

Personal Budget – People Matters

¹Ana Guerra, ²Joana Lopes, ³Miguel Monteiro, ⁴Adalmiro Pereira,
⁵Tania Teixeira

ABSTRACT: In order to achieve the purpose of creating a personnel management budget, it was decided to adopt the company People Matters - Sociedade Unipessoal Lda. as the scenario for preparing the corresponding personnel budget. This choice allows a practical and detailed analysis of personnel expenses, a crucial element in the financial management of any organization. The development of this work was based on filling in the assumptions related to Personnel Expenses, using the Investment Project Assessment Tool made available by IAPMEI. Throughout this paper, we will explore the different facets involved in preparing a personnel budget for People Matters, considering the challenges and opportunities inherent in effective human resource management. It is hoped that this analysis will contribute not only to our academic knowledge, but also to a deeper understanding of the importance of financial management applied to human resources in any organization.

KEYWORDS: Budget; Personnel Management; Salaries; Employee Benefits

I. IDEA IDENTIFICATION

This paper focuses on the personnel budget of the organization People Matters for the years 2024 (year 0), 2025 (year 1), 2026 (year 2), and 2027 (year 3 - cruise year). The objective is to examine the costs and projections related to the company's human resources during this period.

COMPANY CHARACTERIZATION: The company People Matters – Sociedade Unipessoal Lda., with a share capital of €5,000 and CAE 78200 - Activities of Temporary Employment Agencies, is a people management and human resources consultancy company. It was founded on January 1, 2024 and is headquartered at Rua Jaime Lopes Amorim, nº346, 4465-004, São Mamede de Infesta. It currently has an internal structure composed of 24 employees, distributed across several teams, such as Recruitment and Selection, Training Management, Terminations and Performance Management and Evaluation.



Figure 1 - People Matters logo

People Matters stands out for offering people management and consulting solutions tailored to the organizational needs of its clients. The company is proud of the trust its clients place in it, seeing this trust as a reason for great responsibility and commitment for the entire team. People Matters' mission is to create value for its clients through people management and consulting solutions tailored to their organizational realities. Its vision is to offer high-quality services, becoming a benchmark of excellence in the field, gaining recognition and ensuring sustained commercial and business success. The values that guide the company include responsibility, energy, enthusiasm, dedication, respect, integrity, customer focus, team spirit and high ethical standards.

Since its founding, People Matters has maintained continuous growth, expanding its client base and diversifying the services it offers. The company was created with the intention of filling a significant gap in the Portuguese Human Resources market, where many companies require specialized support to manage their human capital efficiently and effectively. People Matters employees are carefully selected and trained to ensure that they not only have the necessary technical skills, but also the ability to align with the company's culture and values.

This approach has enabled People Matters to maintain a high level of satisfaction among both employees and customers. People Matters’ organizational culture values responsibility, effectiveness, efficiency, respect and trust. Employees are guided by these principles, seeking to achieve quality results and foster respectful and constructive relationships. This positive and collaborative work environment is one of the factors that contributes to the low staff turnover rate and high team motivation. People Matters regularly implements training and professional development programs for its employees, ensuring that they are always up to date with the best practices and trends in the sector. This investment in the development of internal human resources is seen as essential to maintain competitiveness and the quality of the services provided.

People Matters is currently considered one of the national leaders in the area of people management and HR consultancy. The company transforms the world of work through people who are passionate about what they do. Since its foundation, it has stood out not only for the quality of its services, but also for the recognition it has received. In particular, it was recognized as one of the best companies to work for in Portugal, standing out for its positive work environment and the growth opportunities it offers its employees. In the future, People Matters intends to expand its operations into new markets and continue to innovate in its people management approaches. With a well-defined strategy and a committed team, the company is well positioned to face future challenges and maintain its sustained growth, always with the aim of generating value for its clients and contributing to the development of the organizations it serves.

II. PRESENTATION OF THE PROJECT AND THE OBJECTIVES TO BE ACHIEVED

People Matters has a solid and diverse team of 58 employees, which is the starting point for defining the company's growth objectives for the next 4 years. Based on the company's objectives in terms of increasing competitiveness and attractiveness in the labor market and in the Portuguese business context, the expansion of its human capital is necessary. People Matters' strategy involves gradually increasing the number of employees until 2027, in line with market needs and aiming for the company's sustained growth. This strategic growth aims to improve the company's competitiveness and reinforce its position as a leader in the people management and HR consulting sector.

