Oracle 12 E-Business Suite Implementation in Steel & Cement Divisions of
ABUL KHAIR GROUP, Bangladesh

ENVISIONED END-STATE DOCUMENT

Core HRMS and Payroll Functions
v1.1

IBCS-PR*i*MAX

DOCUMENT RELEASE NOTICE
ENVISIONED END-STATE DOCUMENT **FINAL RELEASE V1.1** **DATE OF RELEASE: 26-SEP-2010**

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Document No: AKG_Core HRMS Payroll To Be_Ver 1.1		**Document Title:** Envisioned End-State Document- Core HRMS and Payroll	
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1.0	03-Sep-2010	Changes made as per review workshop highlighted in <mark>Yellow</mark>	Subhra Majumdar
1.1	26-Sep-2010	New Release	Subhra Majumdar

Table of Contents

1   Introduction

1.1   Document Structure

This document covers the envisioned solution for the Core HRMS and Payroll Functions of AKG through Oracle Applications. The document is organized in the following manner:
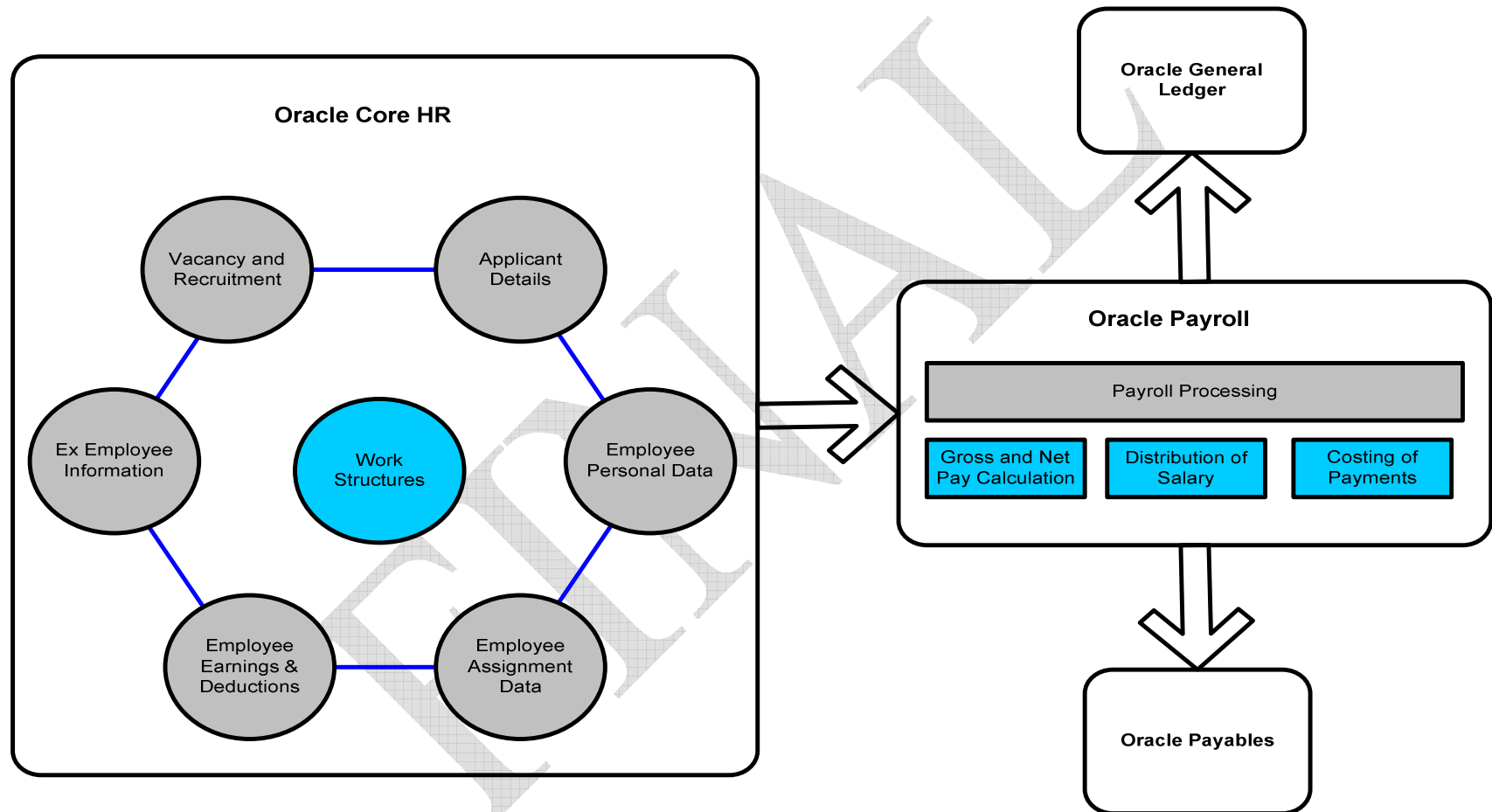
Section 1 covers the document structure along with a high-level overview of the HR and Payroll processes and a brief description of the processes.

Section 2 covers the Envisioned Business processes. In this section, the key Business Scenarios are mapped to Oracle Core HR and Payroll functionality.

Section 3 covers Open / Closed Issues responses.

Major decisions are highlighted in **BLUE.**

1.2 Envisioned Module Overview

Oracle Core HR

- Vacancy and Recruitment
- Applicant Details
- Ex Employee Information
- Work Structures
- Employee Personal Data
- Employee Earnings & Deductions
- Employee Assignment Data

Oracle General Ledger

Oracle Payroll

Payroll Processing

- Gross and Net Pay Calculation
- Distribution of Salary
- Costing of Payments

Oracle Payables

Process Overview Core HR and Payroll
•   Oracle HRMS provides an easy, efficient and enabling employee management system. Core HR is the central data repository to capture employees' basic details, assignment details, compensation details, absence details and complete career history. Only super users like HR Department will have access to the Core HR system.   •   Oracle Payroll processes employees' salary based on the compensation information received from Core HR. Payable salary is consolidated against each source bank and interfaced with Oracle Payables so as to make payments to bank.   •   Salary cost detail is booked in Oracle General Ledger.
Forward Looking Practices Introduced
•   Single repository of people related information.   •   Standardised HR practices across AKG, in line with Global Best Practises.   •   No duplicate entry of information.   •   Single identification number for every employee. Number stays in system even when the employee has left the organization.   •   Seamless flow of information between HRMS and Payroll.   •   Seamless flow of information between Payroll and Financials.   •   Costing of Salary payments down to the corresponding Cost Centres to provide better reflection of performance of each cost centre.
Application Features Leveraged
•   Integration between Core HR and Payroll.   •   Integration between Payroll and Financials (Payables and General Ledger).   •   Unique Employee Numbers

2 Envisioned Business Processes

Key Business Scenarios

SL.	BUSINESS SCENARIOS
1.	Work Structures
2.	Recruitment
3.	Joining of Employee
4.	Salary Administration
5.	Probation Appraisal of Employees
6.	Transfer
7.	Annual Appraisal
8.	Leave Management
9.	Attendance Processing
10.	Salary Increments
11.	Payroll Process
12.	Other Payments
13.	Other Information
14.	Separation

2.1 Work Structures
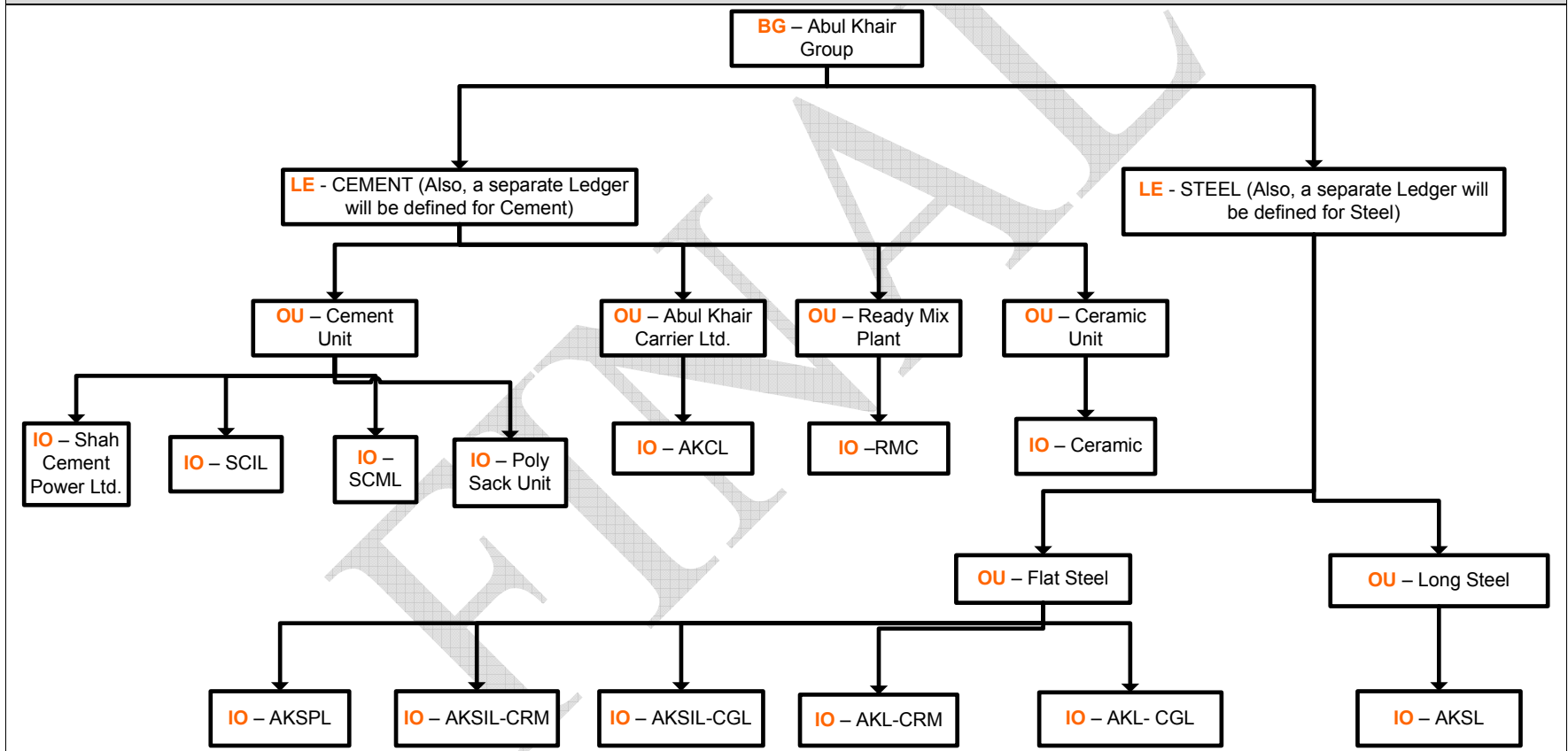
Process Overview

Description

Organization Hierarchy

- The primary HR Organization Hierarchy will consist of the following Organizations:
    - Business Group (Abul Khair Group)
    - Divisions i.e. Steel, Cement and Group Common (consisting of the corporate offices and other shared services)
    - Operating Units –Flat Steel, Long Steel, Shah Cement Industries, Ready Mix Plant and Abul Khair Carrier.
    - Cost Centers (as identified in Accounting KFF).
    - Additional departments i.e. organizations which are not defined above, will be created as HR Organizations and appropriately placed in the hierarchy such that employees can be assigned to these organizations

Job Key Flexfield

- Job KFF will consist of three segments i.e. Department + Sub-department + Level
- Jobs will identify the role assigned to the individual.
- Jobs can also be used to define career paths such that succession planning can be carried out on the basis of current role and possible progression paths.

