

How Enterprise Resource Planning (ERP) revolutionizes Industries managing their Human Capital Management

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Abstract

This article focusses on providing information on What is Enterprise Resource Planning (ERP) and how an ERP Suite can help companies across different business to gain advantage of ERP to maintain/track their Workforce Management activities and the employee needs. This article references Workday ERP product as Primary product and explains the various modules available within the Workday Product and provides insights about the Human Capital Management flows.

Keywords: ERP, Workday, Workday HCM, Cloud ERP, On-Premise ERP, SaaS, Open Source, Compensation

1. Introduction - Enterprise Resource Planning (ERP)

Enterprise Resource Planning (ERP) is a Software Platform which can integrate various or all business processes within the organization to have a streamlined single source of data in a single software environment. ERP systems can integrate with multiple data sources and collect organizational data ensuring data integrity and eliminating data duplication. ERP Systems can support real-time data and analytics which can help the business in making crucial decision-making and increase the operation efficiency. Modern ERP Systems use AI and Machine Learning to enhance user experience and provide deeper insights.

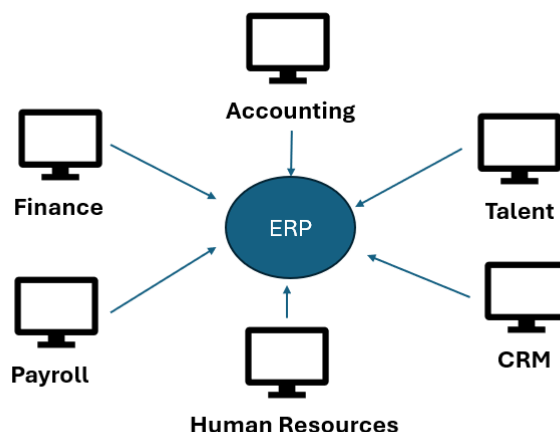


Figure 1: Sample ERP Model

2. Understanding ERP

You can think of ERP as a binding agent which binds different systems within your organization into a single software application. Without ERP, the organization needs to maintain different software applications for different departments to manage their corresponding specific tasks. With ERP, Organization can still have their different systems but all of them can be accessed through one application and with common interface. Also, ERP applications allow the various departments from different areas to communicate seamlessly and share information across systems.

3. Types of ERP Systems

There are a variety of ERP solutions available in the market which can meet the organization's business needs. The list of ERP solutions is pretty comprehensive. There are several types of ERP like On-PremiseERP, Cloud ERP, Open Source ERP etc.,

On-Premise ERP

On Premises ERP involves companies purchasing the ERP licenses from the Solution Vendor and installing the software inside the company's own servers. Companies will have full control of the data as it is resided and owned by the company. Companies can have their own IT team to maintain this ERP and customization can be built extensively by the IT Team. The disadvantage is that companies need to maintain their own servers, security patches, performance monitoring and any updates to ERP product needs to be updated by the company independently.

Cloud ERP

Cloud ERP Systems are the one which is hosted on remote servers by the solution provider and can be accessed through the internet. These solutions are SaaS (Software as Service) provides better scalability and allows companies to opt for what they needed. Companies need not invest in any infrastructure related to servers, security also the latest updates related to statutory and regulatory or readily available. Mostly this model of ERP is based on Subscription model.

Open-Source ERP

An open-source ERP is based on an open-source code which means the organization has full control over the code. Companies can customize the code according to their needs. Companies need more technical expertise resources to implement this type of ERP model and need to maintain the team for maintenance.

4. Revolution of ERP

Organization can decide on how to maintain their daily business functions across departments/countries and the software, but they need to keep in mind about the technology evolution and other factors like Regulatory changes, Security changes and maintenance of infrastructure. Also, many big companies have their business functions and employees not only in single states but also in various states within country and have employees across the globe.

