

SBR/XBRL TECHNOLOGY- Smoothing up the Cumbersome Tasks of HR Industry: Should India also implement it????

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Abstract- Standard business reporting programme/ eXtensible Business Reporting Language (XBRL) has been developed to meet the reporting and compliance requirement, which has brought a sea change in the corporate world. This paper seeks to find out the role of SBR in HR industry. After XBRL it is opening up the avenues at HR industry with the help of HCM software, which is estimated to reduce the costs by 25%, featuring easy exchange of recruitment data, online lodgement of TFN, payroll and compliance reporting to the regulatory authority. 'Whether SBR technology actually smoothens up the tasks of HR?', 'how much it has been successful in the countries like Australia?' and 'Should it be implemented in India?' are few of the questions that the paper answers. The Paper also figures out the smoothing up role the SBR technology plays towards HR industry by reducing the cumbersome and duplicity tasks of HR. This paper overall assesses the benefits of SBR technology in HR industry of India.

Keywords: *SBR, XBRL, HR industry, HCM Software.*

I. INTRODUCTION

Standard business reporting (SBR) Program is a multi-agency program which intends to reduce the reporting burden falling on business by providing the standardized business-to-government reporting along with the electronic lodgment. It is an initiative taken for making the regulatory reporting easy and efficient. SBR was adopted by Australian government in 2006 succeeding the Dutch's XBRL Approach which began in 2004 in Dutch by the Dutch Taxonomy Project (Netherlands Taxonomy Project) or NTP. The Netherlands Taxonomy Project of 2004 was later on renamed as SBR with the Australia's formulation of SBR program (OECD 2009). Dutch government adopted this approach in order to reduce the regulatory or administrative burdens of reporting. NTP formulated XBRL taxonomy which "enables businesses to generate the required reporting information directly from their

own records and the government to then process this information efficiently and effectively".¹ Succeeding this Australian Government adopted the same with different name viz. SBR Program and since then, it has been adopted by the other countries, as Standard Business Reporting helps in reducing the regulatory burden of reporting.

Government supervision over the regulation of business is an important mechanism for maintaining the public and private interests (OECD 1997). SBR, being a technical collaborative approach, brings maturity to reporting by benefitting government, business and the related individuals of business. Regulatory reporting is an essential ingredient of government from economical and financial perspective. Before this technological reporting process, businesses used to report via manual procedure of paper filing and being a burdensome job it was not only hectic and unproductive task but also emerged with a space of fraudulent practices. The technological era has brought transparency, reliability and easiness in reporting. The information needed to be reported to government has become diverse and complex and even repetitive task as apart from government the same is needed sometimes by the lender, investors, employees etc. As this program has seemed to be much efficient and effective it has been made mandated in the Netherlands from 2013 for online lodgment of corporate and income tax reports (SBR 2011).

eXtensible Business Reporting Language (XBRL), an XML based language is another reporting language which is formulated under the SBR program. XBRL has helped in exchanging information and hence it is now been adopted in Japan, China, United Kingdom, United States(mandatory); Denmark, India(transition to mandatory); and Canada(voluntary) for the

1 van Burg et al, Foreword, p iii.

purpose of reporting in the field of financial and banking sector (SBR 2011). The lodgment of the data of a company, TFN etc. and exchange of information between government and business has a beneficial approach which includes investors, stakeholders, shareholders, employees, HR, job seekers, accounting agencies, financial agencies, government agencies etc. into its ambit.

HR technologies are emerging day by day in order to smoothen up the tasks of HR. SBR is one of the initiative taken up in the business world with a focus to reduce the reporting burden of a company and ultimately to bring efficiency to the business as a whole. Albeit SBR was originated with the mantra of reducing regulatory burden of business and standardizing the reporting language but it has also proved to be an effective approach for other sectors as well viz. HR sector, employees, Investors etc. all gets benefitted by the information processed. This paper is an approach to analyze and investigate the role of SBR/XBRL technology towards the HR industry answering 'how positively does SBR impacts HR industry in resulting smoothening the cumbersome tasks of HR?' and also that 'how far does it has been implemented in HR sector?' SBR/XBRL Technology is a reporting tool which has been capturing all the countries of the world at an increasing pace. Apart from this the paper also outlines the features and advantages it brings to the government, business and the other related sectors of the economy.