Position Key Flexfield

- Positions will be the key identifier for work related information of an employee.
- Position KFF will consist of Two Segments i.e. Location Code + Designation.
- Position will uniquely identify the role that is being performed by the employee and the organization where this person is assigned.
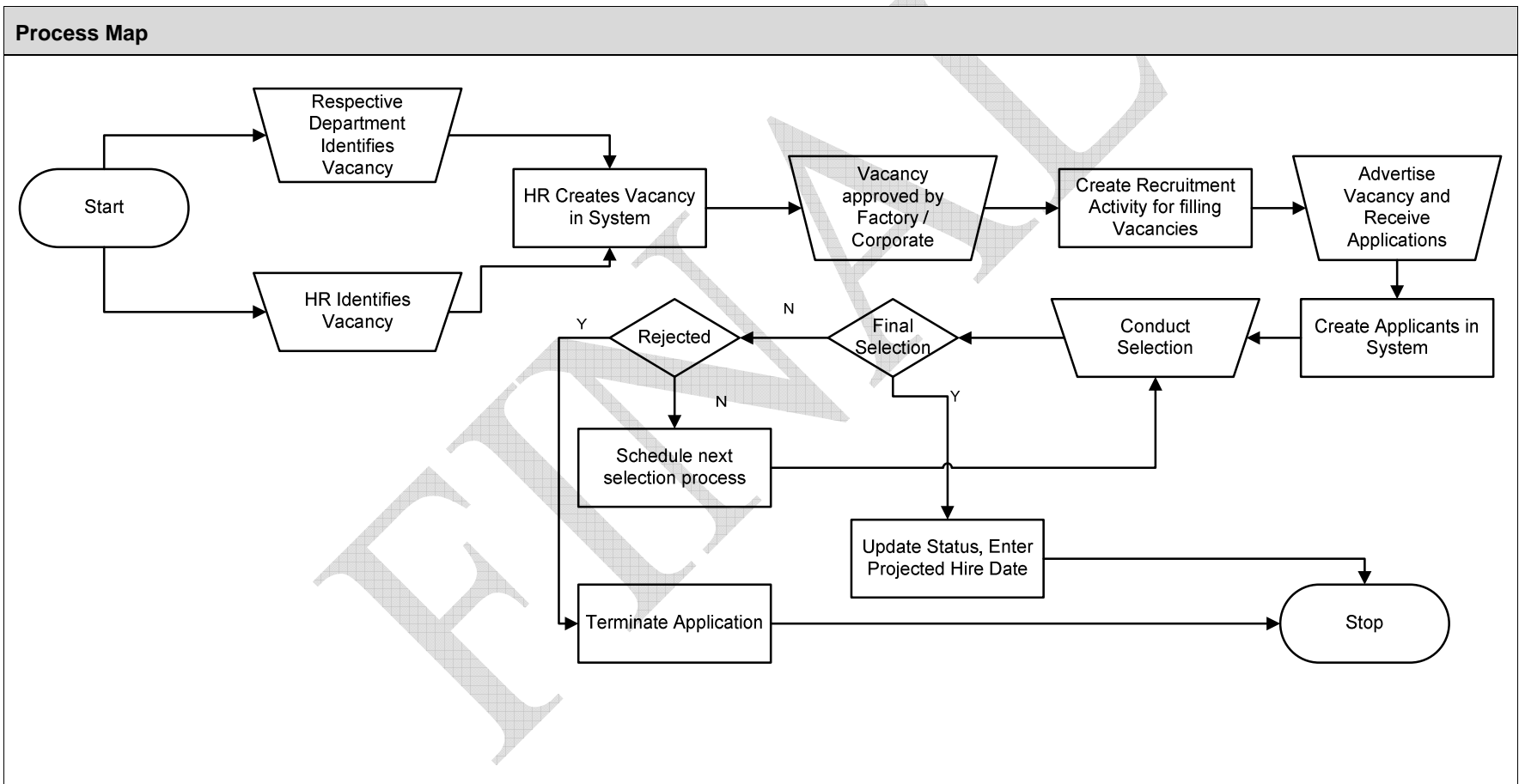- Budgeting will also be carried out on the basis of Positions.

- Since Positions will also be used in defining approval hierarchies for procurement and finance, it has to be ensured that approver positions will be uniquely identifiable and at any point of time there will be only one person assigned to such positions, i.e. these will be single incumbent positions.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	One time activity at the time of System setup. Work Structure needs to be modified, if organization structure changes.

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Standard Definition of Roles
- Identification of Unique Positions across AKG
- Integration of Organization Structure across all functions

Problems Addressed:	**Applications Features Leveraged**
- Single repository of employee information across business units, companies, divisions etc. - No duplication of data while employee movements. - Career history will be retained	- Job and Position KFF - Career Path for Succession Planning and counseling - Position Hierarchy - Organization Hierarchy
Gaps as Identified in Oracle	**Suggested Resolution In Oracle**

Forward Looking Practices Introduced			Other Enablers Proposed	
• Mapping of Positions to Jobs and Organization. • Mapping of Positions between HR and Procurement Functions				
Customizations suggested (if any)				
SL	PARTICULARS	TYPE	REASON	
1				
2				
Interfaces, if any (Only custom interfaces)				
SL	PARTICULARS	SYSTEM	BUSINESS LOGIC	
1				
2				

2.2 Recruitment

Process Map

Start → Respective Department Identifies Vacancy / HR Identifies Vacancy → HR Creates Vacancy in System → Vacancy approved by Factory / Corporate → Create Recruitment Activity for filling Vacancies → Advertise Vacancy and Receive Applications → Create Applicants in System → Conduct Selection → Final Selection

Final Selection — N → Rejected
Final Selection — Y → Update Status, Enter Projected Hire Date → Stop

Rejected — Y → Schedule next selection process
Rejected — N → Terminate Application → Stop

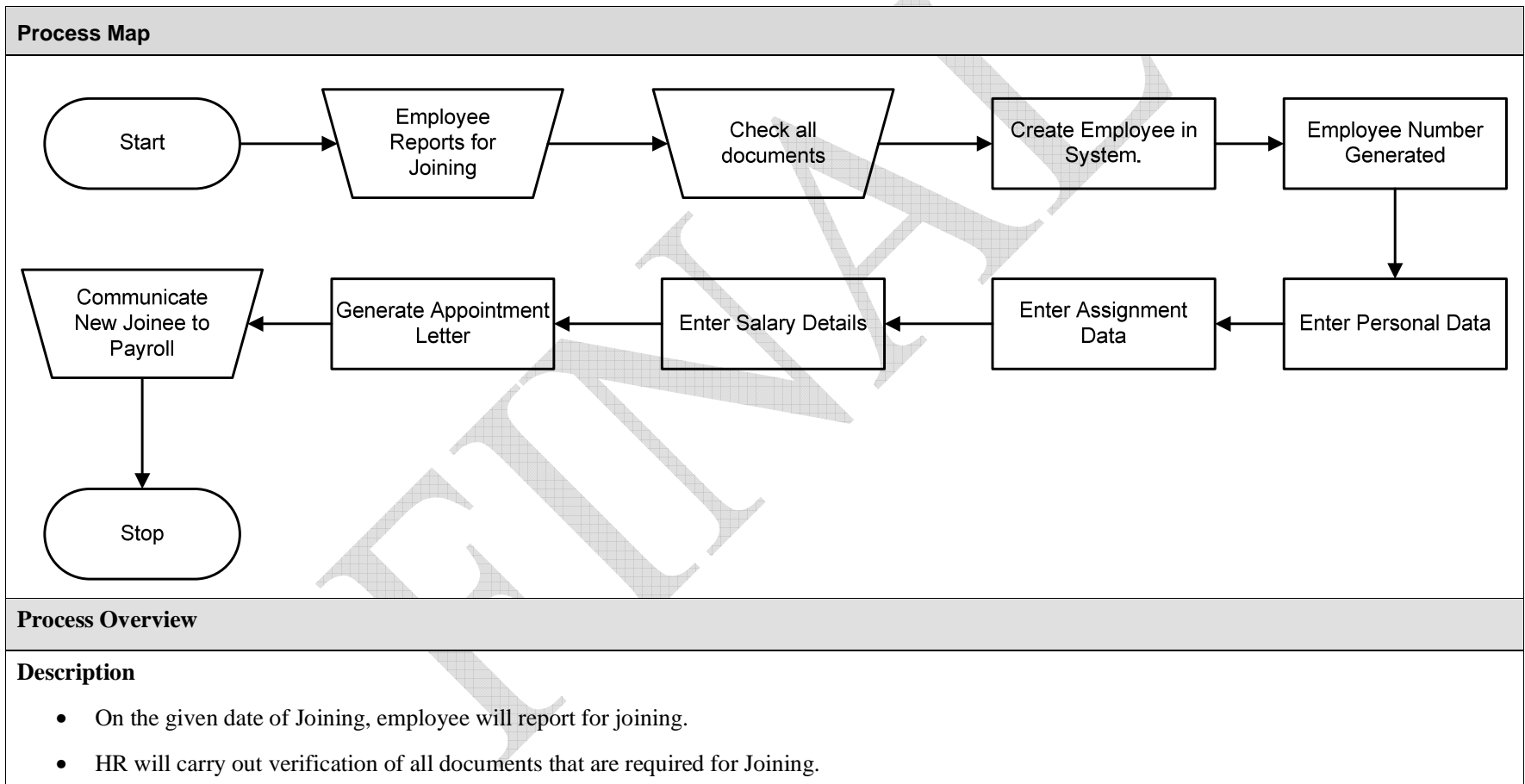Schedule next selection process — N → Conduct Selection

Process Overview

Description

- Vacancies will be identified by the respective departments and HR will be informed of the same.

