

THE CALCULATION OF THE WAGE BILL AND PERSONNEL COSTS: BETWEEN THEORY RIGORS AND PRACTICAL REQUIREMENTS

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Abstract: Social information production refers, in a manner more or less demanding and taking into account its objectives, the financial commitments necessary to management of personnel, ie to track earnings, the wage bill and, in general, the subassembly of costs, visible or hidden, associated with this management.

The calculus of wage bill has an important place within social information due to its weight value, of a relatively easy determination and, last but not least, its motivational potential. The study of accumulation recorded, of theory and practice news and wage bill calculation illustrates the new nuances that have contradictory influences on the accuracy and efficacy results, and evidence of rules and principles that prove their worth in this field. Their presentation provides answers to many questions that experts in calculating the wage bill and staff costs did not have appropriate solutions and that affected the percentage of budget and tracking these important indicators of social management cost.

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1. INTRODUCTION

Important component of efforts that the company undertakes to achieve its objectives, the pay bill is the center of concerns for maintaining economic and social balance, being from this perspective, a strategic variable of leadership. Through the large volume of personnel expenses, management of wage bill ensures proper knowledge of all these expenses, which are pursued by the responsables of human resources function (because it expresses the results of the remuneration policy), the financial responsables (because they represent significant financial commitments if not the greatest short-term), the management and budget supervisors (which it considers key control variable costs and performance). This paper presents the main issues that the professionals are facing to calculate the pay bill in the enterprise, especially the indicator of personnel costs. Research methodology is based on a study of recent literature in the field, the use of a set of benchmarks and the remuneration of its costs, the Martory model to structure the costs.

2. PROBLEMS OF WAGE BILL QUANTIFICATION AND PERSONNEL COSTS

Production refers to social information in a manner more or less demanding, given its objectives, the financial commitments necessary knowledge of personnel management, ie to track earnings, the wage bill and, in general, all costs, visible or hidden, associated with this administration.

The calculation of wage bill prominently in the social information, because its share value, a relatively easy determination and, not least its potential motivation. It involves periodic measurements of personnel costs as simple and as quickly as possible and automate them gradually, starting salaries. Calculation results depend principles necessary to maintain compliance with a certain reliability of this process.

1. The first principle concerns that this calculation is based on information included in the database "payment", grouping them into broad categories of expenditure, thus being able to take direct control information in the wage bill.

2. Another principle calculation refers to the retention of data likely to be budgeted, but the differences are significant achievements, such as daily allowances when payments of social security that can not be predicted at a certain level of accuracy.

3. Another rule that has proved effective mainly aimed at measuring the elements that can progressively aggregate, in a system such as Russian dolls. Thus favoring the progressive process variables to determine the differences and training expenses. At the individual level are retained two variables, namely the actual pay and pay remuneration or enlarged.

Actual remuneration means all items that are included in the calculation of payments to employees, less benefits in kind. It retains all the information the employee paid for his work and / or paid by the state budget title of sampling directly from the source, ie:

- basic salary;
- increase (first) the old;
- the first collective;
- other bonuses;
- overtime pay or partial unemployment;
- the thirteenth salary.

Remuneration or compensation includes all elements enlarged monetary or nonmonetary obtained by an employee during a period, usually one year. Determining the level of this indicator is not only important to know the cost of an enterprise, but also to prepare the dialogue, the individual and collective bargaining, using all elements of employee income is large (Déméestère, 2004). Retribution includes remuneration, benefits in kind, the first to have a common tax regime, involvement and participation.

Elements are aggregated to collectively pay on a progressive consolidation, resulting in several indicators that quantify the effort to reward employees for business.

Wage bill is the amount of remuneration received by employees, in the sense that they were defined in advance. Depending on the requirements of information, this indicator is expected and calculated by type of employment contract, so it stands a table for wage employment contracts for an indefinite period (CDN), which is more rigid, and another for contracts work on a fixed term, more flexible.

Gross wage bill consists of elements core fund wage bill and social spending also contains employer and para. The last term is more delicate, the objective being to determine subscribed the total cost incurred by an undertaking to pay for every 100 units. Most specialists include here the formation (in the legal obligations), apprenticeships,

professional fees, salaries expenses that it generates (Martory, 2004). For reasons of efficiency, the calculation of the gross wage bill stops at this level, which is corresponding to the aims of determination and enterprise socialdriving.