Human Resource Growth Scheme

Position / Function	2024	2025	2026	2027	
Management – Executive Director	1	1	2	2	
Administrative	2	3	3	4	
Sales - Sales and Customer Relations	1	2	2	3	
Operational	Recruitment and Selection	5	6	7	8
	Training Management	3	4	4	5
	Disconnections	2	2	3	3
	Management and Evaluation of Performance	4	5	6	6
	Total	14	17	20	22
Others	IT Team	2	2	3	3
	Quality and Improvement Continuous	2	2	2	2
	Communication and Marketing	2	2	2	2
	Total	6	6	7	7
Total	24	29	34	38	

Table 1 - Forecast of number of employees, up to 2027

This strategic growth plan aims not only to increase the number of employees, but also to diversify and strengthen existing teams. People Matters is committed to keeping up with the trends and demands of the job

market, ensuring people management solutions that meet the needs of its clients and contribute to the sustainable development of the organizations it serves.

III. IDENTIFICATION OF ASSUMPTIONS

Personnel Expenses

Total Base Salary

Position / Function	Total Monthly Amount ¹ (Fixed cost 100%)	Description
Management	3 200€	The monthly salary of a CEO/Executive Director is €3200
Administrative	1300€	At People Matters, there are two employees in the Administrative category. One of them is an Administrative Assistant, with a monthly salary of €900, and the other is the HR Administrative Manager, with a monthly salary of €1,700. Therefore, the average total monthly salary for this professional category is €2,600.
Commercials	2 000€	In the Sales team we only have one professional who receives a monthly salary of €2000.
Operational	2 000€	In the People Matters Consulting team, we have professionals specialized in different areas, such as Recruitment and Selection, Training Management, Terminations and Performance Management and Evaluation. Each of these consultants receives a monthly salary of €2,000, totaling €28,000.
		for this professional category, since we have 14 consultants.
Others	2480,95€	This category focuses on the IT Team, Quality and Continuous Improvement and Communication and Marketing. In the IT team, we have an IT Manager with a salary of €4000 and a SOC Engineer with a salary of €2285.71. In the area of Quality and Continuous Improvement, we have two Safety, Hygiene and Environment Managers, each receiving a salary of €1,800. In the Communication and Marketing team, we have a Sales and Marketing Manager with a salary of €3,500 and a Marketing Assistant with a salary of €1,500. The average total value for the professional category "Others" is €2480.95.
Total by category	10 980,95€	Average total remuneration to be paid per month to staff and corporate bodies.

Table 2 - Total Monthly Base Remuneration, in 2024

¹Michael Page Portugal Remuneration Study 2023

Total Food Allowance

Monthly Value	Fixed cost	Description
€5139.20	100%	The company provides a food allowance for its 24 employees, in the amount of €9.60 per working day on a meal card. Based on an average of 22 working days per month, the total spent on food allowance is €5139.20 monthly

Table 3 - Total Monthly Food Allowance, in 2024

Other Remuneration

Position/Function	Monthly Value	Fixed Cost	Description
Management	115€	100%	The Executive Director of the organization will be given a Multicare health insurance policy worth €15 per month. He will also be given a childcare voucher worth €100 per month. ²
Administrative	140€	100%	To the two collaborators from the team of Administrative staff will be given a Multicare health insurance policy, worth €15 per month. They will also be given a childhood voucher worth €100 per month ² and an attendance bonus worth €150 per month. €25 per month. ³
Commercials	210€	75%	The employee who is part of the Sales Department will be given health insurance from Multicare, worth €20 per month, and a childcare voucher worth €100 per month. ² They will also be given a monthly voucher worth €40 to compensate for inconveniences caused by travelling between clients and a monthly productivity bonus worth €50 in accordance with the achievement of objectives (25% variable cost) relating to client acquisition.
Operational	190€	75%	Each Operational employee will be given a Multicare health insurance policy worth €15 per month and a childcare voucher worth €100 per month. ² An individual monthly productivity bonus worth €50 will also be given depending on the achievement of objectives (25% variable cost) and an individual attendance bonus worth €25 per month. ³
Others	190€	75%	Each employee in the Others team will be given a Multicare health insurance policy worth €15 per month and a childcare voucher worth €100 per month. ² An individual monthly productivity bonus worth €50 will also be awarded based on the achievement of objectives (25% variable cost) and an individual attendance bonus worth €25 per month. ³

² It is assumed that all company employees have at least one child under the age of 7.

³ If there are no unjustified absences or no more than 2 justified absences in that month.