- Approval for the vacancy will be taken, and HR will create the vacancy in the system along with necessary information like Job, Position, Organization, Location etc.

- Recruitment Activity will be created for single vacancy or group of vacancies.

- Advertising media will be selected as deemed fit for the vacancy/vacancies in question.

- HR will receive applications.

- Applicants will be created in System and tagged to one or more vacancies. Based on the criticality of the Job and Position, AKG will decide whether to maintain details of all applicants for a vacancy or to enter only those applicants who have managed to qualify the preliminary qualifying process. All applicants will be assigned unique applicant number by the system.

- Shortlisted candidates will be called for the selection process consisting of one or more of the following steps:

    o Written Test

    o Interviews – First Round, Second Round etc.

    o Practical Skill Test

- Candidate details will be updated accordingly.

- Offer will be made to selected candidates.

- Candidates accepting Offer will be updated in system and projected date of joining will be given.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)				
SL	**PARTICULARS**	**DEBIT**	**CREDIT**	**REMARKS**

Process Improvements

- Online tracking of Recruitment from vacancy creation thorough to selection
- Candidate Repository for future use.
- Tracking of multiple applications by same candidate

Problems Addressed:	**Applications Features Leveraged**
- Ready repository of Candidate information. - Entire Recruitment process will be tracked - Overdue vacancies will be tracked - Each candidate can be uniquely identified by Applicant Number.	- Automatic applicant numbers - Recruitment Activity - Online Vacancies
Gaps as Identified in Oracle (Features Available in iRecruitment) - Vacancies cannot be approved online. - Candidates cannot apply against vacancies using web based interface	**Suggested Resolution In Oracle** - iRecruitment may be implemented at subsequent stage - Workarounds - Departments will forward vacancies to HR department for entry in system after approval - HR will enter applicant data in system
Forward Looking Practices Introduced	**Other Enablers Proposed**

Customizations suggested (if any)			
SL	**PARTICULARS**	**TYPE**	**COMPLEXITY**
1	Applicant Creation ADI	Web ADI	Medium
2	Offer Letter	Report	Low
3	Details of performance in first interview will be stored in system. A report will be generated for which the cut-off mark parameter will give the names of only those who can be interviewed at the second stage. These applicants will be then manually upgraded in system to second level.	Report	Low
Interfaces, if any (Only custom interfaces)			
SL	**PARTICULARS**	**SYSTEM**	**BUSINESS LOGIC**
1			
2			

2.3 Joining of Employees

Process Map

```
Start → Employee Reports for Joining → Check all documents → Create Employee in System. → Employee Number Generated

Communicate New Joinee to Payroll ← Generate Appointment Letter ← Enter Salary Details ← Enter Assignment Data ← Enter Personal Data

Communicate New Joinee to Payroll → Stop
```

Process Overview

Description

- On the given date of Joining, employee will report for joining.

- HR will carry out verification of all documents that are required for Joining.

- If all documents are in place, HR will convert the applicant to an employee or create new employee in the system if applicant information is not available. Appropriate Person Type will be provided, i.e.

  - Trainee

  - Probationer

  - Confirmed

  - Casuals

  - Temporary

- System will generate unique Employee Number. All existing employees for Steel and Cement Divisions will be numbered serially based on their date of joining; employee with earlier joining date will have a lower number. **AKG needs to decide on the starting serial number.** (Note that prior to going Live, AKG will provide a list of all employees in the 2 divisions along with their joining dates. Based on the starting number, everyone will be assigned a unique number. Employee data provided for migration will be tagged on the basis of this unique number.)

- Personal Information, if present at the applicant stage, will automatically flow into employee personal data. Additional information may be entered. Personal information will include the following areas:

  - Name, Date of birth, blood group, gender, official e-mail id.

  - Address – Permanent, Temporary, etc.

  - Qualifications

  - Previous Experience

  - Contacts and Family Members

- Assignment Information will be entered. Assignment information will include the following details:

  - Organization, Job, Position and Location, and Payroll

  - People Group (Registered entity to which the employee belongs)

- o Assignment Category (Permanent, Expats, Trainees, Consultant, Casual, Temporary)

- o Reporting Manager – Administrative and Functional. Functional Manager will be entered in Assignment DFF.

- o Probation details, for probationers. Notice period.

- Compensation details will be entered in System

- Payment Methods will be entered.

- Appointment Letter will be generated from system.

- HR will arrange for induction program.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

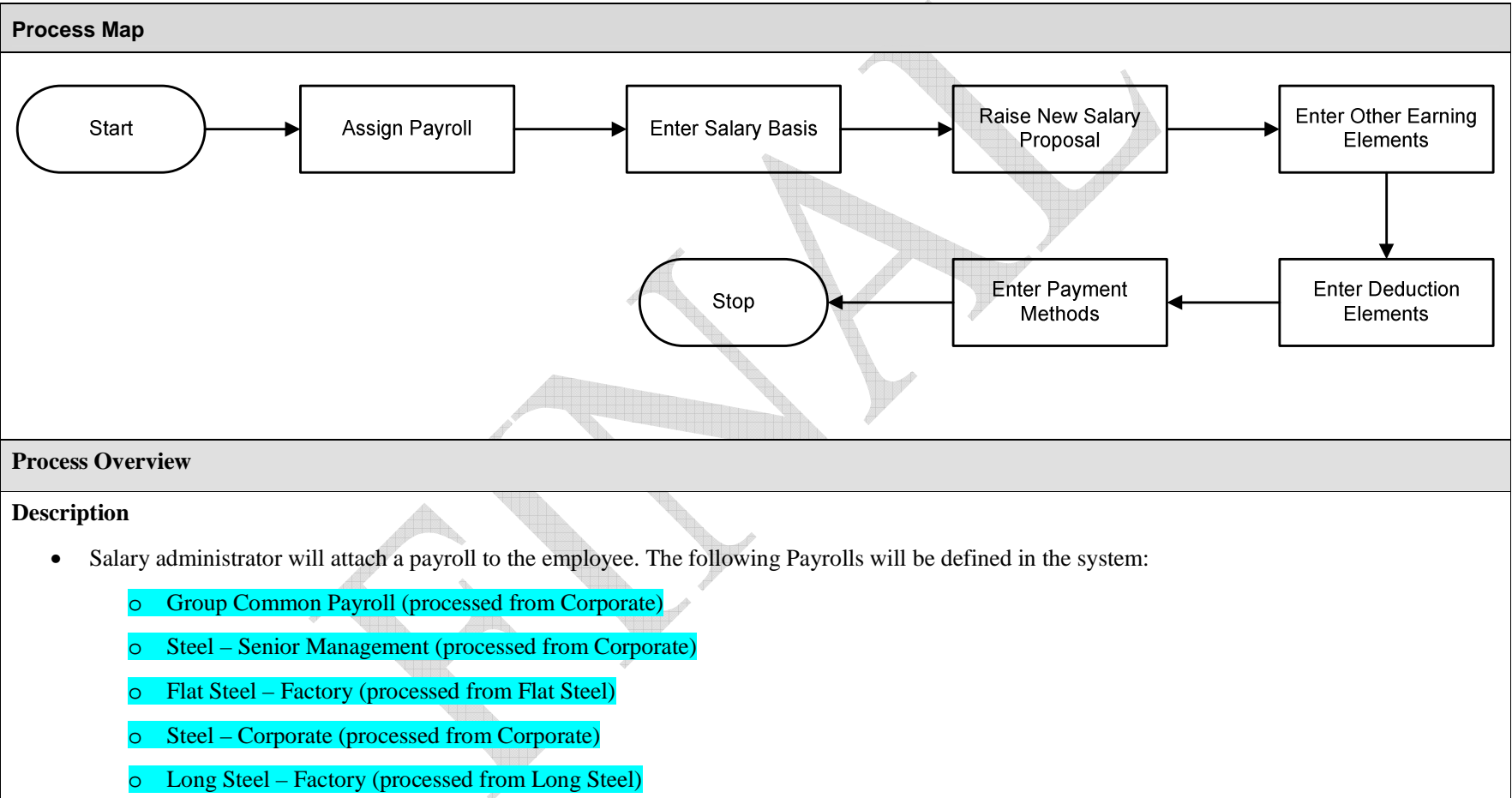| SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Unique Employee Numbers
- Applicant to Employee Tracking
- Categorization of employees based on type and status of employment
- Appointment Letters for all employees
- Salary Structure will be enforced based on AKG policy

Problems Addressed:	Applications Features Leveraged
• Ready identification of any employee based on employee number. • Employee number retained through the lifetime of an employee. • Employee – Manager reporting will be mapped in system.	• Conversion of applicant to employee • Auto generation of employee numbers • Salary structure enforced by element links • Logical classification of all employee related information

Gaps as Identified in Oracle	Suggested Resolution In Oracle

Forward Looking Practices Introduced	Other Enablers Proposed
AKG will benefit if joining of employees is carried out based on a fixed routine e.g. only on 1st and 15th of a month. It will be easier to track joining and arrange for Induction programs for new joinees.	

