

## A STUDY ON PAYROLL MANAGEMENT SYSTEM

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### ABSTRACT

The pay structure of a company depends on several factors such as labor market Conditions Company's paying capacity and legal provisions. In India, different acts include different items under wages though all the Acts include basic wage and dearness allowance under the term wages. Under the workmen's Pay Roll act, 1923 wages for leave period holiday pay, overtime pay, bonus, and good conduct bonus form part of wages. Under the payments of wages act, 1936, section 2(vi) any awards of settlement and production bonus, if paid constitute wages. Under the payment of wages act 1948, retrenchment Pay Roll payment in lieu of notices and gratuity payable on discharge constitute wages. The term Allowances includes amounts paid in addition to wages over a period of time including holiday pay, overtime pay, bonus social security benefit etc. the wage structure benefits etc. the wages structure in India may be examined broadly under the following, The basic wage in India corresponds with what has been recommended by the Fair wages committee (1948) and the 15th Indian Labor conference (1957). The various awards by wage tribunals, wage boards, pay commission reports an job evaluation also serve as guiding principles in determining basic wage. Pay Roll is what employees receive in exchange for their contribution to the organization. Generally employees offer their services for their types of rewards. Pay refers to the base wages and salaries employee normally receive. Pay Roll forms such as bonuses, commissions, and profit sharing plans are incentives designed to encourage employees to produce results beyond normal expectation. Benefits such as insurance medical, recreational, retirement, etc represents a more indirect type of Pay Roll So, the term Pay Roll is a comprehensive one including pay, incentives and benefits offered by employers for hiring the services of employees. In addition to these, managers have to observe legal formalities that offer physical as well as financial security to employees. All these issues play an important role in any HR department's efforts to obtain maintain and retain an effective workforce. Pay Roll offered by an organization can come both directly through base pay a variable pay and indirectly through benefits.

Base pay: It is the basic Pay Roll an employee gets, usually as a wage or salary.

### I. INTRODUCTION

#### PAYROLL MANAGEMENT

**Introduction to Payroll Management** prepares professionals to manage a payroll department by introducing them to the most applicable core management skills. Based on market research, the course provides the management content and tools required to be a successful manager, such as decision making and project management. It builds on the foundation of a Payroll Compliance Practitioner's experience, knowledge and application of legislative monitoring and effective communication of payroll programs and policies.

Payroll Management is the linchpin to most of the information an organization has regarding its employees. While many organizations espouse to using Human Resource Information Systems (HRIS), the reality is somewhat different. Current technology and software packages allow employers to store a vast array of

inter-related information about employees. However, much of this information is not viewed as critical, and therefore often overlooked. Basic employee information must however be kept for payroll purposes. This will also form the basis for any other HR related information.

Upon completion of **Introduction to Payroll Management**, you should be able to:

- Define the role that strategic, operational, human resources and financial management play in an organization.
- Demonstrate the ability to monitor, analyze, communicate and implement legislative changes.
- Analyze situations and apply the appropriate decision making tool.
- Participate in an organization's risk management process by developing payroll continuity plans.
- Identify and apply the principles of project management.
- Define change management in terms of the forces that lead to organizational change.
- Demonstrate a professional payroll profile by applying privacy principles to the management of payroll information.
- Analyze ethical situations that may emerge related to compliance and/or human resources situations.

Payroll system is the heart of any Human Resource System of an organization. The solution has to take care of the calculation of salary as per rules of the company, income tax calculation and various deductions to be done from the salary including statutory deductions like Income tax and provident fund deductions. It has to generate pay-slip, cheque summary and MIS reports.

It is understood that we are tired of managing thousand of odd papers, pay slips, payroll reports, and salary details and so on. Imagine that we have a payroll processing system which will generate our pay slips and payroll reports within seconds. We can help others automated your payroll system by developing a customized payroll application that suits your specific requirements.

Main aim of developing Employee Payroll Management is to provide an easy way not only to automate all functionalities involved managing leaves and Payroll for the employees of Company, but also to provide full functional reports to management of Company with the details about usage of leave facility.

We are committed to bring the best way of management in the various forms of **EPM**. We understand that **EPM** in not a product to be sold, it is a tool to manage the inner operation of Company related to employee leave and Payroll.

