THE EVOLUTION OF PAYROLL SOFTWARE THAT CAN REPLACE THE MANUAL METHOD IN INDONESIA

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Abstract
The development and evolution of software related to the payroll process is very important not only with regard to employee databases but also to the compensation of each employee whose data is very confidential, the payment system to be carried out, the accounting journal that can be generated, data security, calculation of income tax as well as employee's social security, health and pension calculations. This research is to ensure that the impact on the use of software Krishand[1]Payrollvery helpful in the process of replacing Microsoft Office Excel with various business considerations that are better, more accurate, faster and safer. Themethod in this research uses descriptive methods to explain problems that occur at this time or occur as they should when the research was carried out. Computer-based accounting information system related to payroll, inthis case is done by Krishand[1]Payroll can help companies to be able to leave processes that are done manually using Microsoft Office Excel and this can improve company performance and data security because of the security access facilities for administrator, application, operator, and data entry functions. And also all calculations and payments become faster and more accurate.

Keywords: Payroll software, Accounting information system, Krishand[1]Payroll.

JEL Codes: J30, M41, O33

I. INTRODUCTION

The development of the business world is so fast with the tighter level of competition, indirectly it will also result in the development of the use of software to support the ease of doing more efficient work in line with advances in information technology, so companies really expect the information available quickly and accurately. in order to support the decision-making process for better action in today's competitive market.

To support the application's availability as needed by decision-makers, one of it is the software which related with the accounting process, considering accounting information will produce information related to company financial information, which can be processed and analyzed to becomeinformation used as a top management decision-making process basis.

In some companies, the development and evolution of software related to the payroll process is very important not only with regard to employee databases but also to the compensation of each employee whose data is very confidential, the payment system to be carried out, the accounting journals that can be generated, data security, calculations of income tax as well as employee's social security, health and pension calculations. Many small and medium-sized companies previously still performed manual calculations through Microsoft Office Excel application, which often encountered problems on the inaccurate due to an error in the formula, especially those related to the employee income tax and also the social security, health and pension calculations. This obstacle is often found when there is a change in laws and regulations related with employee's income tax or social security, health and pension.

To anticipate these obstacles, many small and medium companies in Indonesia have finally changed their way of doing the payroll process using the Krishand[1]Payroll software. This software can provide the best solution for small and medium companies to change the way they work related to the payroll process more easily, safely, quickly and accurately, as well as fulfill a requirement from the company on the payroll reports.

This study intends to ensure that the impact on the use of the software Krishand[1]Payroll is very helpful in the process of replacing Microsoft Office Excel with various business considerations that are better, more accurate, faster and safer.

II. LITERATURE REVIEW

Accounting information system

The accounting information system is a computer-based system that can improve control and increase performance in an organization. The role of accounting information systems is very important in managing the organization and implementing an internal control system (Nicolau, 2006).

The application of accounting information systems can improve organizational performance for the better. Accounting Information Systems can have a positive impact on organizations to be able to better adapt to a changing environment, manage fair transactions and a high level of competitiveness (Dr. DawHla, 2015). The proper design of an Accounting Information System supports the business strategy in a way that enhances organizational performance (RH Chenhall, 1986). Increasing investment in Accounting Information Systems will be leverage to achieve a stronger and more flexible corporate culture to deal with continuous environmental changes (Dr. DawHla, 2015).

In organizations, the accounting information system will function to collect and store data relating to organizational activities and transactions which are then processed into information that can be used in the decision-making process.

Payroll accounting system

The design of a payroll accounting system is carried out to handle calculation transactions and payment of employee salaries/wages, design of a payroll and wage accounting system to ensure validity, correct and complete authorization, classification of assessments, timeliness and accuracy of posting as well as a summary of each payroll and wage transaction (Mulyadi, 2013).

Thus, the payroll accounting system concerns payroll processes and procedures starting from the calculation, payment, control and accounting systems, accurate and in-place bookkeeping to summary reports on the payroll.