Customizations suggested (if any)

SL	PARTICULARS	TYPE	COMPLEXITY
1	Appointment Letter	Report	Low
2	Monthly Joining Report	Report	Low

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			
2			

2.4   Salary Administration

Process Map

Process Overview

Description

- Salary administrator will attach a payroll to the employee. The following Payrolls will be defined in the system:

    o   Group Common Payroll (processed from Corporate)

    o   Steel – Senior Management (processed from Corporate)

    o   Flat Steel – Factory (processed from Flat Steel)

    o   Steel – Corporate (processed from Corporate)

    o   Long Steel – Factory (processed from Long Steel)

- o Cement – Senior Management (processed from Corporate)

- o Cement – Factory (processed from Shah Cement)

- o Cement – Corporate (processed from Corporate)

- o Flat Steel – Casual
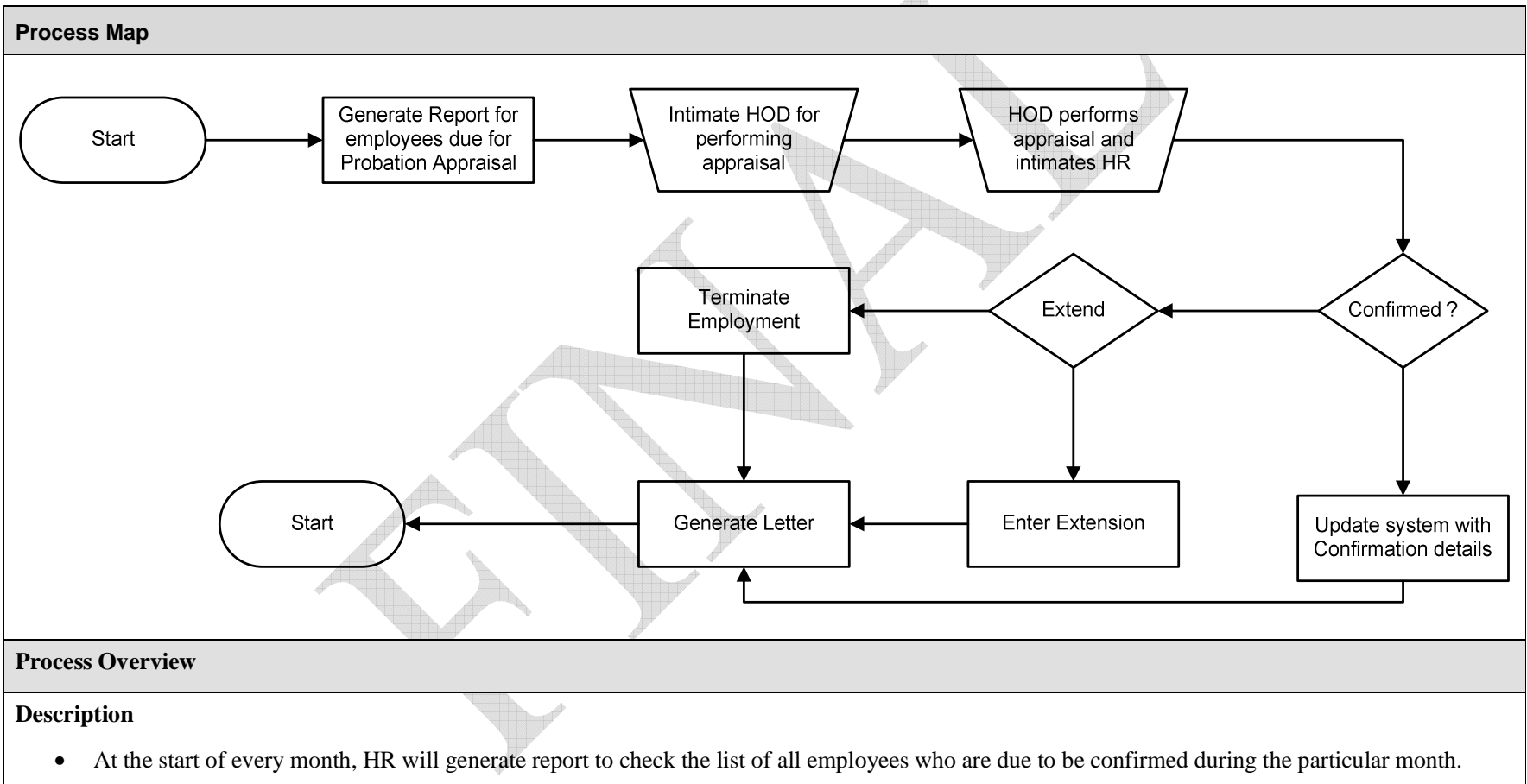
- o Long Steel – Casual

- o Cement – Casual

- o Corporate – Casual

- Salary Basis will be attached. For Bangladesh National salary basis will be gross monthly salary. For Expats, Expat monthly salary (in USD) will be salary basis. For some Expat employees, salary is negotiated in currency other than USD. For such employees salary administration will be done in negotiated currency, payment will be carried out in USD (using conversion rate as defined on the date of payroll processing) while accounting will be done in BDT.

- New salary proposal will be raised for the employee.

- Entry will be made for other earning and deduction elements.

- Payment Methods for making payment to the employee will be entered.

- *Note : HR Personnel will not have access to salaries of employees in Group Common Payroll, Steel Senior Payroll and Cement Senior Payroll*

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Formalization of Salary Structures.
- Definition of Payment Methods in System.

Problems Addressed:	Applications Features Leveraged
• Break Up of salary components will be maintained for all employees.	•
Gaps as Identified in Oracle	**Suggested Resolution In Oracle**
Forward Looking Practices Introduced	**Other Enablers Proposed**

Customizations suggested (if any)

SL	PARTICULARS	TYPE	REASON
1			
2			

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			

2.5 Probation Appraisal

Process Map

Process Overview

Description

- At the start of every month, HR will generate report to check the list of all employees who are due to be confirmed during the particular month.

- HODs of the employees will be intimated to perform appraisal for performance during probation period.

- HODs will perform appraisal and will forward their recommendation to HR.

- HR will enter probation appraisal outcome in Person Extra Information (EIT).

- If the employee is to be confirmed in regular category, HR will change the person type to 'Confirmed'. Assignment and Compensation details will be changed, if required.

- If the probation period is to be extended, the new probation period will be entered in update mode and system will calculate the modified probation end date.

- If the performance is well below acceptable standards, the employee may be terminated. In such cases, separation proceedings will be initiated as shown in the separation process.

- Confirmation, Extension or Termination letter will be generated from the system.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

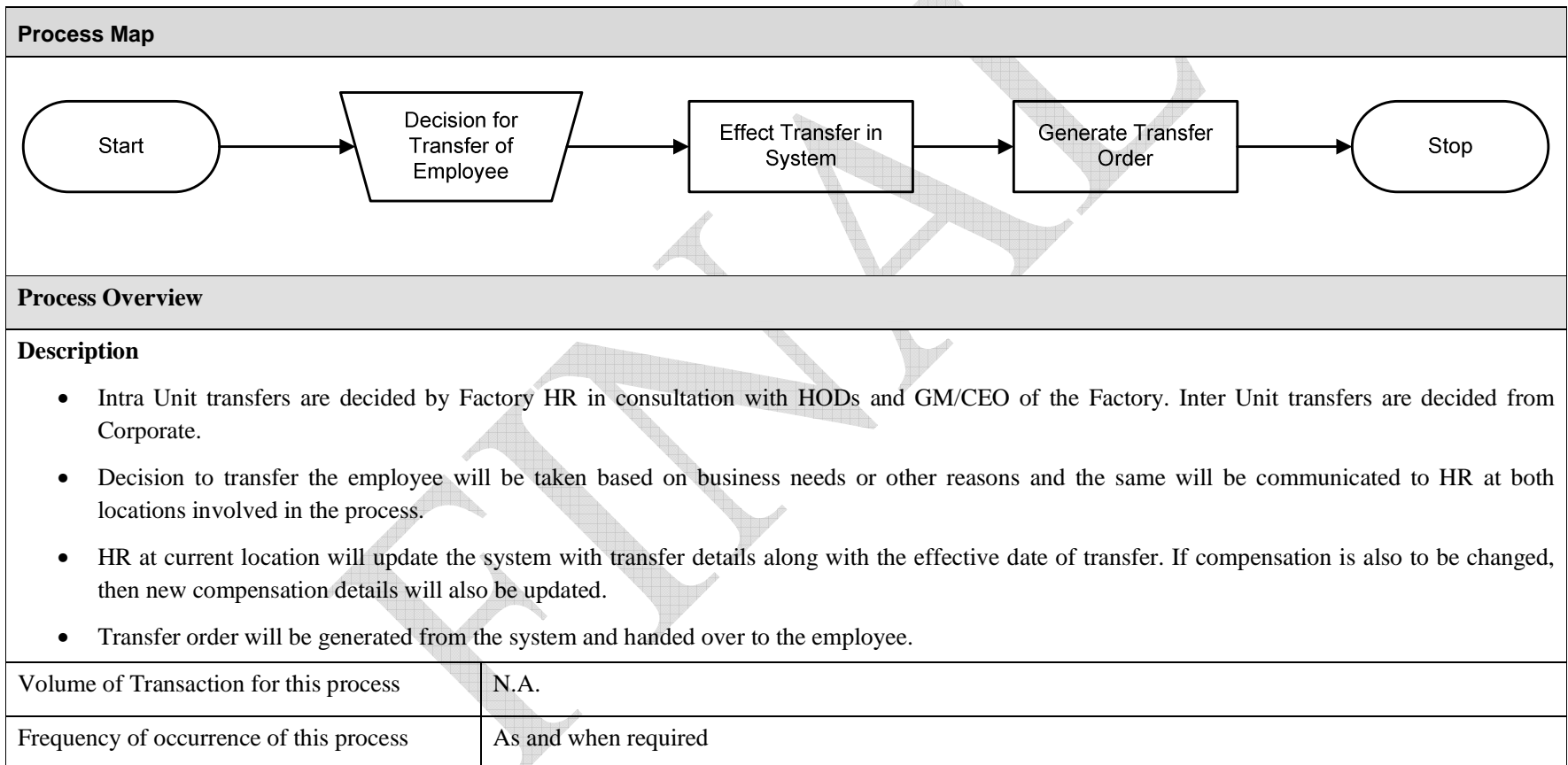| SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements
- Tracking of probation end dates and timely reminder of the same.
- Extension period can be recorded.
- Formalization of the appraisal process for evaluation of performance during probation.

Problems Addressed: • Reminder for probation end date. • Record of probation appraisal will be stored in system	**Applications Features Leveraged** • Extra Information Types • Date Tracking • Person Types
Gaps as Identified in Oracle (Features Available in Oracle Performance Management) Online appraisal cannot be carried out without SSHR and PMS	**Suggested Resolution In Oracle** Perform appraisal offline as is the current process, and upload the result into Core HR. Information will be retained which can be used for MIS.
Forward Looking Practices Introduced If joining can be carried out only on 1st and 15th of a month, there will be fixed end dates for probation period as standard probation period is of 6 months duration. As a result managing the confirmation process will be easier for AKG.	**Other Enablers Proposed**

Customizations suggested (if any)

SL	PARTICULARS	TYPE	COMPLEXITY
1	Probation End Date Report	Report	Low
2	Confirmation Letter	Report	Low
3	Probation Extension Letter	Report	Low

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			
2			

2.6 Transfer

Process Map
Start → Decision for Transfer of Employee → Effect Transfer in System → Generate Transfer Order → Stop

Process Overview

Description

- Intra Unit transfers are decided by Factory HR in consultation with HODs and GM/CEO of the Factory. Inter Unit transfers are decided from Corporate.

