

Payroll system thesis essay sample



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Introduction

Over the years, innovation on technologies is unstoppable. Today people rely on different kinds of technology to make more trouble-free. IT based technologies affect our economy in different ways, one of which is that modern technology transformed the way business run their core process by making it faster, reliable and stable. Almost all the businesses today use these on their operations whether in their fields of sales, marketing, accounting and human resources. With the help of modern technology, manual labor will lessen. Through automation, things will be more accurate and eventually it can eliminate the flaws such as the redundancy of data. An automated payroll system is a system that has something to do in the payment of employees, keeping track of hours, calculating wages and monitoring the attendance of each employee.

We came up of the idea in making a payroll system which will manage all of the financial records of the business. More than just a payroll solution, the system will reduce employer costs, liability and administrative burden through integrated solutions. This system will organize, integrate and simplify business processes. It will also give reliable and accurate reports that will give less error in terms of services. The system can also monitor all the payroll expenses instantly. And the most important is that all the data will be secured because it is more convenient to save records in various databases.

Background of the Study

Uncle Sam Hardware Store is located along Angeles-Porac Road, it is a family business owned by Mr. Samuel Bulario and Mrs. Wena Bulario. It was established in April 2007. It is the main store of the Bulario's wherein the second store is located at the 717 Magalang Road Pandan, Angeles City. The hardware store offers different kinds of home improvement tools such as plumbing supplies, electrical supplies and construction materials. In order for the business to keep running, Mr. Bulario hired seven employees for the Main Branch and another five for the second branch which is twelve employees in total. Similar to other businesses, Mr. Bulario wages the employees weekly with an average salary of Php380/day (Php2, 600/week).

Managers, on the other hand, receive a minimum wage of Php600/day (Php4200/week). The business implies the policy of “ no work, no pay”. Unfortunately, the business does not have an attendance sheet for log-ins and log-outs of employees. Instead, Mr. Bulario will keep in mind of the presence of employees throughout the day. Mr. Bulario also stated some of the benefits of the employees such as the following: 1. The employee will receive financial benefits on his/her wedding 2. Financial assistance will given in the event of the death of any relatives of the employee 3. The employee is entitled to receive a 13th-month pay bonus 4. During legal holidays compensation is doubled

5. SSS, Philhealth and Pag-ibig accounts are included in the benefits of the employee 6. The employee is taxed according to their marital status

Statement of the Problem

The Uncle Sam Hardware Store is using a manual system for the business operations. After doing an interview with the owner, the proponents listed some problems that occur. The specific problems of the manual payroll system are: Unmonitored attendance of the employees

Time consuming due to computations of salary, transactions, etc. Inaccurate computations

Due to the statements above, the proponents decided to develop an Automated Payroll System for The Uncle Sam Hardware Store.

Objective of the Study

The main objective of the study is to create an Automated Attendance Monitoring And Payroll System for Uncle Sam's Hardware Store that has will do the following tasks: To monitor attendance, absences and check outs

To speed up the process of computing transactions and salaries which also saves time To output accurate computations of transactions and salaries

Conceptual Framework

This section will show the way on how the proponents came up in developing a Automated attendance monitoring and payroll system. Interviewing is to gather information about the system. Through interviewing, the proponents are able to distinguish problems of the system. The proponents also observed how the the system runs manually in computing. To retrieve more data, the proponents has created a survey to be answered from the employees themselves. The proponents conducted an interview with the owner of the Uncle Sam Hardware to let the proponents know the problems and

needs to improve for the company. Based on the given information of the owner about their business, the proponents have notice the process and analyzed the problems. After this study, the proponents come up with an idea to create an Automated Payroll System for Uncle Sam Hardware. When the system is done the proponents will conduct a test to the system if it works with or without errors.

INPUT

PROCESS

OUTPUT

Interview

Identifying the problems and needs of the establishment.

Observe

Observing the process of manual payroll and how the computing process of salaries occurs.

Automated Payroll System

Survey

Collecting information to analyze the company's problem.

Programming

Analyze and understanding on computing problem to executable programs.

Table 1: Conceptual Paradigm of the Study

Assumptions

Before the Automated attendance monitoring and payroll system is installed to the hardware store, the proponents assumed that the system will be more reliable for the business. Also the proponents has listed down some specific assumptions of the system: Attendance are monitored

The process of computing transactions and salaries is much faster

Computations of salaries are more accurate and reliable

Significance of the study

This information that has been observed by the proponents will be significant to undertake higher capabilities in working in an environment workplace by giving upgraded computerized payroll system necessary for; Uncle Sam

Hardware

This study will be significant to the establishment to offer their employees end to end solution for payroll related problem. It will help to lessen the time and effort to the owner preparing payments for the employees; in addition it will lessen the paper works.