#### **NEED OF THE STUDY**

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Logistics is an important field performing so many different functions under one roof in different areas. Without logistics export import of products can't move a single mile. But after world war only world realize the important of logistics, today having advanced technology available.

Cargoes are moving so many ways, ensuring delivery of the product within the prescribed period within which they want finish that work. Time is the one of major factor of this Service sector.

Thus the study will help the company to find the feasibility of intermediaries in the field of logistics.

#### **SCOPE OF THE STUDY**

The scope of the **study** consists of analyzing the compensation and benefits given for the employees at Organisation In all levels of employees. And analyzing the process of how the organization fixing the compensation to the employees of various following departments. An analysis of the process was carried

out and recommendations were given accordingly. A questionnaire survey was conducted among Managers, Executives, Supervisors and Workmen covering the following departments.

- HR department.
- Corporate Service Department.
- Purchasing Department.
- IT Department.
- Finance department.

### **OBJECTIVES OF THE STUDY**

- To study the role of intermediaries in logistics & to know about their functions, importance, their problems.
- To study the payroll management process.
- Does it follow the conventional method or developed any method of its own.
- To know the employees are satisfied with the pay or not.
- Does it follow the statutory norms provided by government?
- Does it provide Special employee benefits ( if any )
- To identify opportunities of the exporter and their functions in export decision.
- To analyze the need for different intermediaries.
- To study the role of logistics service in Visakhapatnam in particular.

### **II. RESEARCH METHODOLOGY**

The research included survey for fact finding enquiries of different kinds.

The major purpose of this research is to analyze the intermediaries' functions, performance and problems. So this is descriptive research.

#### **Sampling Method:**

Simple convenient sampling was chosen

#### **Sample Size: 30**

#### **Data Collected:**

#### **Primary Data:**

A preplanned interview schedule was prepared, and face to face interview was done with all export department officers.

#### **Research Area: Visakhapatnam**

#### **Analytical tools used:**

- Percentage Analysis
- Chi- square test

### **LIMITATIONS OF THE STUDY**

- Logistics have so many ways to move the cargo but this research work covers the Shipping industries.
- As the interview schedule is used to collect data possibility, it took long time to get require data.
- This study covers organization which is dealing in iron in Visakhapatnam City.

### **III. REVIEW OF LITERATURE**

#### **TITTLE: Leave and Payroll Management System**

#### **AUTHOR: MANISH SINGH**

#### **ISSN: 2278-0661, p-ISSN: 2278-8727**

#### **ABSTRACT:**

Management of leave and payroll are critical operations for each institution as it has effect on payment of staff members of any institution and also to complete it accurately and on time. The Current Leave and Payroll Manager both are paper based systems. Though the attendance is Biometric but still it is not that much efficient in terms of matters related to leave management. Manual payment calculation of staff

members is too complex and it even takes lot of time and also requires lot of efforts. So if these processes are automated, it would be of great benefit as it would require less time to calculate the salary of the employees. So, a web application that has a payroll management system is considered as one of the way here. Multiple user data access is provided by these system.

Users like staff members or administrator can login into the software by writing id and password which are allocated to them from the organization. It involves keeping track of hours worked and can keep a record of employee data including their pay, allowances, deductions and taxes on monthly bases so that fresh definitions are reflected from the month onwards, which leaves all the past data intact. Similarly, for managing the entire task related to leave such as requesting for leave and approval of leave, we have considered leave management system as the solution. The proposed leave and payroll system is much efficient as it provides a user-friendly environment and manual calculation errors are reduced and security is increased. The tasks which can be processed using the Leave Management module are applying for leave, viewing leave history, viewing leave stats and granting/rejecting leave applications. The Payroll Management module consists of tasks such as viewing payroll & tax deductions and automatic tax calculation. This system can make the existing system faster, more productive and would require less manpower to handle it.