- Decision to transfer the employee will be taken based on business needs or other reasons and the same will be communicated to HR at both locations involved in the process.

- HR at current location will update the system with transfer details along with the effective date of transfer. If compensation is also to be changed, then new compensation details will also be updated.

- Transfer order will be generated from the system and handed over to the employee.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)				
SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Tracking of transfers.
- No duplication of entry.
- Transfer orders for all transfers will be generated from the system.
- Single repository of all transfers during the career of an employee. All movements can be queried with just the employee number.

Problems Addressed:	**Applications Features Leveraged**
- Employee number will not change with transfers - Employee information need not be re-entered in cases of transfer	- Date tracking - HR Security Profile
Gaps as Identified in Oracle	**Suggested Resolution In Oracle**
Forward Looking Practices Introduced AKG will benefit if all inter unit transfers can be made effective from the 1st of particular month i.e. transfer of employees will not be made on any other date.	**Other Enablers Proposed**

Customizations suggested (if any)

SL	PARTICULARS	TYPE	REASON

1	Employee Movement Report (for location transfers)	Report	Medium	
2	Transfer Order	Report	Low	
Interfaces, if any (Only custom interfaces)				
SL	**PARTICULARS**	**SYSTEM**	**BUSINESS LOGIC**	
1				
2				

2.7 Annual Appraisal

Process Map

Process Overview

Description

- At the start of the appraisal cycle, KPIs will be communicated to every employee against which appraisal will be carried out.

- At the time of appraisal, appraisal template will be circulated for evaluation or performance.

- HODs will perform appraisal and hand back the appraisal forms to HR.

- HR will coordinate and expedite the entire process.

- Once appraisal for all employees is carried out and normalized as per applicable standards, summary sheet for employees will be prepared with the ratings and feedback.

• Summary will be uploaded in Oracle using Web ADI.	
Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Formalization of the appraisal process for evaluation of performance during probation.
- History of performance evaluation and feedback provided can be recorded

Problems Addressed:	**Applications Features Leveraged**
• History of appraisals available for MIS	• Extra Information Types • Date Tracking • Web ADI

Gaps as Identified in Oracle (Features Available in Performance Management)	**Suggested Resolution In Oracle**
Online appraisal cannot be carried out without SSHR and PMS	Perform appraisal offline as in the current process, and upload the result into Core HR. Information will be retained which can be used for MIS.

Forward Looking Practices Introduced	**Other Enablers Proposed**

Customizations suggested (if any)

SL	PARTICULARS	TYPE	COMPLEXITY

1	Rating Uploader	Web ADI	Low
2			

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			
2			

2.8 Leave Management

Process Map

| Start | → | Employee Collects Leave Form from HR | → | Approved Leave form submitted to HR | → | HR enters Leave Data in System | → | Leave Balances Updated | → | Start |

Process Overview

Description

- Leave types and Leave rules are defined in the appendix.

- In order to apply for leave, employee will collect Leave Application Form from HR. The Leave application form will list out the available leave balances as on date. Online application of leaves will be available to employees having access to SSHR. In such cases leaves and tours will be approved online.

- Employee will fill up the application form and get the leaves approved from HOD and submit the form back to HR.

- HR will enter the leaves in the system. Leave balances will be updated automatically.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Accruals will be maintained in the system.
- Leave application history will be maintained for every employee
- Analysis can be carried out on the basis of leave application patterns

Problems Addressed:	**Applications Features Leveraged**
• Manual calculation of Leave accruals will not be required	• Leave Elements • Absence Category and Reasons • Accrual Plans • PTO Carryover

Gaps as Identified in Oracle (Features Available in Self Service HR)	**Suggested Resolution In Oracle**
Online application of leaves by employees and approval of the same by the HOD cannot be carried out without SSHR	Apply leaves offline. Approved leaves will be entered into system by HR.

Forward Looking Practices Introduced	**Other Enablers Proposed**

Customizations suggested (if any)

SL	PARTICULARS	TYPE	COMPLEXITY
1	Leave Application Form	Report	Low
2			

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			
2			

2.9   Attendance Processing

Process Map

Start → Departments set up roster and send to HR → HR enters employee schedule in System → HR will periodically upload data from timecard reader into Oracle → HR will generate Attendance and Leave report

Stop ← Pass time adjustment entries (if required) ← Upload LoP days and Overtime hours using Web ADI ← Compute Loss of Pay days and Overtime hours

Process Overview

Description

- Departments will set up duty roster and communicate the same to HR. Roster modifications will be done on weekly basis.

- HR will enter duty roster in the system.

- Periodically, HR users will extract data from Third Party Time Card software in a pre-decided format that is compatible for upload to Oracle Apps. This data will be entered in Oracle Apps daily and attendance report can be drawn from the system with respect to the roster that has been defined.

- At month end, prior to payroll processing, HR will extract summary attendance report from system. This report shall contain the daily attendance
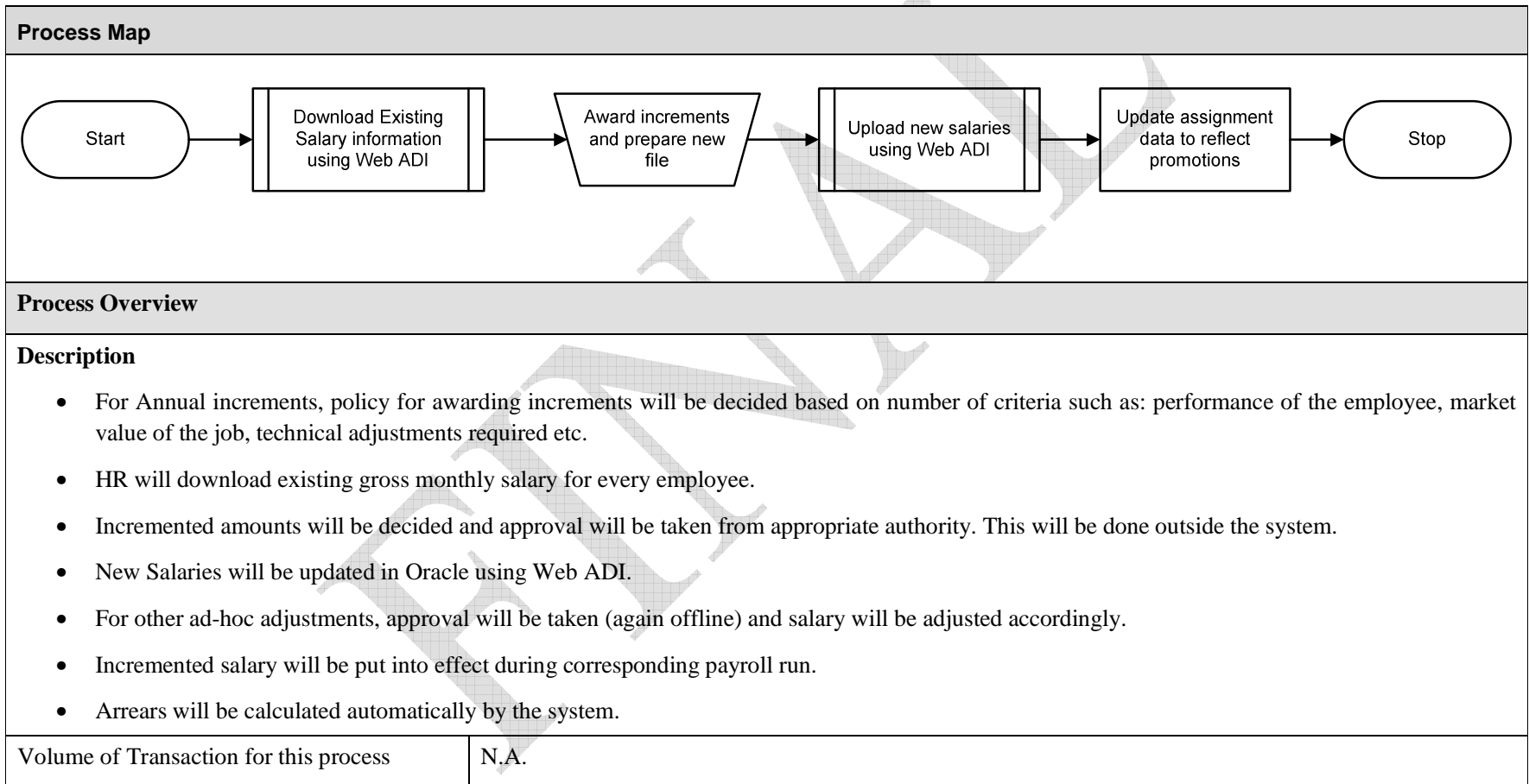
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details of every employee with respect to shifts defined in Oracle along with summary of Present Days, Absent Days and Leave Days.

- Based on the above report and other external factors, HR will prepare the LOP days for every employee for the particular month.

- HR will collect Overtime details from the corresponding departments and get them validated from the HOD.

- LOP Days and Overtime Hours will be uploaded into the system using WebADI and this will form a mandatory input for payroll processing of the particular month. ==If LOP days are not uploaded for any employee, then system will assume there is no loss of pay and accordingly, full payment will be made to the employee==.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements
-

Problems Addressed:	**Applications Features Leveraged**
-	-

Gaps as Identified in Oracle	**Suggested Resolution In Oracle**
- There is no direct interface between Oracle and Time Card Readers. - Time Card Information has to be periodically fed into Oracle.	Use third party time and attendance system for shift setup and recording of timecard entry. Make all adjustments in that software and use it for generating attendance reports.