Krishand Payroll software

The payroll system is an information system used by companies to process the calculation and payment of employee salaries. So the payroll system is usually used as an application that facilitates routine work carried out by companies every month to calculate the salaries of permanent and non-permanent employees that must be paid based on predetermined salary or wage components such as base salary, transport allowance, meal allowance, overtime pay, allowances others, loan deductions, income tax deductions, and so on. Calculating salaries manually will certainly take a lot of time, especially if it is done to process data from hundreds to thousands of employees. By following the payroll system flow available in Krishand, the job becomes much easier, more effective and efficient.

Krishand Software Payroll is employee payroll software, with a network of users spread throughout Indonesia and used by various types of companies (services, manufacturing, trading, contractors, securities, outsourcing, education, hotels, F&B, mining, etc.) from a small, medium and upper scale.

For the calculation of new employee salaries (probationary period) and resign employees, it can be done easily if the company wants to calculate several components of the salary pro-rata. Likewise, the recording of transactions for overtime, loan installments, medical and leave.

To facilitate the submission of salary slips to each employee, the company can print the salary slip report using confidential salary slip paper or send employee salary slips in PDF format to the respective employee e-mails. In the payroll software, there are various examples of employee payslips ranging from simple to complete.

In addition, for the process of transferring salaries to each employee's bank account, Krishand's software [1]Payroll can create a CSV or Excel file to be uploaded to the payroll banking system in collaboration with the company. In addition to the payroll transfer file, there is also a data export file to eSPT PPh 21 and an Excel file detailing labor contributions, health and employee pension.

Krishand Payroll is software that aims to help the payroll process for employees that are linked directly to the calculation of Employee Income Tax (PPh 21) which follows the Tax Regulations to the creation of all the forms needed for reporting. For employee payroll, including the calculation of overtime, social security, and the calculation of PPh 21 employees which have been updated based on the latest tax regulations.

III. METHODS

The method in this research uses descriptive methods to explain problems that occur at this time or occur as they should when the research was carried out.

IV. RESULTS AND DISCUSSION

Results

Krishand[1]Payroll software is designed as software that aims to assist the payroll/wage process for employees that is directly linked to the calculation of Employee Income Tax (PPh 21) which follows the applicable Tax Regulations to the creation of all the forms required for reporting.

Krishand[1]Payroll is a windows-based application that is very simple and easy to use with multi-users.

Figure   1

Source: Krishand [1]Payroll, Krishand[1]Payroll short-cut icon and Login form

In Figure 1, we can see a shortcut icon that can be seen on the computer monitor screen where when using it, simply click on the icon, the user will be asked to log in by filling in the name and password.

Figure   2

Source: Krishand [1]Payroll V. 5.0.1, Krishand[1]Payroll Main Menu and Initial Set-up

Figure 2 shows the main menu and initial setup menu of the software, wherein this option, we can do some initial software settings before use, for example: tax settings, creating company names, and general settings relating to employees and access will be given to different parties.
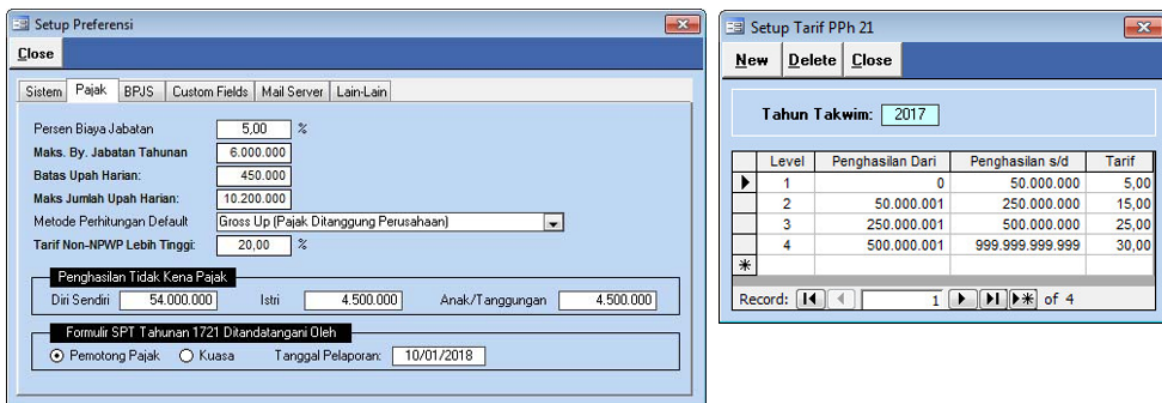

Figure 3

Source: Krishand[1]Payroll V. 5.0.2, Krishand[1]Payroll Initial Set-up, Preference Set-up

Figure 3 shows the options menu for making settings related to the basis for calculating income tax for each employee.The settings on this menu are filled in according to the tax regulations in effect when the payroll/wage calculation process is carried out.