The Employees

This study will be significant to the employees to make their attendance more accurate, reliable and updated. The Researchers

This study will contribute knowledge to the proponents on how to develop a Automated System in understandable way. This will serve as a fresh start for the researchers whose study will be related in the field of IT. The Future

Researchers

This study can be the future researchers beneficial for as it could serve as reference and guide for another study. In addition the future researchers can add more features and develop it. Scope of the study

This study is designed to develop an proposed Automated attendance monitoring and payroll system for Uncle Sam Hardware that will help the business through automation: It covers the process of computation of salaries of each employee. Keeping of records for safety measures including the process of time in and time out of the employees. This proposed Automated Payroll System for Uncle Sam Hardware is expected to generate report list of employees. The deductions and benefits of the employees.

Payroll form for every pay period and;

The monitoring of attendance of the employee via computerized log-in/log-out system

Limitations of the Study

This study will define the limitations of the study which included the following:

The Automated attendance monitoring and payroll system will not include the computations of employee's incentives. This proposed Automated attendance monitoring and payroll system for Uncle Sam Hardware does not support online transaction. The Payroll System is not a cash generating system. It does not hold the money transaction.

CHAPTER 2

Review of Related Literature and Studies

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Review of Related Literature

Related Literature and Related Studies are the priority of this chapter that helps the readers to understand the automated payroll system, also includes the advantages of the system throughout the process.

According to the article entitled Payroll System, stated that a payroll system is an important application that should be used by businesses of any size. The systems also guaranteed in a way that it insures the payroll is done on time and in compliance with all taxing authorities. Tax laws and rates have continually changed in recent years, new tax credits, expiration of old credits and rate changes can all affect the outcome of the payroll. The systems can be programmed to calculate taxes and deductions to your specific area. Most systems have an internet database that can be accessed for updates to tax codes and changes in the law. The system can also help the business owner calculate the amount of taxes they owe the government at the end of each quarter. Failure to submit the correct taxes each quarter is the number one reason that business owners find themselves in trouble with the Internal Revenue Service. Payroll services can also be performed offsite. Many companies specialize in providing payroll systems to other businesses. (Trias, 2012)

Based on the article entitled Payroll System and Its Importance in an Organization, stated that Payroll is a vital department in any organization. It is the department which will highly be affecting the net income of the organization. Various factors of tax deduction involved in it. One needs to be extra careful while calculating the taxes. The software available in the

Internet can give an end to end solution in any problem related to payroll.

(Rao , 2011)

Base on the article How Payroll System works, stated that a medium-sized company with 10 to 50 employees is no longer feasible to do everything by hand. This is where payroll software probably makes the most sense. For a relatively low cost per month, you can have the computer to do all the grunt work for you. You'll still have to stay up to date with paychecks and tax filings, but it's just a matter of clicking a button, not doing all of the calculations and filling out all of the forms yourself. If you have the budget to spare, or you're just not interested in this aspect of the business, then you could even hire an HR specialist who could manage the software along with his or her other duties. (Anonymous, 2014)

Related Studies

Attache Payroll

As a standalone system or as a part of a complete accounting package Attache Payroll has the power and the flexibility to handle it all from the simplest payroll to the complex needs of larger businesses. Feature-packed its easy to use, with Attache Payroll seamlessly integrates with other Attache Software products to enable customized reporting, confidential emailing of pay advices and General Ledger integration (including multiple cost centers). Other features available is the allowing an unlimited number of income types to cater for various calculations and costing requirements (such as overtime, study leave, and flexi time) and you can specify your own method of calculation. You can enter a yearly, monthly, 4-weekly, bi-monthly, fortnightly, weekly or hourly pay rate for each rate per each

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employee, independently of their pay frequency. The calculated pay rate per hour can be printed on pay advices. Payment methods include bank (to one or more accounts), check, cash (with cash analysis) and cash plus ban.

Attache Payroll automatically calculates tax deductions for each pay.

