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# The potential of payroll in 2024: Global payroll survey

For payroll professionals, 2024 is about balancing conflicting priorities, challenges and opportunities, and risk and reward as economic uncertainty continues. Our comprehensive research into global payroll reveals a payroll function that's becoming more ambitious but mustn't lose sight of the fundamentals.

Take a new  
look at pay



# Balancing payroll priorities

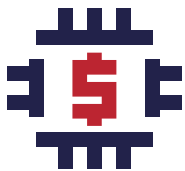
Welcome to 'The potential of payroll in 2024' report, where we take a deep look at the global payroll function to understand how it's evolving to meet the rapidly changing needs of organisations and their employees. To compile this report, we surveyed senior leaders (departmental managers or global senior leaders with responsibility for payroll) in multinational organisations of more than 1,000 employees, headquartered around the world. We wanted to assess how payroll is performing both in terms of the fundamentals, such as accuracy and compliance, along with its increasingly strategic role in aiding senior decision-making and providing operational agility to support business expansion. Finally, we wanted to explore its innovation journey; how payroll is progressing in integrating emerging technologies, providing robust data security, enhancing employee experience and future-proofing its operations.

For global organisations, 2024 is all about balancing conflicting priorities, challenges and opportunities, as well as risk and reward, as economic uncertainty continues. Many are looking to reduce overheads, but not at the cost of business performance or innovation. Digitalisation continues across business operations, payroll included, and the key is ensuring that any investment delivers payback in terms of efficiency savings and ROI. This is clear from the research, which reveals that finding cost efficiencies and digitalisation are jointly the most common drivers for payroll transformation in the next two to three years (**both 33%**), followed closely by finding operational or productivity efficiencies (**30%**).

At the same time, organisations mustn't neglect their role as responsible employers. Improved employee experience is a significant priority for payroll leaders, named by **30%** as a key driver for payroll transformation. Achieving this goal demands that organisations first and foremost get the basics right. Paying employees accurately and on time is more critical than ever amid a worldwide cost-of-living crisis and failing to do so could have serious reputational repercussions. But beyond that, payroll wants and needs to go further, to proactively contribute to providing a positive experience for employees, by aligning with the drive for pay equality and transparency, protecting employee data and aiding employees with managing their own financial health and wellbeing.

**What are the key business drivers for transforming your payroll operations over next 2-3 years? (Tick up to 3)**

Cost efficiencies	33%
Digitalisation	33%
Operational/productivity efficiencies	30%
Improved employee experience	30%
Diversity/Equity/Inclusion (including pay transparency/pay equity)	27%
Robust data security/privacy	27%
International expansion	24%
Systems integration (e.g. to ERP)	24%
Employer brand	20%
Holistic view of global payroll information	19%



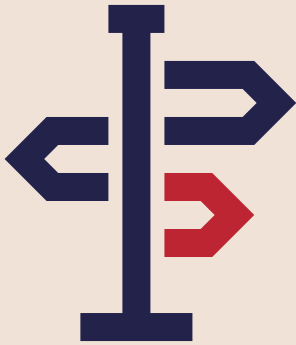
Cost efficiencies and digitalisation are jointly the most common drivers for payroll transformation in the next two to three years

**What would you most like to gain from a payroll transformation? (Tick up to 5)**

Improved employee experience	27%
Integration of payroll data with other business/HR systems	26%
More reliable technology	26%
More reliable cloud-based technology	26%
Tighter data security	25%
Simplified payroll data collection	25%
Access to greater reporting and analytics capabilities	25%
Increased reporting speed	25%
Centralising payroll/HR/finance functions	24%
Improved employee engagement	24%
Streamlined payroll processes	23%
Timely regulatory compliance insights and system updates	23%
Industry leading payroll support	21%
Standardised multi-country payroll processes	20%
Remote access to payroll information	20%
Consolidated multi-country payroll reporting	17%

**Over the next 2-3 years, what aspects of your worldwide payroll do you plan to improve upon, if any? (tick all that apply)**

	Global (worldwide initiative)	Regional level (regional initiatives)	Country level (country specific initiatives)
Data security	38%	38%	38%
Increase integration with payroll and other business critical systems	35%	35%	34%
Data quality and integrity	35%	33%	33%
Offer new ways of paying staff (e.g., earned wage access)	31%	28%	30%
Pay transparency	31%	31%	30%
Pay equality	30%	29%	31%
Reporting capabilities	28%	29%	28%
Accuracy of employee pay	28%	31%	30%
Timeliness of employee pay	27%	29%	28%
Regulatory compliance	27%	28%	29%