**TITLE: PERFORMANCE MANAGEMENT & MEASUREMENT IN HR AND PAYROLL**

**AUTHOR: NITU YADAV**

**Volume 8, Issue 6, Nov–Dec 2017,**

**ABSTRACT**

The article brings out a proposed strategy map and respective key performance indicators (KPIs) in human resources (HR). The article provides an overview of how HR activities are supported in order to reach the partial goals of HR as defined in the strategic map. Overall the aim of the paper is to show the possibilities of using the modern Balanced Scorecard method in human capital. Performance management is a procedure by which managers and employees cooperate to arrange, screen and audit a employee's work goals and general commitment to the organization. More than just an annual performance audit, performance management is the constant procedure of setting targets, evaluating progress and giving on-going instructing and input to guarantee that employees are meeting their destinations and vocation objectives. The principal objective of performance manager is to advance and enhance employee adequacy. It is a persistent procedure where manager and employees cooperate to arrange, screen and survey a employee's work destinations or objectives and his or her general commitment to the organization. This paper concentrates on performance management and measurement in HR and payroll.

**TITLE: CRITICAL SUCCESS FACTORS OF A PAYROLL SYSTEM – A SYSTEM LIFE CYCLE APPROACH**

**AUTHOR: MOHAN THITE**

**Volume 18 Number 2 2014**

**ABSTRACT**

Majority of firms deploy technologies in HR administrative applications. While payroll processing is a routine transactional activity, poor design and implementation of payroll system can cause immense harm to employee and organizational well-being. Based on the case study of a flawed payroll system in a large and complex public sector organization in Australia, we highlight the key success factors using the system life cycle approach underpinned by the agile philosophy. It highlights the critical importance of strategic organizational review, user involvement and ongoing communication with diverse stakeholders during the planning, analysis, design, implementation and review stages of a payroll project.

**TITTLE: Employee Attendance and Payroll System Using Image Capturing and GPS Tracking**

**AUTHOR: SAMPADA A CHAVAN , NEELAM D GAIKWAD,**

**Volume 3 | Issue 2 | Print ISSN: 2395-1990**

**ABSTRACT**

In today's world, the phrase “Time is Money” is very pertinent. public want to get their things done as quickly as possible. They want effortless and fast access to each and everything .The task of processing the salary of an employee manually is very tedious and time consuming. Processing the salary of an employee is a very tedious job if done manually and may even more time consuming process. Hence this process if automated would be of great profit. It would be less time consuming. As a solution in this paper the software for payroll management system service on the cloud is provided as a solution in this paper.[2] This system provides multiple user data access. Each user like employee or HR or admin can login into the software by writing username and password which are allocated to them from the company. It involves keeping track of hours worked and is capable of keeping a record of employee data including their pay, allowances, deductions and taxes on monthly bases so that fresh definitions are reflected from the month onwards, which leaves all the past data intact.[3] The proposed payroll system is advantageous as it provides a user friendly environment and also increases security and minimizes human calculation errors.

**TITTLE: A SYSTEM FOR PAYROLL MANAGEMENT**

**AUTHOR: Pavitra Rani Gautam, 1 Sugadev Ragumani and 2Y.K. Sharma**

**ISSN: 1549-3636**

**ABSTRACT:**

This research had done the software design and database system model for Payroll Management System (PMS) in Defense Institute of Physiology and Allied Sciences (DIPAS). The calculations are based on the user provided employees details like basic pay, house rent allowance, loan details and so on. Based on these user inputs the system automatically generates pay slip, pay bills, all schedules for debit and credit payments. This system is developed in such a way to suit for both new and old pension schemes of the central government employees of India. The use of Java Server Pages (JSP) language for system development allows easy modification of the system design. So the system design can be directly implemented to any other central government organization with slight modifications.

Approach: This study presented the database and software design for PMS. The software changes the manual operation into a computer-based system to automate study, provide efficiency, accuracy, timelessness, security and economy. Results: After undertaking an in-depth examination of the existing manual payroll management system and analyzing its short comings, it has been found necessary to remove its deficiencies and provide a suitable solution for presently encountered problem. Conclusion: The proposed system can help the organization to manage efficiently the employee pay related data as personal information, salary information, loan information and so on.