(Anonymous, 2010)

Online Enrollment at Kensington and Chelsea College

KCC is a general Further Education College historically focusing on adult students. We have a large number of part time courses and relatively few full time courses. KCC have had an online prospectus on our website linked into our student information system for some years now and we were one of the first colleges to achieve this (initially using Dolphin and UNIT-e). We call this system KIPS (KCC Internet Prospectus System). All the course details are drawn directly from the student information system and displayed on our website. This minimizes work as the data only needs to be entered once and ensures that the course details advertised to students match the courses when they come to enroll. (Rea, 2006)

American Payroll Association

Base on the studies by the American Payroll Association (APA) which was established in the year 1982, automating the collection of time and labor data can save employers 2 percent of gross payroll costs each year.

However, many employers continue to collect this information manually.

Certainly, automation has saved businesses a lot of time and money in other areas. Virtually every business uses computers and word processing applications for communications. It's easier and more accurate, and it saves money.

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Synthesis

The proponents believe that each and every literature and studies stated in this research is similar on the present study. The proponents relate and differentiate the research based on the flow of their analysis from the proposed study.

CHAPTER 3

METHODOLOGY

In this chapter, the research methodology used in the study will be described. The research involves formulating the problem, selecting a suitable research design, choosing and applying appropriate procedure for data collection and analyzing and communicating the process and finding through a written report. Research Design

The proponents will be using Applied Research design for the study. Applied Research is said to be the investigation of the findings of pure or basic research, to determine if it is possible to develop new products or technologies. Also, the applied research is conducted to solve specific problems or to answer specific questions. (Anonymous, 2014) Uncle Sam Hardware uses a manual payroll system wherein computation is a problem. Computations can be inaccurate and time consuming if done manually. The proponents are trying to find a solution for the problems encountered by the existing payroll system of Uncle Sam Hardware. Developing a computerized payroll system is the solution that the proponents decided to implement. Developing a new technology is an output of Applied Research.

Sampling Technique

Simple Random Sampling

In statistics, a simple random sample is a subset of individuals (a sample) chosen from a larger set (a population). Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process, and each subset of individuals has the same probability of being chosen for the sample as any other subset of individuals. (Anonymous, 2014) Therefore, the proponents have chosen this method of sampling because this type of sampling has a key feature that its representativeness of population meaning that interviewees are equally to be chosen from the sample. The proponents interviewees are the employees of the company. Research Method

Research Method is To understand the use of statistics, one needs to know a little bit about experimental design or how a proponent conducts investigations. Also, research method can be use to establish or confirm facts, reaffirm the results of previous work and solve new or existing problems.(Anonymous, 2013) The spiral model is a risk-driven process model generator for software projects. Based on the unique risk patterns of a given project, the spiral model guides a team to adopt elements of one or more process models, such as incremental, waterfall, or evolutionary prototyping. The proponents will be using Spiral method because it is simple and easy to understand and use suitable for Payroll system projects. Also, the model is flexible which can adjust and improve the process of developing the software. Spiral Model is applicable to the payroll system mainly because it

focuses on the risk analysis phase, where in it allows proponents to mitigate risk and also can make adjustments if necessary. Planning

The proponents have gathered information and conducted an interview with the owner of Uncle Sam Hardware on how the business operates. The proponents have found out that the records are unsecured payroll transactions are done manually making the operation slow.

Risk Analysis

Based on the information gathered, the proponents decided to develop an Automated Payroll System. The system will be the solution for the underlying problem of the business. Through automation, files and records will be secured. Engineering

After gathering of the data and building up minor solutions, the proponents come up in developing a Automated Payroll System for the Uncle Sam Hardware. In this phase, the proponents will start to build a Payroll System that will meet the objective. Though it is only a prototype, testing and debugging will be conducted during this phase in order to fix and adjust possible errors. Evaluation

In this process, the proponents will let the client operate the automated system to find out if the system reaches the objectives. If the client is not satisfied, the proponents will then plan again in order to develop the system to meet the client's expectation. Thus, repeating the process. Research Instruments

Research instrument is the medium use to collect information in a qualitative field of study, observation, etc. Also, it is a testing device for measuring a given phenomenon, such as questionnaire, books and an interview. The research instruments that the proponents have used are the following:

Interview

Interview is a formal meeting in which one or more persons question, consult or evaluate another person. The proponents have interviewed Mr. Sherwin Bulario one of the owner of Uncle Sam Hardware. Internet Research

The web also served as a powerful medium that helped the proponents all throughout the study, The proponents have acquired the latest articles and information from the web.