**Respondents are clear about what they're looking for from payroll transformation, and the similarity of their responses across global, regional and country level demonstrates that they see these as universal challenges. These needs also feed into four broader themes and challenges that have emerged from this year's research findings.**

#### **Employee experience is top of the agenda – but what about accuracy?**

Employee experience is a priority for payroll teams, with close to a third (**30%**) naming it a top business driver for payroll transformation in the next two to three years, and many hoping to introduce innovative ways of paying staff (**31%**) on a global level. But while payroll accuracy has improved from the lows seen during the pandemic, the findings reveal that a worrying number of errors are still happening. At a global level, the overall mean accuracy is just **78%**, up only slightly from **75%** last year. With a third (**32%**) saying it takes two or more pay cycles to rectify mistakes, organisations need to take steps to address these issues, or risk serious impacts on the overall experience of staff, their financial wellbeing and talent retention.

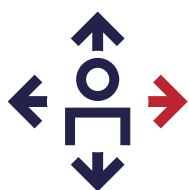
#### **Balancing a global view with local expertise**

Payroll leaders say that senior management are requesting more payroll data (**47%**) and asking more questions (**45%**) of their teams since last year, yet many organisations still lack the structure and technology for joined-up reporting and analytics. Less than half (**44%**) have full visibility of all payrolls across all locations and most lack key capabilities such as a global insights dashboard (**35% have one**), advanced HR benchmarking, forecasting and reporting (**22% have such**), and standardisation across their operations (**31% have such**). Standard global compliance metrics are also a rarity, with just **52%** using some standard metrics and around two in five (**41%**) having different methods in every country. Yet, even with these gaps in visibility, nearly one in five (**19%**) say that achieving a holistic view of global payroll is a key business driver for transforming payroll over the next two to three years. It's time to challenge the status quo and explore the ROI that comes from replacing legacy systems with integrated, global payroll.



### Making the IT case for global payroll

IT considerations are critical to choosing a payroll solution. Senior payroll leaders named data security as the top area they plan to improve on over the next two to three years (38%), followed by data quality and integrity (35%) and increasing integration with business-critical systems (35%) on a global level. Yet these same issues are also holding back innovation, with data security concerns (41%) and complexities with integrating with existing HR software (41%) named as the top two barriers to implementing global payroll. As a high proportion of companies still manage payroll with numerous manual processes and disparate, unconnected systems, breaking through these barriers to change would drive massive efficiency savings and mitigate risk, not to mention the strategic value of the payroll function.



Eight out of 10 employers are expanding their payroll team across the business

### From operational to strategic – the modern payroll team

Employers are faced with competing talent priorities. On the one hand, more is being demanded of payroll, both from within the business and from external forces, but on the other, businesses need to address both process and cost efficiencies. Eight out of 10 employers are expanding their payroll team across the business, yet nearly two thirds (62%) are reviewing how to operate with fewer people. Plus, skills shortages mean that more than half (57%) have seen their payroll service affected by a shortage of payroll staff.

Employers are also faced with a shifting skillset within the payroll team, which increasingly includes dedicated IT, data security, analytical/reporting and compliance resources, while over three quarters say that they are upskilling existing payroll staff and changing how they work (79%). With 69% considering outsourcing all or most of their payroll processes to support their teams across all geographies, this would give employers access to the payroll skills they lack while freeing the team to focus on more strategic areas and providing the bandwidth to invest in their career development through upskilling them.



# Methodology

We interviewed **1,735 senior individuals from 19 countries**, who are heavily involved or have in-depth knowledge of payroll across their worldwide organisation. All work in organisations of **over 1,000 employees globally**. All are departmental managers or above with over 80% at Senior Vice-President, board member or most senior organisational decision-maker-level.

**Countries surveyed were the:** UK, USA, Canada, France, Germany, China, Singapore, India, South Africa, Nordics (Denmark, Finland, Norway and Sweden), Brazil, Chile, Australia, Italy, Netherlands and Japan.

The research for ADP was carried out by Opinion Matters. All research conducted adheres to ICC/ESOMAR World Research Guidelines. Opinion Matters is registered with the Information Commissioner's Office and is fully compliant with the General Data Protection Regulation (GDPR) and the Data Protection Act (2018). All interviews were conducted online in the local language.

# Employee experience is top of the agenda – but what about accuracy?

As the 'reward centre' of every organisation, payroll is a vital element of employee experience. Yet it's one that often gets overlooked. Getting paid on time and accurately is the most fundamental requirement of work and if this doesn't happen, it can seriously impact the mental and financial wellbeing of employees, not to mention their engagement and productivity levels. The ADP Research Institute's Global Workplace Study 2022 found that workers who believe their pay is fair are three times more likely to be fully engaged on the job. And nearly half of workers unhappy with the fairness of their pay said they're actively looking for new employment.