Cloud ERP/ERP plays the leading role in providing solutions to the above concerns. ERP products are already built with country/state specific requirements within the product to support the regulatory

needs and the product is frequently updated to accommodate all the regulatory changes. ERP products are built mostly as configurable which provides organization to decide on the configuration, they need to enable like enable US Payroll etc., ERP also provides the user interface both Self Service and Administration which is available both in browse and mobile. ERP products also come with mostly delivered reports across all business functions and reporting building is not necessary unless we need customers who want to have their own custom specific requirement reports.

Many Organizations are making decisions to move towards the Cloud ERP model so that they have single source of Software Platform across all departments with accurate and seamless data flow. Organizations may not need to spend on multiple software and no need for IT Infrastructure investment and day to day basis security issues. As Cloud ERP are subscription-based models, organizations are going to spend money based on the workers and products they are utilizing which will save more money. Also, in the event of expanding the business, the same ERP model can be used to expand by choosing the required products and there is no need for another new implementation. Organization doesn't need to spend more on IT Development and upgrade as most of the product changes are released by the ERP Solution.

ERP provides organizations with the flexibility to choose various products of the same ERP solutions, and the price is based on the suites they selected.

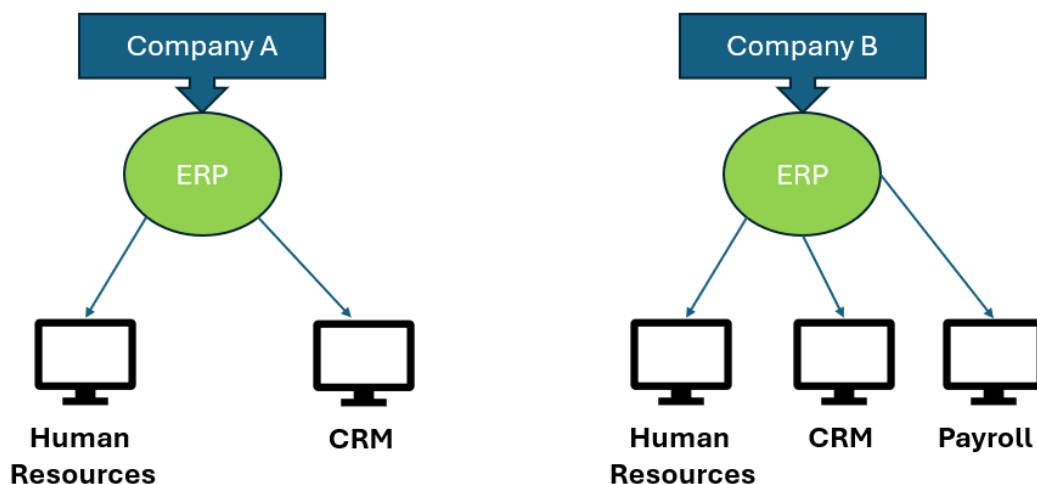


Figure 2: Flexibility of ERP

5. WORKDAY ERP

Workday is a powerful cloud-based ERP platform (SaaS solution) that helps organizations to have a centralized platform for managing all the company's business functions. Workday has various products like Human Capital Management, Financial Management, Workday Payroll, Adaptive Planning, Workforce Management, Analytics and Reporting, Spend Management, Student, Talent

Management, Peakon Employee Voice etc., Workday ERP provides better scalability, lower costs, better data security and frequent updates on regulatory rules.

6. Workday Human Capital Management (Workday HCM)

Workday HCM is a flexible suite of HR Solutions designed to work together and provide various business process definitions and analytics. It is built of a flexible framework which will enable organization to organize people using multidimensional criteria. Workday HCM groups logically by function or reporting hierarchy and align with financial structures such as division, cost center etc.