Personnel costs are broader in scope, were obtained from previous indicator plus expenses other than salaries. Due to the spread of new forms of contracts unoi work, these costs are internal, generated by employees who are under contract with the enterprise and external, represented by other forms of employment. By calculating this indicator determines all costs "labor" can be included in the budget.

Internal costs include the gross wage bill, and dimensioned defined above, benefits in kind, bonuses and allowances not subject sutn taxes, direct incidental expenses (such as the training, and allocations are made for the works council), incentives optional for increased performance.

External costs are beginning to have a share of increasingly important in the total personnel costs, due to the actions that accompany the company focus on its core activities and bring the highest value. Within them there are:

- the interim value of companies, in terms of value and quantity;
- subfurniture, indicating that we have accurately determined the border between this and buying services, a rule may be to retain not only subfurniture staff costs which are 100% labor and the jobs that could be occupied by employees with employment contract. Examples can be considered state security agencies or the hotel receptionist.

Including these elements in personnel costs is not intended to adversely affect the outsourcing of activities, but to encourage relevant arbitration based on the actual cost of labor used. A large reduction of staff numbers and wage bill by using staff and other companies can hide subfurniturii overgrowth of personnel expenses and therefore inappropriate choices.

Total cost of labor is made up of personnel costs, plus all costs of labor management. The objective of calculating this indicator is to determine as completely as possible the cost of employment for certain sectors or certain categories of staff. Once determined, the total cost of the work enables the development of estimates and tracking performance on a task or a process. Regarding the composition of the total cost of labor should be noted that participation, which is a benefit which is another financial category is not part of it.

The importance of personnel costs has led various international regulatory bodies or have a considerable influence through their prestige and to define and determine as accurately as indicators to represent them. Labor costs is the total cost paid by the company for the production factor labor remuneration. It represents the total cost incurred by the employer for employment use.

Statistical concept of labor cost includes wages deposited, payments for the hours paid but not worked, bonuses and gratuities, the cost of food, the drink and other benefits in kind, housing costs incurred by the employer, socailă security costs coming under employer, the cost of training conducted by business, social and other services such as transport workers, work clothes, recruitment, labor cost considered taxes.

Cost of labor is a very close, but broader than the compensation of employees, used in national accounting. This cost includes all components of compensation of employees approximately, ie:

- salaries and money that employers offer employees as a reward for their work, wages and other net gains that employees actually receive;

-social services that benefit free and individual employees, such as canteens and other similar services, service facilities with educational, cultural, sporting or recreational, holiday centers exclusively for employee contributions to insurance and related services that cost workers have various other expenditure items such as clothing outside the work offered, transportation costs from home to workplace and vice versa, if borne by the employer;

- pay social security contributions, which are additional to the net wage equal to the gross wage;

-employers' social contributions.

Cost of labor does not include the presence of chips the company directors who are part of compensation of employees, but also includes:

-the cost of employee recruitment;

-training costs incurred by the enterprise;

-certain goods and the services are for staff, but not part of compensation of employees, but the intermediate consumption of enterprises;

-taxes on jobs that can be considered as a cost of labor, after deducting all deviations or allocations from the state.

Cost of labor, and compensation of employees, excluding costs incurred by employers, such as those with job planning, medical exams, sports or other recreational activities, as well as reimbursement of expenses incurred by the employer of its staff to purchase clothes and tools. Labor cost is greater than the mass corresponding to the amount of wages gross wage without employer contributions.

3. A NEW MODEL FOR THE CALCULATION OF PERSONNEL COSTS

A systematic and interesting presentation of staff costs is achieved by Martory (2005), cut it into three logical sequence, covering employees in the enterprise into their work and leave (table no. 1).

Determination of wage bill aims in the first instance, integration into the annual budget, which requires inclusion of payments made in year $n + 1$ to n work in and also excluding payments in year n to year $n-1$. Depending on the requirements of pilotage, the indicator will be determined monthly and cumulative monthly or quarterly, to compare the achievements of the company.

Pilotage wage bill means using methods, techniques and tools that are necessary in the operation of selection and management support dialogue between employers, management team, departments and employees.