II. SBR/XBRL TECHNOLOGY

"A key frustration of business is wasting time sending the same or similar information in different formats to each government agency."

- Lindsay Tanner

A. What is SBR/XBRL?

The Standard Business Reporting Language is an initiative of Australian government that simplifies the business-to-government reporting in a number of ways. It is a tool used by businesses to file the required reports to the government. Under SBR businesses used to adopt SBR software which prepares and lodges key government forms directly from the software to the agencies participating in the business.

XBRL (eXtensible Business Reporting Language), being a part of SBR, is a technology used specifically for the purpose of financial reporting. It enables the data tagging & transmission of business information (not restricted to financial reporting) to the regulatory authorities including govt. and to the company stakeholders etc. Apart from this, XBRL (eXtensible Business Reporting Language) is an XML based language developed for the transmission and recording of business information, not limiting itself to financial and accounting information only.

The primary objective of formulating this technique was to reduce the compliance burden by establishing a well global standard for the electronic communication of business information and data which can be further utilized by the government, stakeholders and other required individuals for making decisions etc. XBRL has already been adopted by various international regulators including SEBI. Australia, being the first country to adopt SBR after Dutch's taxonomy, has used it as a tool of business reporting and from then it has seen positive and effective changes in its business sector.

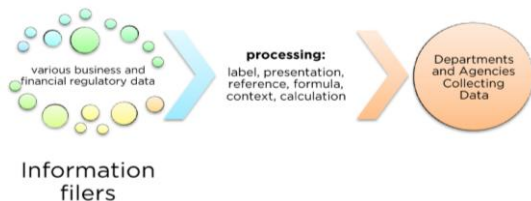
SBR is based on the four fundamental concepts (OECD report):

- Creation of national Taxonomy to be used by businesses to report to the government;
- Using taxonomy to reduce unnecessary or duplicate data descriptions;
- Enabling the financial reporting to the government, directly with the help of software.
- Creation of supporting mechanism for efficient SBR implementation.

B. How SBR/XBRL works?

A business involves paper works and paper formality in large amount in order to fulfill the requirement of business, government and as well as of the concerned individuals having stake in the company or want to do so etc. Employers/businessman find it easier to record the data in the software of their company and file the same or open it for information to the individuals, employees or regulatory agencies at a cost of some charge or free of cost, as the demand arises.

Fig. 1. SBR working Process



In Dutch, a Business organization uses Digipoort, which includes administrative communications between stakeholders and a specific public in electronic mode i.e. the "electronic post office", to report to the government parties. Digipoort is a secured digital line from the government and the link of the same is facilitated directly from the software so that the businesses can easily deliver the compliance information to the regulatory agencies. Within Digipoort, the information is processed and validated with the feedback signals transmitted to sender. The traditional method uses manual reporting process which is time consuming and includes duplicity and hence is not an ideal option for businesses. SBR on the other hand ensures the recording, compilation, tagging and submission of reports to the regulatory agencies by capturing time and supplying the same information several times to the concerned individuals as per the need. The delivery of information to the public is done via Digipoort only and banks/financial institutions use IPI etc.

C. Potential Benefits of SBR/XBRL Technology

“SBR harmonizes reporting across forms and government agencies, allowing businesses to provide information through a single online channel.”

