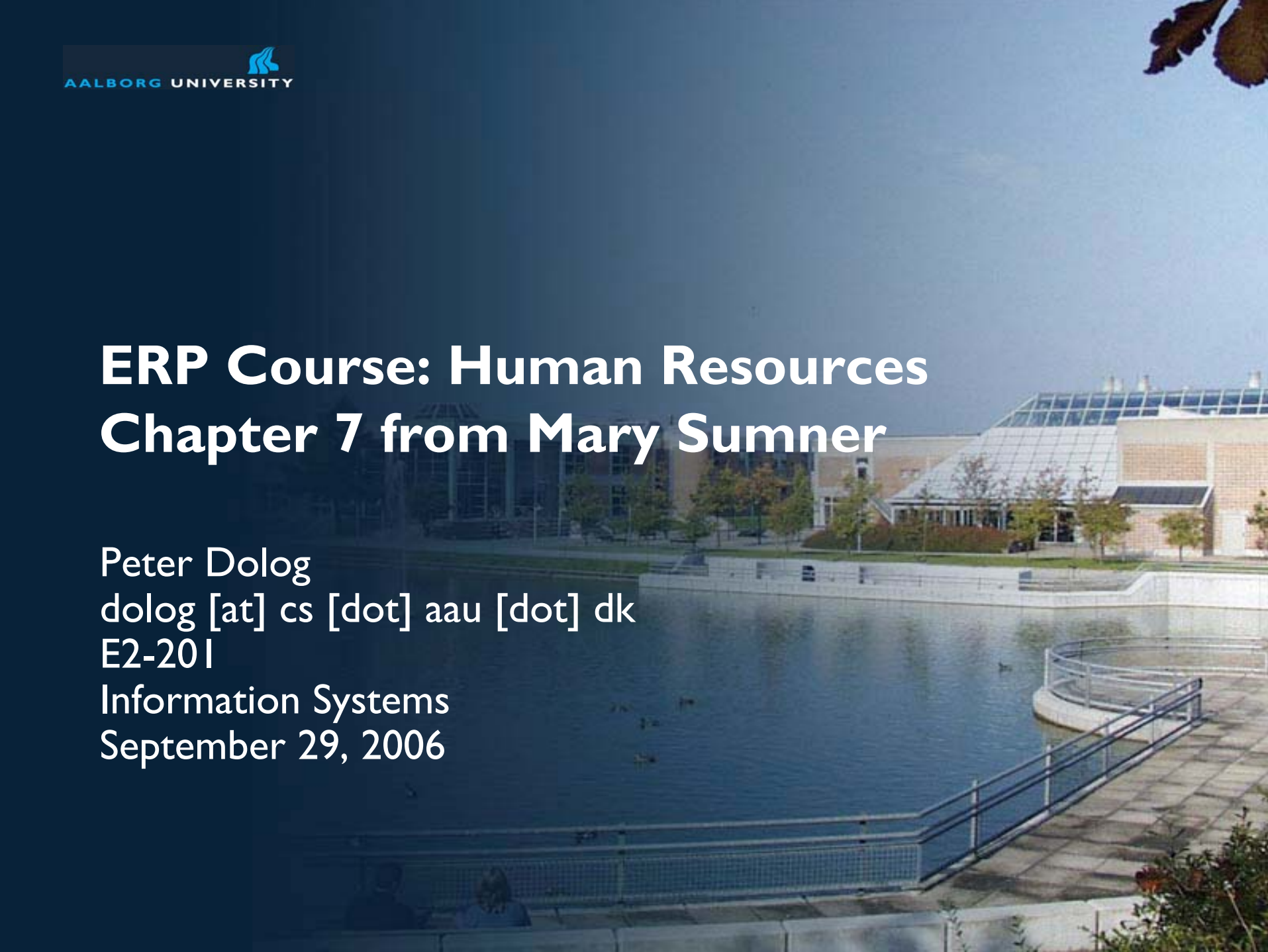


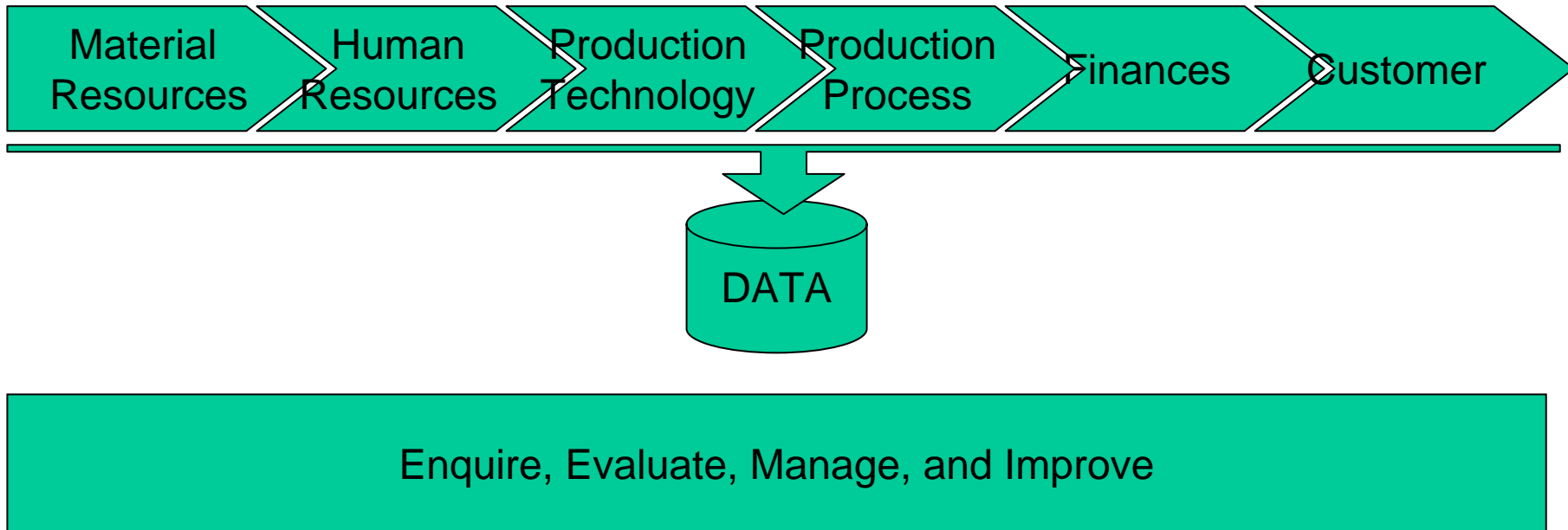
# ERP Course: Human Resources

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# Human Resources

Individuals within a company performing a task to make a profit  
or to support those tasks

A part of the organization dealing with:

- Hiring
- Firing
- Training
- Compensations and other benefits
- Other personal issues

# Human Resources II

## Socialist view

- Human resources are human capital which has a central role within company creating the value with a social contribution

## Capitalist view

- Human resources are interchangeable and are "owned and fused" by "management" who mainly contribute to the value

Moder companies adopted the first view

The latter view can be still considered in army, labor work, McJobs and agriculture

# Human Resource Processes

## Operational

- Employee information, position control, application selection/placement, performance management information, government reporting, payroll information

## Control

- Job analysis and design, recruiting information, compensation, employee training/development

# Human Resource Management

Managing a workforce

Treated differently from other resource management

Assumption: all wish to contribute positively to development of an enterprise

The main obstacle which remains is to deal with lack of knowledge, insufficient training and failures of processes

# Employment

Contract between employee and employer

Employee contributes with a labour

Gets in return a compensation

Types:

- Permanent
- Part time
- Independent contractors

# Types of Employees

Executive