The incorrect filling will have an impact on wrong tax calculations so that it will also affect the amount that should be received by employees.

Figure 4
Source: Krishand[1]Payroll V. 5.0.2, Krishand[1]Payroll Initial Set-up, Employee Set-up

Figure 4 shows the settings menu for each employee's data where this data will be very useful not only for calculations and payments related to payroll or wages but also a database of employees that can be used for reporting related to manpower.

Figure 5
Source: Source: Krishand[1]Payroll V. 5.0.2, Krishand[1]Payroll - Details of Income Tax Calculation (PPh art. 21)

Figure 5 is a display of the income tax calculation for employees where this calculation displays the monthly and cumulative tax calculations.

As for the reports that can be produced by Krishand[1]Payroll after completing all employee data, among others are:

Salary Slip (user defined).
List of monthly/annual income (user defined).
Bank Transfer List (user defined).
Evidence of withholding income articles 21 and 26.
Monthly Letter of notification article 21/26 and attachments.
Form 1721 A1
Salary journal report
Curriculum Vitae, Loan Card, Leave Card, Employee Medical Limit
Details employee overtime reports.
Social security reports (1A, 1C, 2 and 2A form)
Man Power report and movements for resource analysis
Comparative report of salary changes.

Krishand[1]Payrollapplication program implements a payroll accounting cycle starting from branch setup, position, department, group, employee grade, bank setup, signature setup, period setup, payroll component setup, group component setup, report format setup, etc. The salary calculation process is automatically run by this software. This inter-capital integration facility greatly facilitates and streamlines performance time. The security access provided guarantees data security on this system. The accuracy of the salary reports is also guaranteed because all calculation processing is carried out by the Krishand[1]Payroll program.

After implementing a payroll accounting system that uses a manual system then it is applied to a computer-based accounting system with the Krishand[1]Payroll application program produces a lot of convenience from its implementation. The advantages obtained from Krishand[1]Payroll application program, in the end, can streamline time and work effectiveness can be fulfilled so that the performance increase which previously had a big effect on data accuracy, can now be minimized by using the Krishand[1]Payroll application program, in addition, security access facilities will be able to ensure data security in the application.

Discussion

This research intends to provide a fairly good solution in carrying out the payroll process using the Krishand[1]Payroll software is very helpful for companies in carrying out the recitation process starting from calculating, processing payments, reporting, taxation to producing accounting journals to calculating income tax or those related to social security pf employee, health and pension. If there are changes in applicable laws and regulations, especially those related to Employee Income Tax and social security, the user is still very dependent on the service provider to make these changes in the software, so these changes cannot be made by the user himself. especially if there are additional points from the new regulation or there is a change in the report format.

V. CONCLUSION AND SUGGESTIONS

Conclusion

Computer-based accounting information system related to payroll, in this case is done by Krishand[1]Payroll can help companies to be able to leave processes that are done manually using Microsoft Office Excel and this can improve company performance and data security because of the security access facilities for administrator, application, operator, and data entry functions. And also all calculations and payments become faster and more accurate.

Suggestion

Some suggestions that can be conveyed in this research are:

It is good that user Krishand [1]Payroll also uses other Krishand applications (eg general ledger, inventory, etc.) so that it will make it easier for companies to integrate them.

We recommend that developers open certain access to users (based on the level of authorization) so that they can change some parameters if there are changes to laws and regulations so that they are not too dependent and wait for the developer to change them.

The software will have more extensive benefits if it can provide that all menus in the application can be changed from Indonesian to English.

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