When the herd is heterogeneous and interesting structure in terms of its effectiveness, personnel costs are determined for all categories, namely:

-wage bill for personnel under contract for an indefinite period, which as we stated above, is its most rigid part;

- the pay bill for contract staff for a period characterized by greater flexibility;

- interim budgets and personnel replacements;

- subfurniture expenses in the constraints specified above.

Sizing and analysis of personnel costs in everyday encounters more difficult undertaking, which are sourced from various principles and practices. Information provided by data processing for payment of salaries, accounting and budget are different, but they must be identified, evaluated and eliminated from the analysis and dashboards containing them. These differences arise from the logic that produced the data for the three

actions. Thus, payment of wages the focus on accuracy of the figures and is a monthly or bimonthly rhythm action and accounting rules favor prudence.

Under these rules, identifying any expenditure to be incurred in future lead to a provision. Accounting record expenses when they are found. Regarding the budget, it can not be very accurate when anticipating the future, but rather a path to a likely target. Moreover, he is subject to a monthly clippings analității principle that may seem far removed from reality.

Different logical record of the three ways inevitably differences in the level and period covered by the data they contain. The main positions who experience these differences are paid leave, social security benefits, allowances and lisajul departure from unit costs in the budget.

Vacation pay causes the apparition of an accounting provision, "personnel in vacation paid" when they are open leave entitlements. The provision will be resumed when the leave will be adjusted by payment. Differences in time is thus the norm, and value differences are also common.

Labor flexibility issues are becoming more sensitive and finds it increasingly difficult to impose strict rules on taking leave, where there is a lot of discrepancies between the provision arising from a forecast and adjustment provisions with periods when real holidays.

A possible solution leaves strict application programming is actually inappropriate, given the importance to be granted flexibility in the presence of staff. Spreads are therefore appears inevitable, but must be identified and processed as such.

In business situations may arise where employee remuneration remains absent following the recovery differences occur later in a future period. Differences appear to share social security, to be recovered from the insured and the social security budget.

Another sum of differences in calculation of personnel costs is the accumulated allowance at retirement, the companies that have provided such a reward. And in this case by the use of a provision when the forecast and the proposal are possible. Differences in time and value are observable between the forecast published in a budget, highlighting the accounting provisions and the reality of departure, which is difficult to estimate.

Gaps between wages and monthly budgets, due to the influence of factors such as:

a) calculation and include the distribution of the thirteenth month and the first regular budget over a period, after which there is a gap between the reality of payments and budgetary levels;

b) the distribution over several months of salary costs for a period of closure of a unit in order to calculate the relevant costs;

c) reinstatement to the exclusion of payments made in years $n-1$ or $n+1$ to account for activities related to budget period analyzed.

Presentation opportunities that distortion analysis shows personnel costs and budgetary logic advantage to be made between a system that favors payment budgets are made based on forecasts of payments and a linear distribution system covering certain payments, such as that of the thirteenth month. In general practice retains the second system, which integrates costs of staff in the general budget.

Table No. 1 Determining the complete costs of staff

No.	Stages and sequences	Content
I	INTEGRATION OF STAFF	
I.1	Recruitment	
I.1.1	Actual recruitment	Prepare of recruitment, advertisements, documentaries, prospecting conferences
I.1.2	Selection	Evaluation of candidates, development of tests, interviews, transportation costs
I.2	Cost of entrance in the organization	
I.2.1	Business orientation	Premiums, benefits, moving expenses, raw distance
I.2.2	Adaptation of job content	Visits, managerial step, medical exams Loss of production (% of normal production)
II	TRAINING AND MENTAINING THE STAFF	
II.1.	Training	
II.1.1	The remuneration of trainers and trainees	Courses, seminars, stages
II.1.2	Travel and holidays	The cost of temporary replacement
II.1.3	Teaching material	Develop and debug of programs
II.1.4	External costs of formation	Control results, secretariat, management
II.1.5	Administrative cost of training	
II.1.6	Payments to professional organizations	
II.2	Social maintenance	
II.2.1	Residence allowances, relocation	Cafeterias, libraries, cooperatives, sports clubs
II.2.2	Benefits in kind	Cultural activities
II.2.3	Social benefits	Parking, holiday residences
II.2.4	Elements to improve working conditions	Organizing tasks etc..
II.2.5	Health and social services	
II.2.6	Material and personnel security	
II.3	Managerial maintenance	
II.3.1	Management of work	Planning tasks, maintaining files, processing of payment
II.3.2	Industrial relations	The cost of staff managers, meetings, negotiations and strikes
III	DEPARTURE OF STAFF	
III.1.	Vacancy of post	Estimates of losses due to the presence of employee in a competing unit (research, production, marketing)
III.2	Statutory benefits	
III.3	Withdrawal prime	
III.4	Decreases of production prior to departure	
III.5	Competition after departure	