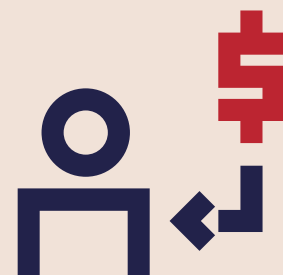
Employees today have higher expectations of the workplace than ever, from remote working to wellness benefits, autonomy and fulfilling roles. If their employer doesn't match their requirements, they will soon look elsewhere, as widespread skills shortages put the power in the hands of candidates. So along with getting the payroll fundamentals right – accurate, timely pay – payroll and HR teams must now also be thinking about how they can enhance their employee offering, through introducing easy-to-use technology, self-service functionality, integrated HR, time and attendance and benefits systems and modern pay methods and frequencies.

## How are employers living up to employee expectations?

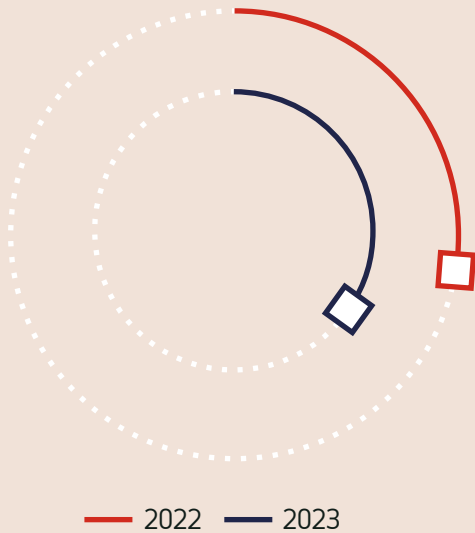
### Intentions or reality?

Employee experience is undoubtedly a top priority for payroll teams, with **30%** of survey respondents naming it as a key business driver for transforming payroll over the next two to three years. However, payroll functions are still not where they should be on the most fundamental responsibility of pay – paying employees correctly and on time.

Last year's research raised concerns following a significant rise in payroll errors during and following the pandemic, and it's encouraging that accuracy is improving, although only slightly; at a global level, the overall mean accuracy level is **78%**, up from **75%** last year. There are clear signs that systems and processes need to be streamlined, connected, and digitalised more effectively to reduce the chance of errors, particularly if payroll teams want to start introducing new ways of paying staff or accommodate growing demands for earned wage access.



**28%** say they plan to improve accuracy of employee pay over the next two to three years **(down from 35% last year)**



Payroll issues are also taking a worrying amount of time to resolve, with a third of respondents (**32%**) admitting it takes two or more pay cycles to resolve underpayments, while **22%** say these are happening mid-cycle, which means facing issues with supplementary runs and recalculating tax. And with only **28%** saying they plan to improve accuracy of employee pay over the next two to three years **(down from 36% last year)** it begs the question – when employee experience and offering new ways of paying staff are moving up the agenda, why isn't accuracy more of a focus?

**How quickly does your payroll team(s) resolve any underpayment issue?**

		Reimbursed in	
		Weekly paid	Monthly paid
Mid cycle	22%	2-3 days	14-21 days
By the next pay cycle	40%	7 days	28-31 days
Between 2-4 pay cycles	27%	7-14 days	60 - 120 days
Varies by payroll/country	4%		
Unsure	1%		