- Martin Parkinson

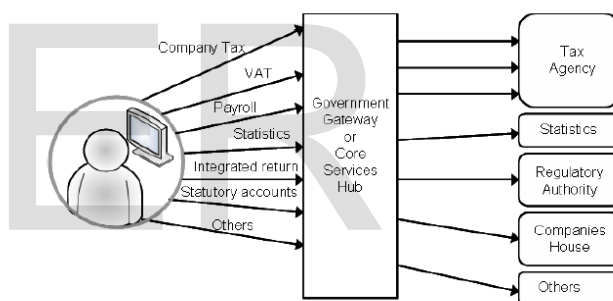
SBR leads to greater confidence in the regulatory reporting process by bringing harmonization and standardizations in compliance reporting. Apart from generating quality information it also shares the international experiences and knowledge, driving the reporting process towards a cost effective and efficient reporting process. It has proved to be a balance between a risk aversion strategy and a cost saving strategy by causing a positive NPA of the company. The benefits of adopting SBR can be enumerated below as:

- Reduced administrative burden of regulatory reporting.
- Streamlining process of aggregating data across the company’s internal

departments, businesses units and offices.

- Reduction of manual intervention
- Improved data quality and analysis.
- Decreasing re-submission of data.
- Increasing transparency, reliability, consistency, traceability and audit ability.
- Aligning business and regulatory reporting.
- Time saving by making and filing reports in electronic format and reduction of duplicity.
- Simplifying the bank loan process.
- Avoids penalties for non-compliance of mandatory reporting.
- Tighter and cleaner regulatory operations.
- Reduction in bureaucracy and Red Tapism.

Fig. 2. SBR – Multiple Reporting



The major benefit of SBR is time saving and money saving by automation which enhances the speed, accuracy and quality of reporting. It cuts costs and errors of reporting hence has captured the market of Australia, Netherlands etc. fully and is expanding increasingly all over the world

“We’ve been told by bookkeepers and BAS agents who are using SBR-enabled software that SBR is saving them time and money, and making it easier to work with their clients,”

- Miller

In this internet-driven world, the businesses are burdened with the huge regulatory formalities and it is possible only through the technology to lessen the pressure on business and provide the government with the standardized information so that they are not required to send the same information multiple times via manual filing of forms.

Using a standard format and language to communicate electronically, intermediaries and software developer are working further to reduce the redundant business requirements.

“There are significant benefits in the use of XBRL as the single language in this field of reporting, but the true benefits start to accrue when the reporting requirements of many (such as government regulators) are defined in a single set of definitions, such that once mapped, the information might serve multiple reporting purposes.”

- Paul Madden, the director of Australia's Treasury SBR Program

III. SBR/XBRL TECHNOLOGY AND HR INDUSTRY

HR Technology is expanding exponentially all over the world. HRIS (Human Resource Information System) is not a new concept but an innovative term which is enabling HR to focus more on the productive and strategic business. The exchange of data between external systems and the integration of application has motivated the software development communities to innovate the information tools for the transmission of data and information. Not only the Government but also the HR has to accord with the huge amount of information and data of a company for the purpose of recruitment, payroll, taxes, employees' bonus/funds, policy making and welfare of employees. Transmission of Information between recruitment, core system of record and benefits and payroll components has used many different techniques but none of them has proved to be successful. Traditionally, in order to fulfill the compliance reporting formalities, businesses were used to resort to the manual filing of reports and forms so as to ensure that the information transmitted reaches to the right place in the right format and at the right time. But finding traditional method to be a time consuming and money wasting method the emergence of XML language based web services and software took place. It opened up avenues for the companies to exchange data in more structured way externally and as well as internally.

The HRIS system built organizations and specifically HR-XML based organizations has helped to resolve the complex data exchange for the HR Industry in the early 2000s which has helped the HR of an organization to transmit and exchange the data

internally and externally, within the organization or with the subsidiaries etc. for completing the job of HR. SBR is a software tool for recording and exchanging information as XBRL i.e. extensible Business Reporting Language is a common language which facilitates the exchange of finance and accounting data mainly with the help of tagging and instance document. This software serves the purpose of sharing data and compliance reporting.

SBR/XBRL is adopted internationally by the United States, United Kingdom, Singapore, Netherland, and European Countries and it is now capturing the market of China, Japan etc. It has not stick itself to financial and accounting data only but also includes payroll data, TFN lodgment etc. which are required by the HR of a company. SBR works along with the HCM software impacting HR industry positively by smoothening up the cumbersome tasks of HR by recording the data of a company and tagging the same for the purpose of using the same for the purpose of policy making of HR practices and payroll or taxes calculation and performance analysis.