**IV. DATA ANALYSIS AND INTERPRETATION**

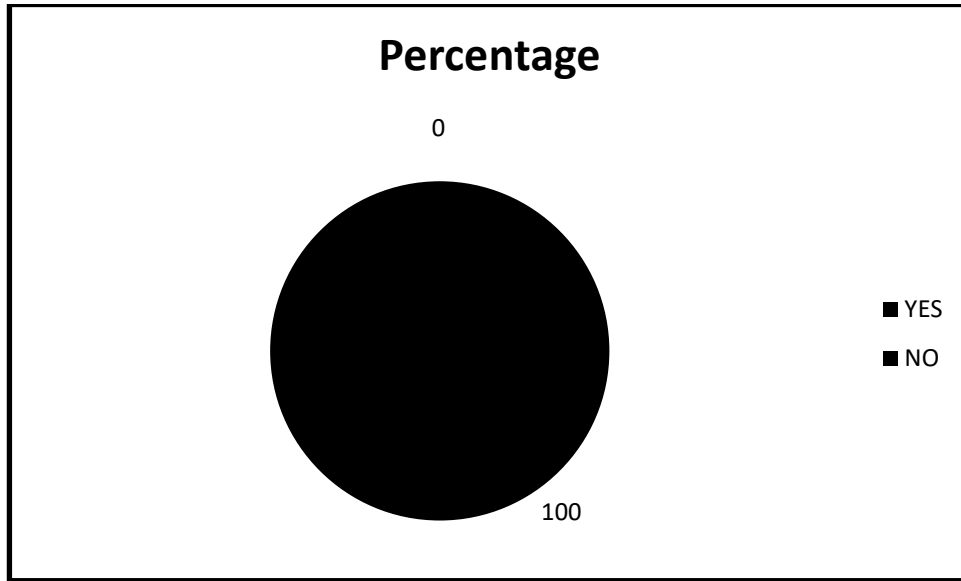
**WORKING HOURS IN THE WORK PLACE**

**1. Are you aware of the minimum working hours in the work place?**

**TABLE- 4.1**

Aspects	No. of Respondents	Percentage
YES	100	100
NO	0	0
TOTAL	100	100

**GRAPH - 4.1**



**INTERPRETATION:**

The above analysis shows that all 100% of the respondents said yes to the minimum working hours. It shows that all are aware about the minimum as well as maximum working hours in the work place.

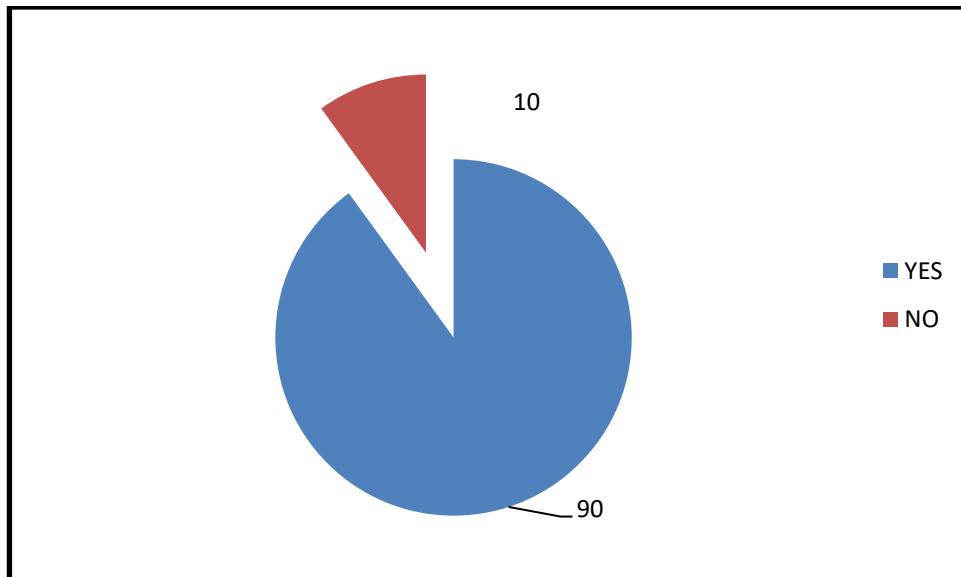
**STATUTORY NORMS RELATED TO SALARIES**

**2. Are you aware of the statutory norms related to salaries provided by the government?**

**TABLE- 4.2**

Aspects	No. of Respondents	Percentage
YES	27	90
NO	3	10
<b>TOTAL</b>	<b>30</b>	<b>100</b>

**GRAPH - 4.2**



**INTERPRETATION:**

The above analysis shows that 90% of the respondents are aware of the statutory norms related to the salaries, and left 10% of the people are not aware of the statutory norms related to the salaries and these people are fresher's so they are not aware of the norms.