Whichever you choose, the differences between payment and budget should be measured in order to pursue a meaningful manner achievements. If the forecast was prepared in a budgetary sense, the payment must be reprocessed remunerațiiloror to be compared with actual payment.

Between specialists in accounting, control and payment of remuneration which must be a collaboration to enable the extent of these differences by taking as reference the recent period and determining a deviation of flying.

This will exclude purely accounting differences and highlights changes in the terms of use employment and remuneration which.

Global gap between reality and budget payments accounted initial or updated budget period will be considered (Figure no. 1).

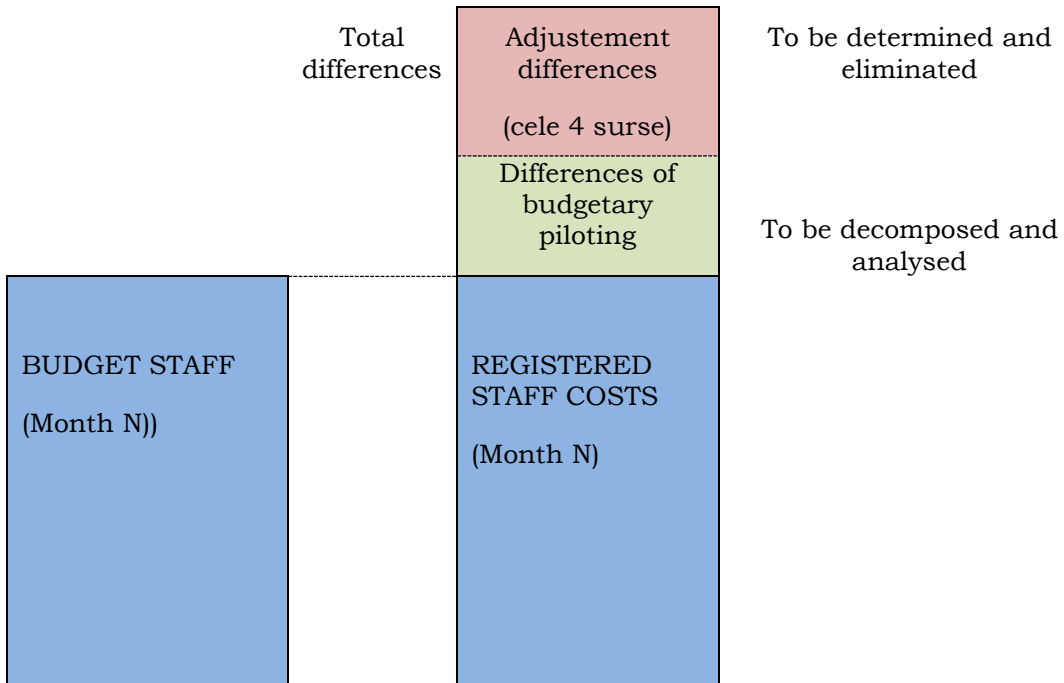


Figure No. 1. Delimitation and Processing of differences in the cost of staff

4. CONCLUSION

The calculation of wage bill has an important place within the social information, because of its share value, a relatively easy determination and, not least its potential motivation.

It involves periodic measurements of personnel costs as simple and as quickly as possible and automate them gradually, starting with the salaries. Calculation results depend on the conformation to necessary principles to maintain compliance with a certain reliability of this process.

Quantifying personnel costs is an indicator that shows all that the organization supports efforts to achieve its social policy and is at the same time, a basic component of social balance and the balance sheet.

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