SBR is subsisted with the magnificent features of HR industry which impacts HR business community positively and effectively by reducing the burden of work and making the cumbersome tasks to be completed easily and efficiently. The Features involves:

- Online validation of Tax File no.(TFN)
- Lodgment of Payroll Tax monthly to the regulatory authority.
- Online validation of Government Reporting.
- Tagging of data/information.

HR community has not only been benefitted by the given features of SBR but also by the other features which have impacted the HR Industry positively. These features can be enumerated as follows:

- It helps in compilation and streamlining of the employees information.
- Smoothly calculation of employees' wages.
- Assessment of employee's performance has become easy and effective by recording and analyzing the CTC, production and turnover of a company.

- Easy and less time consuming online lodgment of information to regulatory authorities.
- Taxation process has been positively impacted.
- Bonus calculation and adding it to employees account has become an easier job to be performed.
- Recruitment and transfer of employees by exchanging of data among the business units and companies and easily acknowledgement of the vacant places required to be filled.
- Recording and compilation of employees' data for long term.
- Easier maintenance of Employee's welfare account.
- Accessibility of employees' information/data of own company as well as of the subsidiary companies by parent company's even if either of them is setup abroad.

A Case Study of Australia and Netherland – Savings from SBR

Australia adopted SBR in 2006, on the lessons of Netherlands, which has adopted it fore mostly all over the world i.e. in 2004, with the aim of reducing the regulatory burden.

“The Dutch government intends to reduce the administrative burden of businesses by 25 percent,”
- Harm Jan van Burg, a senior policymaker for the Netherlands Ministry of Finance

- In Netherlands adoption of SBR has proved to save EUR350 million (about USD525 million) as compare to the traditional process.
- In case of Australia, the saving is expected to be approx. AUD800 million (about USD735 million) annually after the implementation of SBR fully in the business units of Australia.

TechnologyOne SBR-enabled products
The following software is SBR-ready so your business can benefit now from streamlined communications to the ATO. This complete project fully funded by TechnologyOne is provided as a value-add to customers. TechnologyOne will continue to invest in the Australian Government SBR program at no cost to its customers in forthcoming years as more statements are released for SBR reporting.

Software product	Version	Certified from	SBR agency report
TechnologyOne Financials	11.08; 11.09; 11.10	5 August 2010	ATO – Business activity statement (4195)
TechnologyOne Human Resource & Payroll	11.08; 11.09; 11.10	5 August 2010	ATO – Tax file number declaration (3092)
TechnologyOne Human Resource & Payroll	11.08; 11.09; 11.10	5 August 2010	ATO – PAYG – Payment summary – Individual non-business
TechnologyOne Human Resource & Payroll	11.08; 11.09; 11.10	5 August 2010	ATO – PAYG – Payment summary – Employment termination payment summary data record

Compliance Reporting has always been a time consuming task which may also involve the bureaucratic process and heaps of red tape. The SBR

initiative has proved to reduce the same in Australia and has also lead to streamlined compliance reporting process. SBR provides a unique tag for each individual item to select, recognize, store and exchange information in more efficient and reliable manner. Being an international standard it has not been restricted to geographical boundaries. It has hence proved to be beyond or just being a reporting tool for HR Industry. Hence India should also make a road map for SBR and bring efficiency and efficacy to the individuals and to the economy as a whole.

IV. CONCLUSION

SBR is grappling the business world slowly. The implementation of SBR/XBRL has made a productive and effective business by impacting positively to each business units/sectors. HR Technology has undoubtedly is an innovative area where HRIS is building strongly and SBR has proved there to be an effective tool to reduce the cumbersome tasks of HR industry either it is Payroll related tasks , information lodgment or employees welfare related tasks. Albeit the main aim of SBR implementation was simply to reduce the regulatory burden of reporting but it has come up with various hands working in all the sectors of business. In India, HR's must therefore implement the tool so as to make their work more productive and stress free.

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