It shows that maximum number of employees is aware of statutory norms related to salaries.

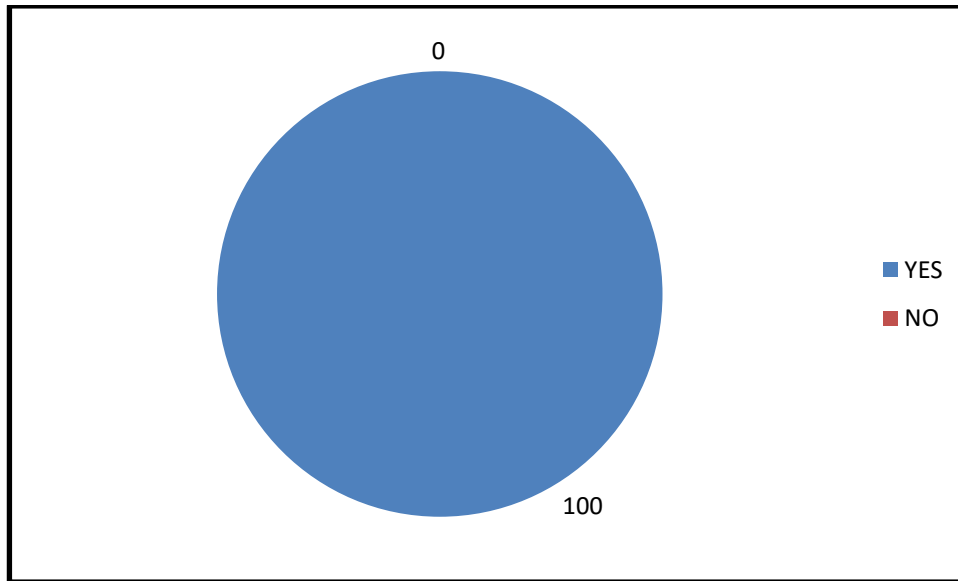
**SALARY PAY PERIOD**

**3. Does your organization providing the salaries on Promised Time?**

**TABLE- 4.3**

Aspects	No. of Respondents	Percentage
YES	30	100
NO	0	0
<b>TOTAL</b>	<b>30</b>	<b>100</b>

**GRAPH - 4.3**



**INTERPRETATION:**

The above analysis shows that all 100% of the respondents said yes.

It shows that the organization is paying the salaries to employees on promised time.

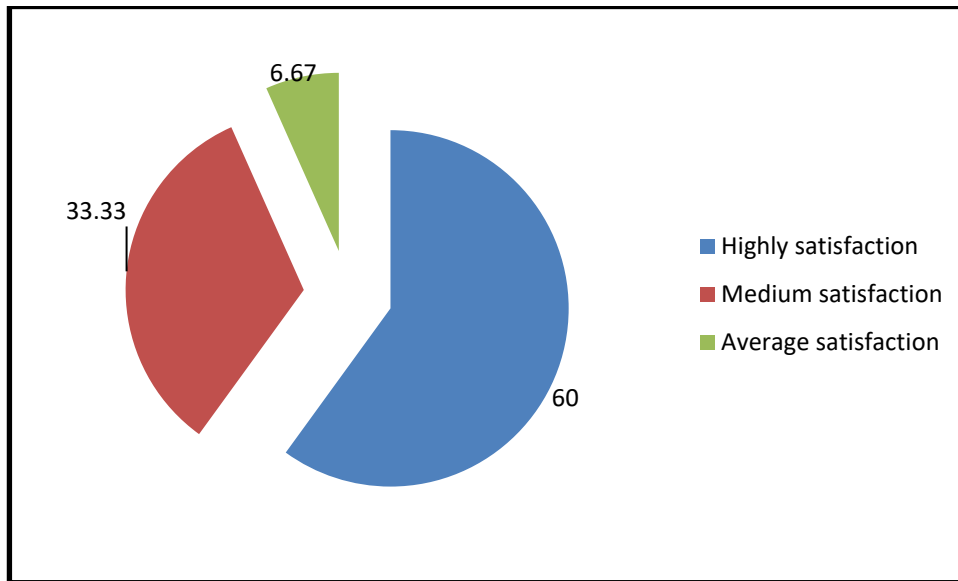
**SATISFACTION OF SALARY**

**4. What are the satisfaction levels of pay?**

**TABLE- 4.4**

Aspects	No. of Respondents	Percentage
Highly satisfaction	18	60
Medium satisfaction	10	33.33
Average satisfaction	2	6.67
<b>TOTAL</b>	<b>30</b>	<b>100</b>

**GRAPH - 4.4**



**INTERPRETATION:**

The above analysis shows that 60% of the respondents are highly satisfied with their salaries , and 33.33% people are average satisfies, and remaining 16.67% of the respondents are average satisfied to their salaries. It shows that maximum number of employees are satisfied with their salaries.