• Department Heads cannot directly perform shift setup for their subordinates as the Access is only available in Core HR i.e. for HR users		At month end, upload LOP and Overtime information in Oracle prior to Payroll processing.	
Forward Looking Practices Introduced		**Other Enablers Proposed**	

Customizations suggested (if any)			
SL	PARTICULARS	TYPE	COMPLEXITY
1	Attendance adjustment form	Form	High
2	Time Uploader	Web ADI	Low
3	Attendance Detail Report	Report	Low
4	Attendance Summary Report	Report	Medium
5	LOP Uploader	Web ADI	Low
6	Overtime Uploader	Web ADI	Low

Interfaces, if any (Only custom interfaces)			
SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			
2			

2.10 Salary Increments

Process Map

```
Start → Download Existing Salary information using Web ADI → Award increments and prepare new file → Upload new salaries using Web ADI → Update assignment data to reflect promotions → Stop
```

Process Overview

Description

- For Annual increments, policy for awarding increments will be decided based on number of criteria such as: performance of the employee, market value of the job, technical adjustments required etc.

- HR will download existing gross monthly salary for every employee.

- Incremented amounts will be decided and approval will be taken from appropriate authority. This will be done outside the system.

- New Salaries will be updated in Oracle using Web ADI.

- For other ad-hoc adjustments, approval will be taken (again offline) and salary will be adjusted accordingly.

- Incremented salary will be put into effect during corresponding payroll run.

- Arrears will be calculated automatically by the system.

Volume of Transaction for this process	N.A.

Frequency of occurrence of this process	As and when required			

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Salary trends can be observed.
- Comparison can be made among peer group.

Problems Addressed:	**Applications Features Leveraged**
- Increments awarded in HR will automatically be used in Payroll. - Arrear calculation will be done automatically. - History of all increments will be available in the system.	
Gaps as Identified in Oracle	**Suggested Resolution In Oracle**
Forward Looking Practices Introduced	**Other Enablers Proposed**
Salary trend among peer group	

Customizations suggested (if any)

SL	PARTICULARS	TYPE	COMPLEXITY

1	Increment Uploader	Download-Upload Integrator	High
2			

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			
2			

2.11 Payroll Processing

Process Map
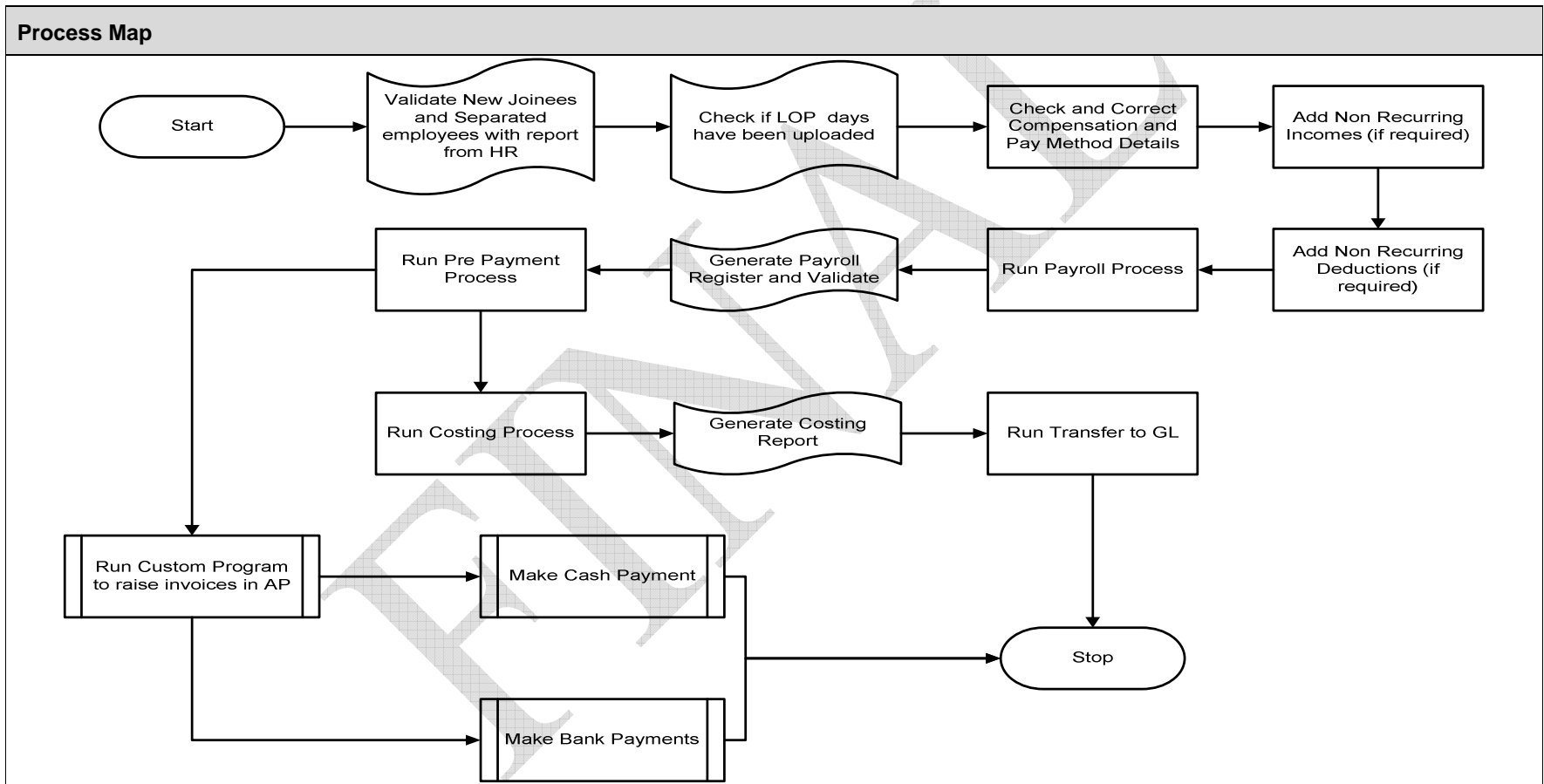
Process Overview

- Payroll Administrator will receive Joining and Separation Report for the month.

- Payroll administrator will validate the data in the system against the inputs from HR.

- It will be the responsibilities of payroll administrator to ensure that LOP and overtime entries have been made in the system.

- If any ad hoc deductions or earnings have to be added, that will be added to respective employees.

- Income Tax will be calculated outside the system and monthly tax deductible will be entered by means of a Recurring Deduction element. Element entry needs to be modified only when tax estimates are changed.

- Payroll will be run.

- Payroll register will be generated and validated to check whether output of payroll run is as per expectations.

- Pre Payment will be run to distribute the net pay of employees into different payment methods.

- Costing Process will generate the costing lines to distribute employee costs among different cost centers within the same registered entity. If costs need to be shared between registered entities, manual adjustment entries need to be passed by means of JV.

- A custom program will be run to pick up the entries processed in payroll and create corresponding invoices in AP. For payments to be made in Cash to employees, invoice will be raised against the employee (defined as a supplier). For bank payments, invoice will be raised on the bank account from which payment is being made.

- Transfer to GL process will be run to create lines in GL interface table, which then need to be imported into GL.

- Payment will be made to employees and salary slips will be distributed.

- Entire Salary cost will be first booked in the registered entity to which the employee is attached (as specified in people group in assignment). Oracle payroll will automatically distribute the salary expense across cost centers within the same registered entity if multiple costing lines are specified. However for allocation of expenses across registered entities or across divisions, JV will have to be passed in GL to handle the same. A custom report will be drawn from the system to help in calculating the expense allocated figures across different entities.

• One invoice will be raised in AP per employee per pay-method for every payroll run. Multiple invoices can be combined for payment.	

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	Monthly

Accounting (If any)

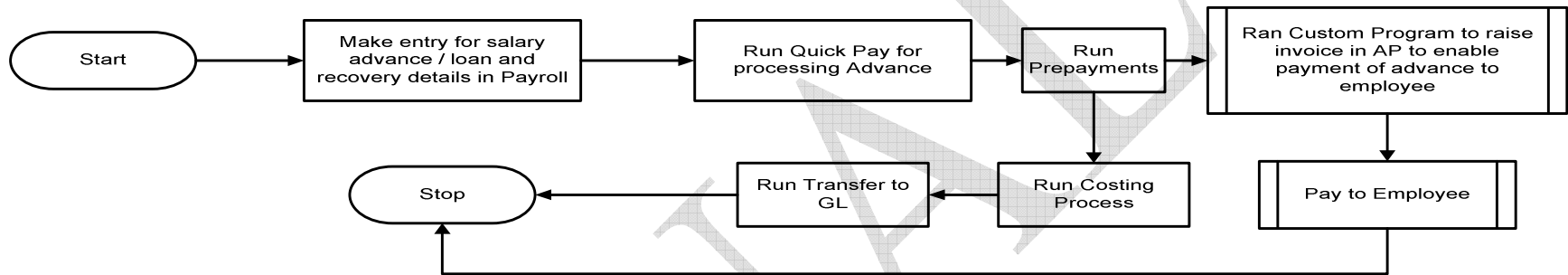| SL	PARTICULARS	DEBIT	CREDIT	REMARKS
	Salary Expenses	X+Y		Payroll processing, Costing of Payments and Transfer to GL
	Salary Payable to Employee		X	
	Income Tax Payable to Authority		Y	
	Salary Payable to Employee	X		Invoices raised for individual employees for salary payment and for tax payment to authority by custom Payroll to AP interface program
	Unpaid Salary		X	
	Income Tax Payable to Authority	Y		
	Unpaid Tax		Y	
	Unpaid Salary	X		Payment of Salary to employees
	Cash / Bank		X	
	Unpaid Tax	Y		Payment of Tax
	Cash / Bank		Y	

Process Improvements

- Salary Slips introduced for all employees.
- Costing of salaries at the level of cost centers

Problems Addressed:	Applications Features Leveraged
• Manual calculations for payroll eliminated • Payroll run results will be available in system for future reference. • Direct interface between HR, Payroll and Financials	•

Gaps as Identified in Oracle	Suggested Resolution In Oracle
Cost allocations across Registered Entities need to be done manually.	