Table 4 - Other Total Monthly Remunerations, in 2024

Other Personnel Expenses

Expenses	Monthly Value	Description
Training	100€	At People Matters, ongoing employee training is essential to ensure the excellence and effectiveness of the services provided. To ensure that all employees complete the 40 hours of mandatory annual training, the company uses an external entity specializing in training. The detailed costs are: Cost per annual employee: €50 (40 hours); Total number of employees: 24; Annual total: €50 * 24 = €1200; Monthly cost: €1200 / 12 months = €100
Hygiene Security in Work (HST)	€91.67	People Matters prioritizes the safety and well-being of its employees, investing significantly in Occupational Health and Safety services. To ensure that all standards and regulations are met, the company hires an external entity specialized in OHS. The annual investment in this area includes: Service for assessing and monitoring working conditions: €600 Training and safety workshops for employees: €300 Ongoing consultancy and updates on safety standards: €200 Therefore, the total annual cost of Occupational Health and Safety services is €1,100, which corresponds to a monthly cost of approximately €91.67.
Equipment Specialized Individual (PPE)	0€	At People Matters, given the nature of the activities performed by employees, the use of personal protective equipment (PPE) is not considered necessary.
Others	410€	Every month, People Matters invests in providing a welcoming and stimulating work environment for its employees through: (1) the "Energy Moments" program, offering a selection of healthy and energy-boosting snacks, such as cereal bars, nuts and isotonic drinks. This monthly investment in healthy eating options amounts to €150. // (2) Providing natural mineral water dispensers on its premises to promote hydration throughout the day. Each month, 5 bottles of water are consumed, each at a unit cost of €12, totaling a monthly investment of €60. //
		(3) Relaxation and mindfulness sessions for your employees, providing moments of rest and recharging energy during working hours. This monthly investment in well-being is €200.

Table 5 - Other Monthly Personnel Expenses, in 2024

IV. OTHER ASSUMPTIONS

Employer Charges : Employer social security contributions are subject to normal contributions at a rate of 23.75% in relation to Corporate Bodies and Personnel, and the company does not benefit from any of the benefits provided for by law. In the annual budget, the Social Security tax on the Christmas Bonus and Holiday Bonus must be calculated. The Meal Allowance is not subject to any charge, as it represents the maximum amount of SA on a card with exemption.

Work Accident Insurance : 1% of each employee's gross salary is allocated to the cost associated with the insurance against accidents at work and occupational diseases, by which they are covered.

HR MANAGER PROFILE : At People Matters, the HR Manager plays a crucial role in leading the team and implementing people management policies. This professional stands out for his/her strategic approach and long-term vision. With a deep understanding of market dynamics and the needs of the company, this manager is able to align HR policies with the overall objectives of the organization. His/her analytical skills and understanding of industry trends allow him/her to anticipate challenges and opportunities, ensuring that People Matters

maintains a competitive advantage. In terms of people management, this manager adopts a collaborative and inclusive leadership style. He values the active participation of all employees in the decision-making process, promoting a work environment where open communication and the exchange of ideas are encouraged. This decentralized management method strengthens team cohesion and fosters innovation, while ensuring that everyone feels valued and heard.

The HR Manager is also known for his/her excellent interpersonal skills. He/she has a remarkable ability to resolve conflicts and promote a harmonious work environment. His/her ability to create and maintain positive professional relationships contributes significantly to talent retention and overall employee satisfaction. In addition to her interpersonal skills, she has a solid technical and conceptual background. She has up-to-date knowledge of labor legislation, performance management, talent development, and compensation and benefits practices. These skills enable her to implement people management practices that not only meet legal requirements but also encourage employee development and motivation. Finally, this manager is an inspiring and motivating leader. With a results-oriented approach, he encourages excellence and high performance within his team. His ability to inspire confidence and motivation in his employees results in a positive and productive work environment where everyone is encouraged to reach their full potential.

V. CONCLUSIONS

This work allowed for a deep dive into the process of preparing a personnel budget, which is essential for strategic Human Resources management. By constructing the budget for the company People Matters, it was possible to observe the complexity and importance of this tool in planning and business decision-making. The personnel budget is not just a financial document, it is a strategic guide that provides a clear vision of the company's future needs, both in terms of human resources and associated costs. This advance planning allows People Matters to align its actions with strategic objectives, ensuring that the company's expansion and development are sustainable and efficient. One of the key lessons learned from this work was the importance of accuracy and flexibility in personnel budgeting. Accuracy is crucial to ensure that all costs are accounted for and resources are allocated efficiently. On the other hand, flexibility is necessary to allow for adjustments along the way to reflect changes in the labor market, economic conditions, and the needs of the company. In conclusion, preparing the personnel budget for People Matters proved to be a challenging but extremely rewarding task. This process highlighted the need for a meticulous and strategic approach to the financial management of Human Resources. The experience gained throughout this work will undoubtedly be valuable for our future professional practice, providing us with the tools and knowledge necessary to effectively contribute to the success of the organizations in which we work.

BIBLIOGRAPHY

1. Pereira, A. (sd). Management and its evolution. Available at:[Slide 1 \(ipp.pt\)](#)
2. Brealey, R. A., Myers, S. C., & Allen, F. (2020). Principles of corporate finance (13th ed.). McGraw-Hill Education.
3. IAPMEI. (sd). Project Evaluation Tool. Retrieved from IAPMEI. Available at:[IAPMEI- Project Evaluation Tool](#)
4. Michael Page. (2023). 2023 Portugal Remuneration Study. Available at:[Studies of Page Executive Remuneration 2023 | Michael Page Portugal](#)