Administrative

Learned Professional

Creative Professional

Outside Sales



# Compensations and Benefits

## Salary/Wage

- Guaranteed and periodic
- Time based wages
- Per result wages

Additional items such as phones, cars, flats, houses, rent and contributions to the rent insurance, computer, paid holidays, additional paid holidays, accumulation of holidays...

## Periodic salaries

Usually monthly for permanent workers

To meet the profit goals and still to satisfy the employee

Labor market provides natural regulations for that

Government provides certain boundaries e.g. by progressive taxes

# Time based wages

Weekly, daily, hourly, monthly

Wage =  $\text{sum}(\text{time} * \text{time\_unit\_salary})$

Time unit salary can differ according to different agreements

Working days vs. Weekends

Normal time vs. over time

Different schemes to calculate time\_unit\_salary

- Derived from periodic salary
- Separate independent units
- Based on job title or assignment

## Result based salaries

Based on produced items/performance

Wage =  $\text{sum}(\text{performance\_on\_item} * \text{performance\_item\_salary})$

Quantity – e.g. per each 50 items

Volume – e.g. per delivered liters

Special compensations for example for produced contracts above specific amount of money

# Taxes

Calculated from gross salaries minus deductible items

Mostly calculated progressively and in levels

Deductible items in most european countries:

- Personal allowance
- Interest allowance
- Transport allowance
- Trade union memberships
- Separation allowance
- Basic pension scheme
- Additional pension allowances