CORE CONCEPTS of WORKDAY HCM

Workday HCM revolves around 6 core concepts within Workday which are Supervisory Organization, Staffing Models, Job Profiles, Compensation, Security and Business Processes

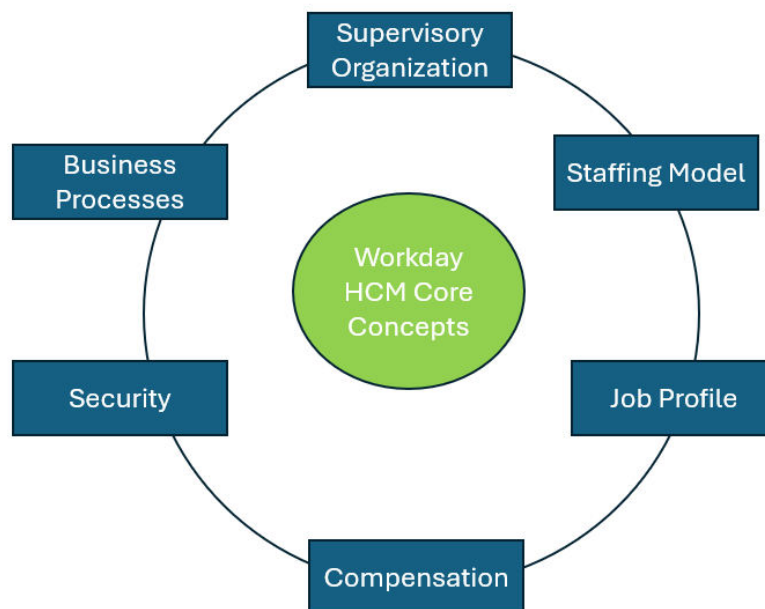


Figure3: Workday HCM Building Blocks

Supervisory Organization: This is the foundation of Workday HCM. This supervisory organization groups workers into a management hierarchy. Every Manager needs to be assigned to a supervisory organization, and the subordinates need to be hired under the supervisory organization.

LTT App Dev
...

Type	Supervisory	Superior Organization	App Dev & Data/BI
Organization ID	SUPERVISORY_ORGANIZATION-3-8152	Subordinates	Workday Ops Finance Workday Ops HCM

Details
Members
Staffing
Unavailable to Fill
Roles
Security Groups
Organization Assignments

Availability Date 09/24/2021

Type [Supervisory](#)

Subtype Group

Visibility Everyone

Top Level [Chief Executive Officer](#)

Superior [App Dev & Data/BI](#)

Subordinates [Workday Ops Finance](#)
[Workday Ops HCM](#)

Primary Location 📍 Corporate Office

Location is inherited from Superior

Figure 4: Workday HCM Supervisory Organization

Staffing Model: This staffing model will determine how the jobs and positions are created which will be used by the supervisory organization on during Hire.

LTT App Dev

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Organization Assignments

Staffing Model [Position Management](#)

Figure 5: Workday HCM Staffing Model

Job Profile: Job Profile will be used to define the generic features and characteristics of a job that is built of the profile which will be assigned to the worker during hire.

Senior Workday Systems Analyst

Overview

Qualifications

Pay

Overview

Characteristics

Compensation

Additional Data

Business Process History

Edit

Inactive	No
View As Of	03/19/2025
Date of Last Change	01/07/2025 05:21:00.205 PM
Job Profile Name	Senior Workday Systems Analyst
Job Code	2354
Include Job Code in Name	No
Job Profile Summary	(empty)

Figure 6: Workday HCM Job Profile

Additional Job Description

Job Title Default	Senior Workday Systems Analyst
Restrict to Country	(empty)
Management Level	6 Individual Contributor
Job Level	Corporate
Job Family	Information Technology
Job Category	Workday
Job Classifications	Professionals - 2 Professionals (EEO-United States of America)
Work Shift Required	No
Public Job	No
Referral Payment Plan	Corporate Referral - Technology IC Plan

Figure 7: Workday HCM Additional Job Description

Compensation: All the compensation packages, grades, grade profiles and plans will be created and attached to the workers during hire.