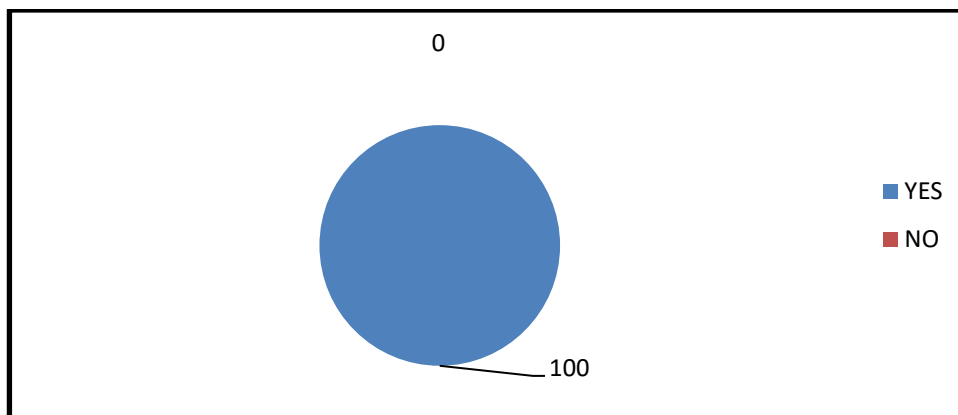
**COMPUTERIZED ATTANDANCE SYSTEM**

**5. Does the organization have a computerized attendance system?**

**TABLE- 4.5**

Aspects	No. of Respondents	Percentage
YES	30	100
NO	0	0
TOTAL	30	100

**GRAPH - 4.5**



**INTERPRETATION:**

The above analysis shows that 100% of respondents are saying that they have computerized attendance system on their organization, which is consider for the salaries calculation at the end of the month. It shows that the organization have computerized attendance system.

**V. FINDINGS**

- It is observed that the 100% of sample size respondents are saying that they are all aware of the minimum working hours, statutory norms which are provided by the government.

- It is found that the 60% of sample size respondents are highly satisfied about the pay structure of the organization and 33% are having medium satisfaction and rest of 7% of respondents are having less satisfaction regarding their pay.
- It is observed that 100% of the sample size respondents are agreeing the the organization paying the salaries on promised time and they have computerized attendance system and the organization have a separate payroll system for salary calculations.
- It is found that 37% of the respondents are having the perception that the organization is maintaining the internal and as well as external equity. And rest of all have perception that the company not maintaining the equity of pay.
- It is found that 100% of respondents said that the payroll management members are clarifying their doubts related to their monthly pay.

## VI. SUGGESTIONS

- The organization has to maintain the internal equity of pay so that the employees may work effectively.
- The organization providing special benefits only for some people in the same department, so the remaining employees may get demonization so that the performance level may decrease. So the organization has to pay same for same level employees.
- The organization management person have to conduct special programs to bring aware of the statutory norms and if any changes is made by the government and organization it is responsibility of employer to bring awareness.
- Is this responsibility of the top management to review the salaries in periodically so that they can fix the compensation as per the market. So that they employee feel comfortable in their work.

## VII. CONCLUSION

- The organization having separate payroll management system and computerized attendance system for calculation of monthly salaries
- The organization providing the salaries on promised time to the employees.
- The organization payroll management system members are clarifying the employee doubts related to their monthly pay and statutory deductions and adding of pay.
- Some of the employees have the perception that the organization not maintaining the equity of salaries.
- Most of the employees agree that the compensation of the organization motivating them in the job.
- The organization providing special benefits only for some employees apart from the salary.
- All the employees in the organization are aware of the statutory norms and minimum working hours which are provided by the govt.

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### Author

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## ARTICLES

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- Payroll management