation policies to comply with industry, state and federal mandates
8. Create an audit trail of data imports and exports
9. Automate compensation recommendation approvals so up-line managers can easily review, approve or reject recommendations from a down-line manager
10. Manage complex rules-based compensation calculations without needing Microsoft Excel macro expertise
Making the Case for Compensation Management Software

Over the past six years, companies who employed Decusoft’s compensation software solutions to automate their compensation processes reported back their results. Spanning across multiple industries including healthcare, retail and pharmaceuticals, 87 percent reported an improvement in data integrity, while 75 percent reported a decrease in time and/or resources required to plan, implement and/or manage compensation processes that had been previously accomplished through manual spreadsheets. These firms also noted improved auditing and controls, greater compliance across multiple divisions, a reduction in calculations errors and more streamlined data management.

One precision technology leader reported improvements in time and resources, auditing and controls, data integrity and analytics, calculation errors, response time, employee communication and company compliance.

Another company – a diversified provider of specialized oilfield services and equipment – reported real-time, web-based, easy access to accurate compensation information, comprehensive audit trails, ease in managing annual and off-cycle awards and increased confidence in data integrity.

In the case of one of the world’s best known rental car companies, they benefitted from more rapid respond time to last minute financial adjustments, streamlined and automated data imports from disparate sources and improved data integrity. In addition, they reported a decrease in time and resources required to implement and manage all compensation management processes.

87% of the companies using Decusoft’s compensation software solutions reported an improvement in data integrity, while 75% reported a decrease in time and/or resources required to plan, implement and/or manage compensation processes.
Organizations gain accuracy and compliance with the added economic savings of time, money and resources.

About COMPOSE by Decusoft

COMPOSE by Decusoft is a specialized compensation management software solution that simplifies the administration of complex variable pay programs including Merit, Bonus, Short-term and Long-term incentives. COMPOSE is not a modular software suite like other traditional human capital management solutions. However, COMPOSE easily integrates with existing ERP, HRIS, financial and human capital management solutions allowing you to leverage your investment in existing processes and systems.

COMPOSE includes modeling capabilities, a workflow approval process, full audit capability, proxy functionality, flexible user preferences, enhanced filtering and sorting, real-time summaries, the ability to manage multiple metrics, and comprehensive total compensation reports.

For more information, see contacts below.

Sources:


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