Forward Looking Practices Introduced	Other Enablers Proposed

Customizations suggested (if any)

SL	PARTICULARS	TYPE	REASON
1	LOP Report	Report	Low
2	Overtime Report	Report	Low
3	Payroll Register	Report	High
4	Employee Payslip	Report	Medium
5	Monthly Payroll Comparison Report	Report	High
6	Tax Estimator	Report	High
7	Payroll Allocations Report	Report	High

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1	Payroll to AP interface program		

Process Map

Salary Advance / Employee Loan

Start → Make entry for salary advance / loan and recovery details in Payroll → Run Quick Pay for processing Advance → Run Prepayments → Ran Custom Program to raise invoice in AP to enable payment of advance to employee → Pay to Employee

Stop ← Run Transfer to GL ← Run Costing Process

Payment of Phone Bills

Stop → Enter Bill Details in EIT → Concurrent Program will create Recovery Element Entry in Payroll and raise Invoice in AP for payment to mobile phone vendor → Stop

Other Payments

Start → Raise Invoice in AP and enter Employee Number in DFF to capture the name of the employee on whose behalf the payment is being made → Make payment to actual supplier / petty cash supplier / employee → Stop
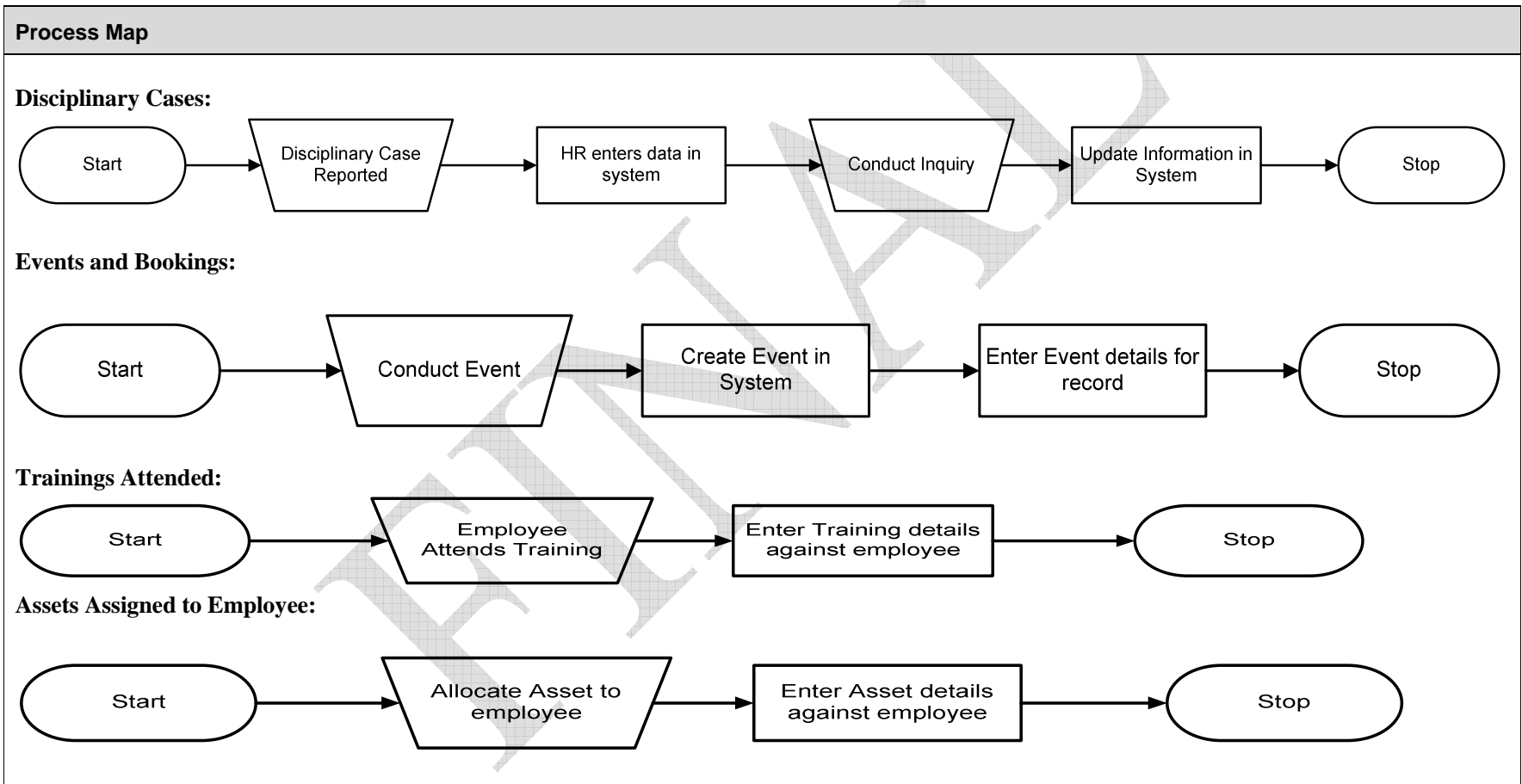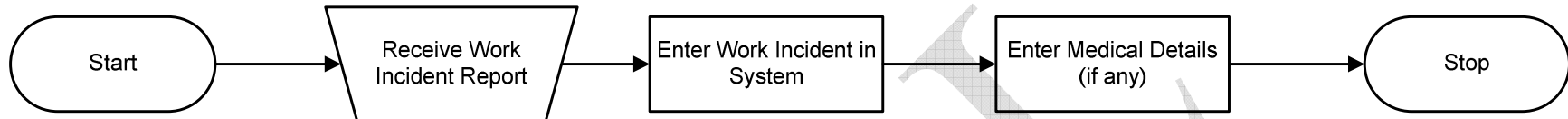
Process Overview
- Salary Advance / Employee Loan   - Employee will apply for loan / salary advance as per the current procedure.   - After the advance / loan has been approved, administrator will enter the advance amount and recovery details in terms of EMI amount to be deducted every month.   - Quick Pay will be run to process the advance element. It will be costed as per the costing lines and transferred to GL.   - A custom program will create invoice in AP to enable payment of advance to employee.   - Recovery will be carried out at the time of regular payroll run.   - Phone Bills   - Monthly bill details will be entered in Person EIT along will ceiling values for particular mobile number. Individual bills will be entered for every number allocated to an employee.   - A concurrent program will be run daily (auto run as per schedule) to create invoice in AP favoring the vendor for telephone service and deduction element will be created against employee for recovery of excess bill (i.e. max (bill amount – ceiling,0))   - Deduction will be processed along with regular payroll run.   - Other Payments   - Invoice will be raised in AP and tagged onto the specific employee for whom the expense is being incurred.   - Payment will be made in AP to the actual supplier.

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Formalization of advance and recovery process.
- Automation of EMI recovery for advances.
- Tracking of overall employee expenses.

Problems Addressed:	**Applications Features Leveraged**
- Manual calculation of advance recovery will be eliminated. - All employee-related expenses will be tracked against an employee. - Employee CTC report can be drawn from the system. - Pending advance amount, if any will be auto recovered during last payroll run such that the chance of short recovery is minimized.	

Gaps as Identified in Oracle	**Suggested Resolution In Oracle**
No interface for flow of information from Payables to Payroll	Make Payment for phone bills in AP and upload the deductions in Payroll

Forward Looking Practices Introduced	**Other Enablers Proposed**

Customizations suggested (if any)

SL	PARTICULARS	TYPE	COMPLEXITY
1	Mobile Bill Recovery Concurrent Process	Concurrent Request	High

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC

2.13 Other Information

Process Map

Disciplinary Cases:

Start → Disciplinary Case Reported → HR enters data in system → Conduct Inquiry → Update Information in System → Stop

Events and Bookings:

Start → Conduct Event → Create Event in System → Enter Event details for record → Stop

Trainings Attended:

Start → Employee Attends Training → Enter Training details against employee → Stop

Assets Assigned to Employee:

Start → Allocate Asset to employee → Enter Asset details against employee → Stop

Work Incidents:

```
( Start ) → [ Receive Work
             Incident Report ] → [ Enter Work Incident in
                                   System ] → [ Enter Medical Details
                                                (if any) ] → ( Stop )
```
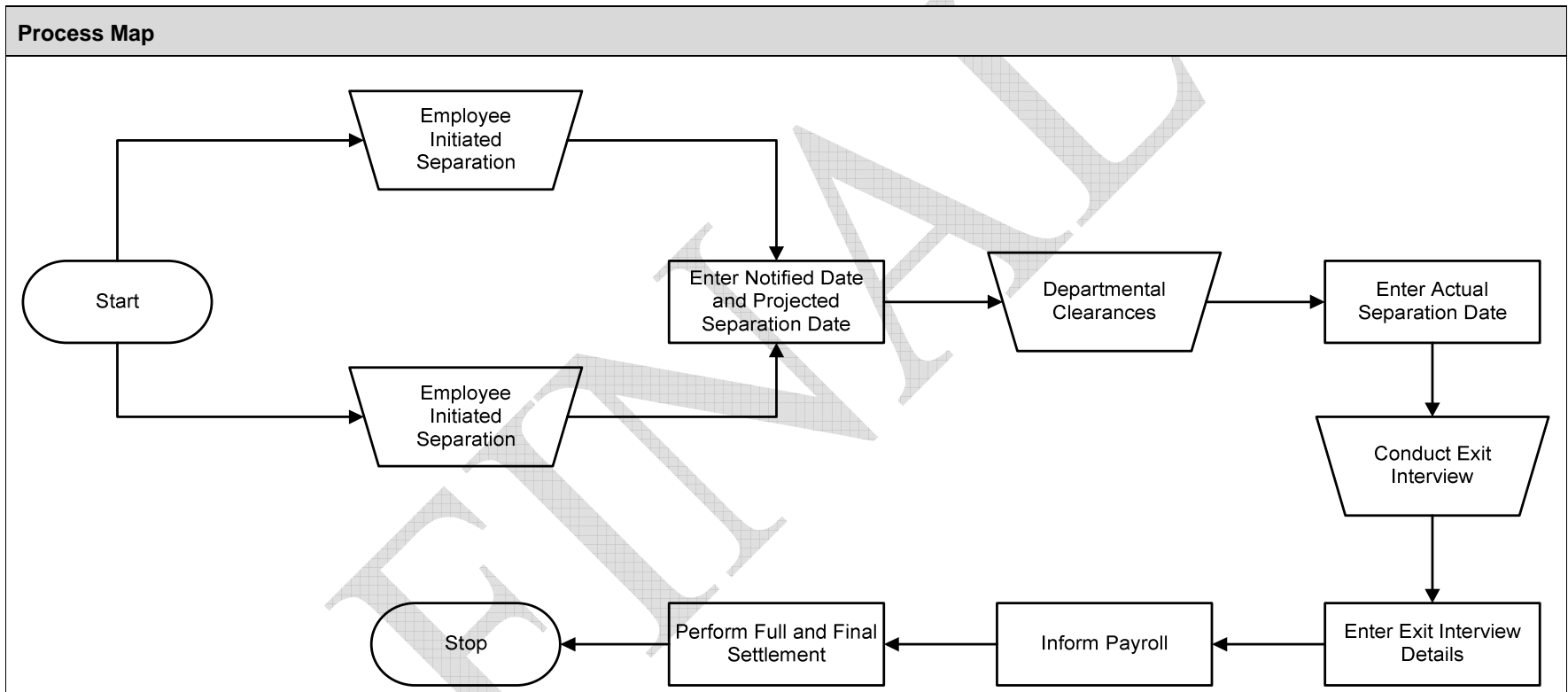
Process Overview

Description

- Information related to Disciplinary cases such as Date of reporting, Inquiry By, Status of Case, Outcome of Case, Action Taken will be stored in EIT.