Compensation Package	
<div> <div>Details</div> <div> <div>Effective Date</div> <div>03/19/2025</div> </div> <div> <div>Inactive</div> <div></div> </div> <div> <div>Compensation Package Name</div> <div></div> </div> <div> <div>Compensation Package Description</div> <div></div> </div> </div>	
<div> <div>Eligibility Rules</div> <div>Incentive - All Active</div> </div>	
<div> <div>Compensation Analytics</div> <div> <div>Display Total Base Pay Range</div> <div>Yes</div> </div> <div> <div>Display All Segments for Total Base Pay Range</div> <div></div> </div> <div> <div>Display Total Base Pay Range Segment for Worker</div> <div>Yes</div> </div> <div> <div>Display Primary Compensation Basis Range</div> <div></div> </div> <div> <div>Display All Segments for Primary Compensation Basis Range</div> <div></div> </div> <div> <div>Display Primary Compensation Basis Pay Range Segment for Worker</div> <div></div> </div> <div> <div>Display Midpoint</div> <div></div> </div> <div> <div>Guidelines Warnings Based on Total Base Pay</div> <div>Yes</div> </div> <div> <div>Guidelines Warnings Based on Primary Compensation Basis</div> <div></div> </div> <div> <div>Display Position in Range</div> <div>Yes</div> </div> <div> <div>Display Compa-Ratio</div> <div>Yes</div> </div> </div>	

Figure 8: Workday Compensation Package

Security: Security group is a collection of users or objects which will grant access to workers to the associated security group

Business Processes: The tasks or steps which are required for the desired business function can be built sequentially by the customer which will triggered when the business process is executed. For example, Hire is a business process inside workday and you can determine the various tasks to be performed by diverse groups when you hire an employee. A pre-built skeleton business process is already provided by workday, and customers can configure it based on their needs.

Notifications						
System Notifications						
Disabled	Manual Advance System Notification Disabled	Workflow Step	Order	Type	Specify	Group
No	No	Hire (Direct Hire) step a - Initiation	a	Initiation		
No	No	Hire (Direct Hire) step b - Action	b	Action	Review Employee Hire	Manager
No	No	Hire (Direct Hire) step c1 - Approval	c1	Approval		Business Unit Managers
No	No	Hire (Direct Hire) step c1 - Approval	c1	Approval		Business Unit Managers
No	No	Hire (Direct Hire) step c1 - Approval	c1	Approval		Director - Area Dotted Line
No	No	Hire (Direct Hire) step d - To Do	d	To Do	Aquatics Age/Experience Requirement	HR Partner
No	No	Hire (Direct Hire) step f - Consolidated Approval	f	Consolidated Approval		Regional Cost Center Category Manager

Figure 9: Workday Business Process

Once Core Concepts is determined and configured in Workday HCM, we are now ready to start doing the business functions starting from Hire to Terminate. Workday HCM has various tasks and some of the business functions tasks is provided below.

- Create Supervisory Organization
- Create Job Profile
- Create Job Family
- Create Location
- Create Compensation Package
- Create Compensation Grade
- Create Compensation Plans

- Hire Employee
- Reorganization
- Job Change
- Add Job
- Remove Job
- Terminate

Conclusion

Implementing ERP enables organizations to have single platform software to meet their business needs which also reduces expense cost. Workday as one of the leaders of Cloud ERP Solution provides more products and services and their HCM product is capable of handling most of the business function with greater scalability, data security and regulatory updates. Workday HCM provides the best of user experience in both browsers and mobile applications with data insights and analytics. Workday HCM is also embedded with AI and MI for the best user experience and for data analytics. Workday HCM also provides similar user experience both in browser and mobile with similar capabilities.

This article is all about explaining the concepts of ERP, types of ERP and the how the ERP model is revolutionized in the decision making of organizations. It also explains the core concepts of Workday HCM and various business functions available in Workday Core HCM.

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