

# Report TNB6: Human Resources

	Purchasing	Administration	Production	R&D	Sales	Total
Initial Workforce	18	200	853	34	100	1,205
+ Hires	1	16	50	2	9	78
- Dismissals	0	0	0	0	0	0
- Attrition	1	8	51	1	9	70
= Final Workforce	18	208	852	35	100	1,213

TNB 6 provides an overview of Human Resources. You can directly decide how many people you would like to hire or dismiss in the **production department** (in this period 50). However, there's a limitation for dismissals in some periods.

If employees leave your company on their own decision, it is called **attrition**. The amount of attrition is dependent on your staff motivation and the economic situation. It cannot be exactly calculated in advance, but a certain share of attrition should always be calculated with.

For the departments R&D and Sales you directly decide the desired final workforce (the hiring is dependent on the attrition)

The workforce of the departments Purchasing and Sales is dependent on your amount of work – in this case the revenue will be considered as indicator (see chapter 3.5.2)

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Breakdown of personnel costs for every department (cost center)  
Salaries for each cost center:

COST CENTER	FINAL WORKFORCE	SALARIES (IN EUR) IN PERIOD 0 WITHOUT NON-SALARY STAFF COSTS
Purchasing	18	30,000
Administration	208	28,000
Production	852	30,000
R&D	35	44,000
Sales	100	40,000
<b>TOTAL</b>	<b>1,213</b>	

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## Calculation of **wages & salaries**:

- Salary (table on previous page)\* final workforce
  - e.g.  $30.000 * 18 = 0.54$  mEUR (Purchasing)

## Calculation of

## **Recruitment / Dismissal / Training:**

- Each new hire costs **12.500 EUR**
  - e.g.  $16 * 12.500 = 0.2$  mEUR (Administration)

## Calculation of

## **Non-salary staff costs:**

- **40% of wages & salaries in Period 0**
  - e.g.  $540.000 * 0,4 = 216.000 = 0.22$  mEUR (Purchasing)

	Purchasing	Administration
Initial Workforce	18	200
+ Hires	1	16
- Dismissals	0	0
- Attrition	1	8
<b>= Final Workforce</b>	<b>18</b>	<b>208</b>
Wages/Salaries (mEUR) (*)	0.54	5.82
Recruitment/Dismissals/Training (mEUR)	0.01	0.20
Non-Salary Staff Costs (mEUR) (*)	0.22	2.33
Pension Reserves (mEUR) (*)	0.03	0.29
<b>Total Staffing Costs (mEUR)</b>	<b>0.80</b>	<b>8.64</b>

## Calculation of **Pension Reserve**:

- Fixed percentage of 5% of wages & salaries for every period
  - e.g.  $5.82 * 0,05 = 0.29$  mEUR (Administration)

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Specialty in Production department:

Turnover/Training:

- In addition to turnover costs ( $50 * 12.500 \text{ Euro} = 625.000 \text{ Euro} = 0.63 \text{ mEUR}$ ) training costs occur:
- 0.85 mEUR
  - $0.63 + 0.85 = 1.48 \text{ mEUR}$

(Training is just possible for Production Staff)

Additional **Dismissal costs** can appear in each department if you dismiss more than 10% of the initial workforce in the department. (This information will be provided).

	Production
Initial Workforce	853
+ Hires	50
- Dismissals	0
- Attrition	51
<b>= Final Workforce</b>	<b>852</b>
Wages/Salaries (mEUR) (*)	25.56
Recruitment/Dismissals/Training (mEUR)	1.48
Non-Salary Staff Costs (mEUR) (*)	10.22
Pension Reserves (mEUR) (*)	1.28
<b>Total Staffing Costs (mEUR)</b>	<b>38.54</b>
Additional Dismissal Costs (mEUR)	0.00
Training (Production) (mEUR)	0.85
Non-Salary Staff Costs in % of Salaries	
(*) Without Overtime Costs	

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	Purchasing	Administration	Production	R&D	Sales	Total
Initial Workforce	18	200	853	34	100	1,205
+ Hires	1	16	50	2	9	78
- Dismissals	0	0	0	0	0	0
- Attrition	1	8	51	1	9	70
<b>= Final Workforce</b>	<b>18</b>	<b>208</b>	<b>852</b>	<b>35</b>	<b>100</b>	<b>1,213</b>
Wages/Salaries (mEUR) (*)	0.54	5.82	25.56	1.54	4.00	37.46
Recruitment/Dismissals/Training (mEUR)	0.01	0.20	1.48	0.03	0.11	1.83
Non-Salary Staff Costs (mEUR) (*)	0.22	2.33	10.22	0.62	1.60	14.99
Pension Reserves (mEUR) (*)	0.03	0.29	1.28	0.08	0.20	1.87
<b>Total Staffing Costs (mEUR)</b>	<b>0.80</b>	<b>8.64</b>	<b>38.54</b>	<b>2.26</b>	<b>5.91</b>	<b>56.15</b>

The **HR costs for the department „Production“** will be needed to calculate the CGM (costs of goods manufactured) and separated into direct and overhead HR production costs.

The **HR costs of the other departments** can be seen in the Staffing costs of the TNB8: Cost Center Accounting.