- Events and Bookings will be used for tracking various events organized by HR e.g. Induction Program, Welfare activities, Rewards and Recognition Programs etc.

- Details of trainings attended by employees (Date of Training, Trainer, Course Title, Remarks) will be stored in EIT.

- Assets allocated to employee will be tracked against employee. Details tracked will include : Asset Type, Asset Identification, Value of Asset, Date of Issue, Date of Return

- Work Incidents will be used for recording Accidents and other security and safety related incidents that are reported.

- Costs incurred for procurement of Assets as well as organizing events will be booked in Finance against defined accounts such that actual expenses and budget variances against such accounts can be tracked by HR

Volume of Transaction for this process	N.A.
Frequency of occurrence of this process	As and when required

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Tracking of Disciplinary Cases
- Tracking of Trainings attended by employees
- Tracking of Assets allocated to employees
- Tracking of Work Incidents
- Tracking of Event

Problems Addressed:	**Applications Features Leveraged**
• Extensive information storage to aid in MIS and decision making	• Extra Information Types • Work Incidents • Events and Bookings
Gaps as Identified in Oracle	**Suggested Resolution In Oracle**
Forward Looking Practices Introduced At the time of giving clearance to an employee HR will check the assets allocated to the employee and check their status before granting clearance.	**Other Enablers Proposed**

Customizations suggested (if any)

SL	PARTICULARS	TYPE	REASON
1			

Interfaces, if any (Only custom interfaces)

SL	PARTICULARS	SYSTEM	BUSINESS LOGIC

2.14 Separations

Process Map

Employee Initiated Separation

Start

Enter Notified Date and Projected Separation Date

Departmental Clearances

Enter Actual Separation Date

Employee Initiated Separation

Conduct Exit Interview

Stop

Perform Full and Final Settlement

Inform Payroll

Enter Exit Interview Details

Process Overview

Description

- HR will enter the notified date for separation and the projected separation date (calculated on the basis of notice period and other factors).

- For employees having access to SSHR, resignation may be submitted online to reporting manager. System will notify Head of HR, Head of Finance when resignation is submitted. However, the formal separation process will only be initiated once HR enters the notified and projected separation dates in the system.

- The employee will take clearances from all the departments and come back to HR. HR will release the assets allocated to the employee. This will signify that all clearances have been completed.

- On the last working day of the employee, actual separation date will be entered in the system.

- Exit Interview will be conducted and feedback will be noted in the Separation DFF.

- Monthly separations report will be sent to Payroll from HR.

- All such employees will be excluded from the regular payroll run.

- Before running the Final Payroll for separated employees (Quick Pay), payroll administrator will check status of recoveries due from the employee. Advance recovery will be handled by payroll. For any other recovery, input needs to be provided in payroll to deduct the particular amount from the final run.

- Perform Full and Final Settlement by means of a Quick Pay.

- Run Pre Payment process.

- Run Costing process and transfer the costed lines to GL.

- Invoice for payment to the employee will be generated by a custom program that will create the invoice in payables corresponding to the final amount that needs to be paid to the employee for Full and Final settlement.

Volume of Transaction for this process	N.A.		
Frequency of occurrence of this process	As and when required		

Accounting (If any)

SL	PARTICULARS	DEBIT	CREDIT	REMARKS

Process Improvements

- Entire separation process will be tracked.
- Ex-Employee information will be retained in system.
- Integration between HR and Payroll operations in terms of Final Settlement.
- Rehire facility for rehiring ex-employees such that information for previous period of employment can be tagged onto current period. There will be no duplication of data entry.

Problems Addressed:	**Applications Features Leveraged**
- Exit interview details will be maintained in system - Periods of employment will be maintained in system. - Clearance information will be tracked and will be referred to for final settlement.	
Gaps as Identified in Oracle	**Suggested Resolution In Oracle**
Forward Looking Practices Introduced	**Other Enablers Proposed**
Customizations suggested (if any)	

SL	PARTICULARS	TYPE	REASON
1			
2			
Interfaces, if any (Only custom interfaces)			
SL	PARTICULARS	SYSTEM	BUSINESS LOGIC
1			
2			

3   Open / Closed Issues

No	Open Issues	Response
1	What will be the starting number for the unique employee id of the employees in the Steel and Cement divisions.	
2	What will be the position assigned to each assignment so that they corroborate with the Purchasing as well as HR needs.	
3	Ceiling for Earned Leaves	
4	Data points for Annual Appraisal that need to be maintained in the system need to be submitted to PwC for configuration.	
5	Data points for Training that need to be maintained in the system need to be submitted to PwC for configuration.	

6	Data points for Exit Interview that need to be maintained in the system need to be submitted to PwC for configuration.	
7	Formats for all MIS reports and Letters need to be submitted to PwC for configuration.	
8	List of Payment Methods need to be submitted to PwC for configuration	

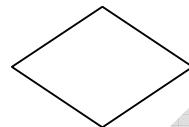**ANNEXURE I**

Legend for Process Maps

Terminator to denote Start and End of a process
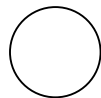
Oracle or Oracle Assisted Process

Manual Process

Decision Point

Process external to Oracle or Oracle assisted process

Connector within the same process.

ANNEXURE II

Category wise List of Elements

Element Name	Type	Category	Frequency	Input Value	Calculation Rule
Gross Salary	Earning	Permanent	Recurring	Standard Value	User Defined
Basic Salary	Earnings	Permanent	Recurring	Percentage Pay Value	User Defined % * Gross Salary * (Attended Days - LOP)/Month Days
HRA	Earnings	Permanent	Recurring	Percentage Pay Value	User Defined % * Pay Value of Basic Salary
Medical Allowance	Earnings	Permanent	Recurring	Percentage Pay Value	User Defined % * Pay Value of Basic Salary
Conveyance	Earnings	Permanent	Recurring	Percentage Pay Value	User Defined % * Pay Value of Basic Salary
LFA	Earnings	Permanent	Recurring	Percentage Pay Value	User Defined % * Pay Value of Basic Salary
Personal Pay	Earnings	Permanent	Recurring	Pay Value	Gross Salary Std Value * (Attended Days - LOP)/Month Days - (Pay Values of Basic + HRA + Conveyance + Medical + LFA)

Element Name	Type	Category	Frequency	Input Value	Calculation Rule
Other Pay	Earnings	Permanent	Non Recurring	Pay Value	User Defined
Bonus	Earnings	Permanent	Non Recurring	Pay Value	% defined in Basic * Gross Salary
Advance	Earnings	Permanent	Non Recurring	Loan Amount	User Defined
Advance Recovery	Deduction	Permanent	Recurring	Pay Value	Based on Loan amount, number of EMI and balance due
				Loan Amount	System defaulted
				EMI	User Defined
				Outstanding Balance	System defaulted
Cell Phone Recovery	Deduction	Permanent	Non Recurring	Pay Value	User Defined, uploaded every month
Notice Pay	Deduction	Permanent	Non Recurring	Recovery From	User Defined : Employee or Employer
				No of Days	User Defined
				Pay Value	No of Days * Gross Salary / 30

Element Name	Type	Category	Frequency	Input Value	Calculation Rule
Other Deduction	Deduction	Permanent	Non Recurring	Pay Value	User Defined
				Description	User Defined
Income Tax	Deduction	Permanent	Recurring	Pay Value	User Defined (Calculation will be done outside the system and monthly tax deductible has to be entered in the system)
LOP Days	Information	Permanent	Non Recurring	LOP	User Defined, uploaded every month
Overtime Pay	Earnings	Permanent	Non Recurring	Hours	User Defined, uploaded every month
				Pay Value	OT Hours * Gross Salary / (Month Days * 8)
Arrears to Permanent Employees	Earnings	Permanent	Non Recurring	Pay Value	Based on change of gross salary
Trainee Stipend	Earnings	Trainee	Non Recurring	Pay Value	User Defined
Expat Salary (USD)	Earnings	Expats	Recurring	Pay Value	Standard Value * (Attended Days -

Element Name	Type	Category	Frequency	Input Value	Calculation Rule
					LOP)/Month Days
				Standard Value	User Defined
Expat Salary (Other Currency)	Earnings	Expats	Recurring	Pay Value	Standard Value * (Attended Days - LOP)/Month Days*Exchange Rate between Defined Currency and USD
				Standard Value (in Forex)	User Defined
				Currency	User Defined
Expat Ad Hoc Earnings (BDT)	Earnings	Expats	Non Recurring	Pay Value	User Defined
				Remarks	User Defined
Expat Deductions (USD)	Deductions	Expats	Non Recurring	Pay Value	User Defined
				Remarks	User Defined
Expat Ad Hoc Deductions (BDT)	Deductions	Expats	Non Recurring	Pay Value	User Defined
				Remarks	User Defined
Expat Ad Hoc Earnings (USD)	Earnings	Expats	Non Recurring	Pay Value	User Defined
				Remarks	User Defined

Element Name	Type	Category	Frequency	Input Value	Calculation Rule
Casual Worker Pay	Earnings	Casuals	Recurring	Pay Value Standard Rate	Pay Days*Standard Rate User Defined (Daily Rate)
Casual Worker Pay Days	Information	Casuals	Non Recurring	Pay Days	User Defined (Number of days in the particular payroll period for which the casual worker will be paid)

ANNEXURE III

Leave Rules and Entitlements

Leave Type	Annual Entitlement	Applicable To	Ceiling	Accrual Rule	Remarks
Annual Leave	18	Permanent employees, Expats	To be decided	1.5 Leaves accrued for every completed month	
Sick Leave	12	Permanent employees, Expats	NA	All accrued at the start of a year	No Carryover
Marriage Leave	6	Permanent employees	NA	No Accrual	1 time entitlement
Special Leave	NA	Permanent employees, Expats	NA	NA	Granted depending on the approval of the top management.
Tour Leave	NA	Permanent employees, Expats	NA	NA	