## Additional issues

Employers contributions to pension schemes

Employers tax contributions based on employees

Taxes for working places

Tax holidays if certain number of working places are created

Salaries are transferred usually monthly but there are exceptions

# Payroll and Accounting

Collecting performance and calculating salaries

Posting salaries and deduction entries

Generating periodic payslips

Setting account payables

# Job Creation

Jobs are based on the needs of company

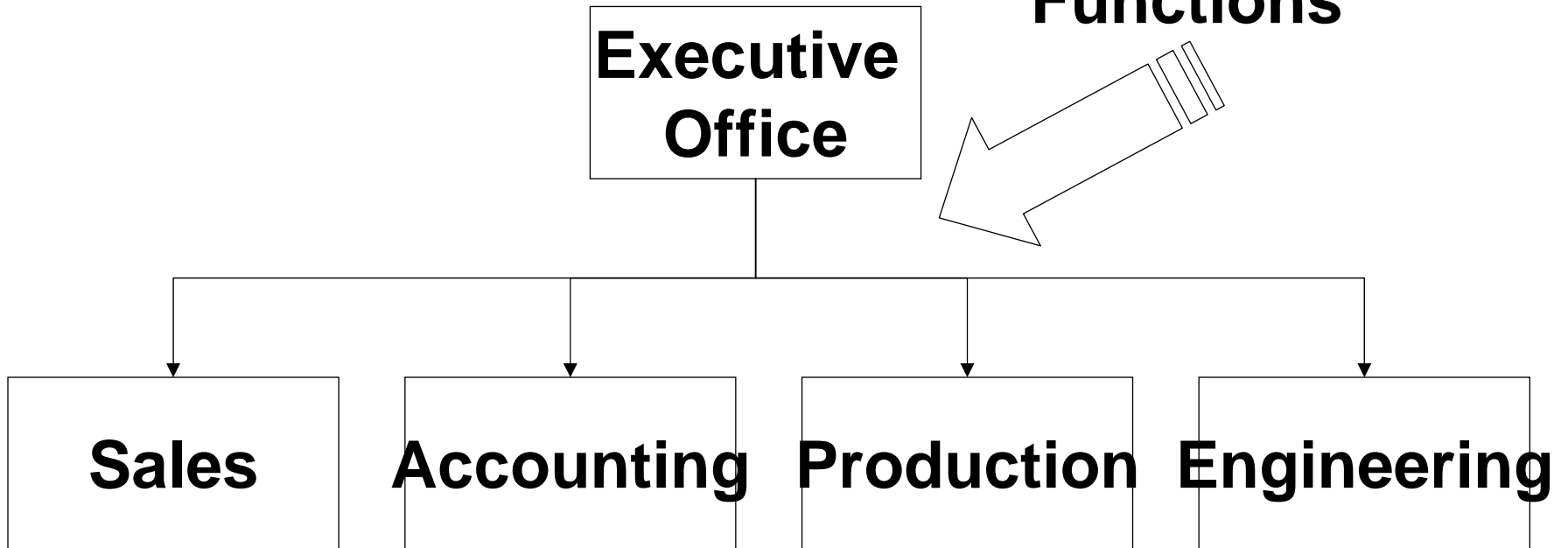
Each process requires different skills and therefore different positions

Organizational structures as a base for position placement

Different shapes (hierarchy – deep, flat, matrix, ...)



# Staff and Division Functions



# Job Analysis

To understand requirements of a job

Dimensions: skills, training, classification, compensations, type of job

Physical vs. Professional

On the job observations and documentation

Questionnaires

Interviews

Psychological tests

Task fulfillment needs from supervisors

Strategies

Sales forecasts

# Profession

Connected to learned professionals

A profession usually requires extensive training

Professionals grouped in organizations with ethical codes

Requires a formal certificate or a licence

Certification certifies certain skills, competence or knowledge

Accreditations and ratings of the institutions which provide such certificates

# Hiring

Through a job advertisement

Based on job descriptions or skills and competencies required

Recruitment process with different stages

Head hunting

# Recruitment process

Application tracking

Application with required attachments

First selection round based on limited set of criteria

Further steps in selection including interviews, psychological tests, questionnaires, probe on the job testing

Candidates which are not selected but interesting are kept in a competence base

# Competence vs. Skill vs. Knowledge

Competence is an ability to perform certain task

Skill is an ability to perform certain actions

Knowledge is what is known (Plato, a statement which is justified, true, and believed)

Competencies are usually described in terms of skills, knowledge and attitudes

## Skill submodule

Maintains a list or a hierarchy of skills/competencies

Their assignment to jobs and units

Their classifications

Their assignments to current employees

Identifies which skills a company misses

Tries to identify strategies to enquire them:

- Learning
- Training
- Acquiring new personnel

# Training Programs

- To identify potential experts in the company
- To organize training seminars where they train other employees
- To identify potential training providers
- To offer the external training as a benefit for employees
- To analyze benefits of such training in comparison to a company performance



## Interaction management/workers

Annual sessions between managers and their co-workers

Feedback about company performance and exchange of opinions

HR analyzes the results and provide overall feedback

Clustered according to units, jobs, levels in management

# Career planning

How individuals plan their careers within and between organization

Motivations to keep key employees

Social dialog

Goals identification

## Questions behind Recruiting

Do we have any internal candidate with B.S or M.S in marketing and language skills to target particular country?  
What are the most efficient recruiting sources?

# Job analysis

Characteristics of the most successful:

- Managers
- IT professionals
- HR professionals and which are missing?

What jobs experience the highest turnover?

# Compensations and Benefits

What salaries and copmpensations to offer to stay competitive?

What is the impact of various pay plans on retention and promotion of personnel

Job pricing on the market?

How to control the costs of health benefits?

Can we reduce the costs of benefits by providing a possibility to personaly select?

# Workforce development

What replacement personnel should be planned because of retirement?

What should the future workforce look like?

Additional resources?

Which skills?

Implications for training?

What is the availability of existing personnel with certain skills for a new planned factory