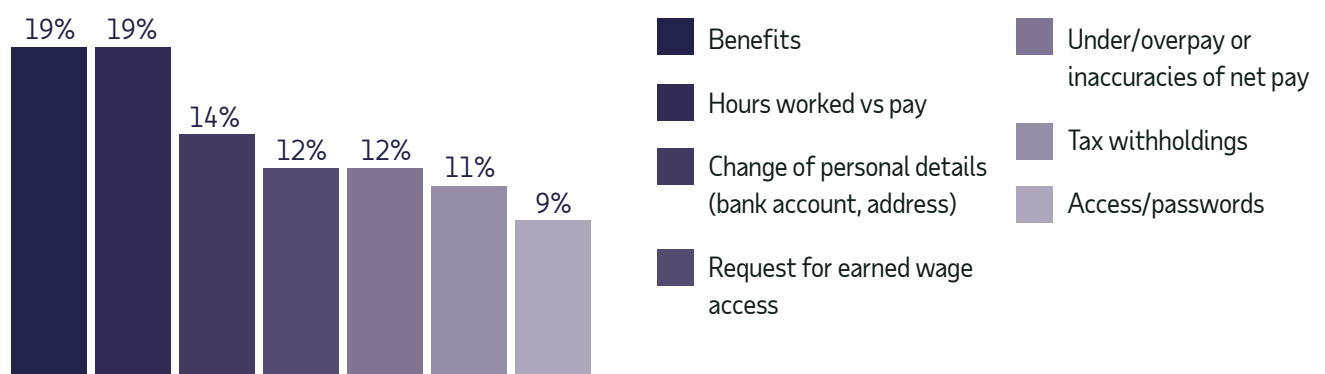




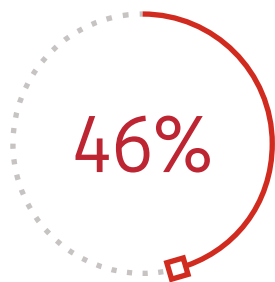
## Supporting employees' financial wellbeing

Employee queries are still coming in thick and fast, with almost half of respondents (**44%**) saying volumes have increased in the last 12 months. Although accuracy improvements are reflected in a slight reduction in the proportion of questions on hours vs. pay (**19%, down from 26% last year**). The impact of the cost-of-living crisis can be seen in requests for earned wage access, which made up one in 10 queries.

Thinking about the payslip/payroll queries you receive each month, what best describes the nature of the majority of queries?



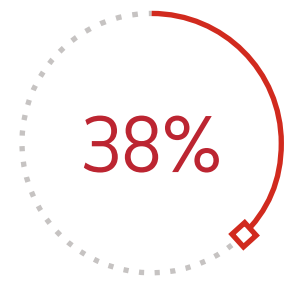
A tough economic environment means that pay and access to pay are more important than ever for workers' financial wellness. And the signs are that global organisations do want to improve and innovate how and when staff access their pay. In the next two to three years, almost a third (**31%**) plan to offer new ways to pay their staff (up from **one in five** in 2022) on a global level.. In addition, leaders expect that in the future they'll:



introduce a mix of alternative pay methods, like mobile wallets or pre-payment cards



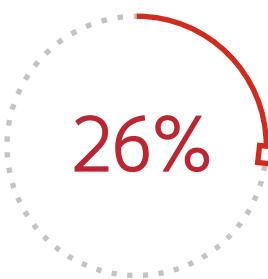
provide faster/earned wage access



offer flexi options and let employees choose their pay date

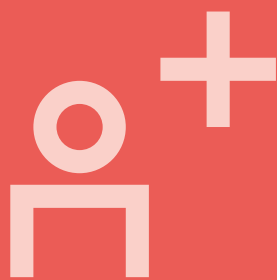


offer more frequent pay cycles (weekly or semi-monthly)



will be paying in cryptocurrency

For payroll teams, there are many facets to delivering a positive employee experience, and 2024 will be about ensuring that everything is working in harmony, for the benefit of employees and the organisation.



## Diversity, equity, and inclusion queries on the rise

Diversity, equity and inclusion policies are central to providing a positive employee experience, and organisations must ensure they're both compliant with relevant legislation and transparent about issues with staff. The topic is clearly front of mind for management, with nearly half of respondents reporting an increase in the number of questions on equal pay and pay transparency since last year (**46% and 44% respectively**).

Nonetheless, over a quarter (**27%**) say DEI is a top business driver for transforming their payroll organisation in the next two to three years, so they will need to ensure this isn't overshadowed by more pressing concerns. Especially when the ADP Research Institute's People at work 2022 research, reported that **76%** of workers said they would consider looking for another job if they found out that there was an unfair gender pay gap, or their organization had no DEI policy (**76%**).

# Balancing a global view with local expertise



Operating a global payroll organisation means balancing local expertise and compliance with global reporting and visibility. Payroll requirements and regulations vary significantly around the world, but organisations must strive to standardise processes and procedures wherever possible to allow for global reporting, economies of scale, efficiency and to ensure consistency in the employee experience. Payroll data isn't only vital for paying employees accurately and on time — it also forms a critical part of business decision making. It can only fulfil this role effectively if teams collect and collate it within a unified global payroll experience.

Payroll's strategic importance is increasing all the time. As senior management look to navigate a challenging economy, they are requesting access to more payroll data than in previous years (47%) and asking more questions of payroll teams (45%).

## Respondents say that payroll data is a major consideration to their company, to inform strategies:

49%

Cost management

45%

Commercial/Growth

44%

Expansion

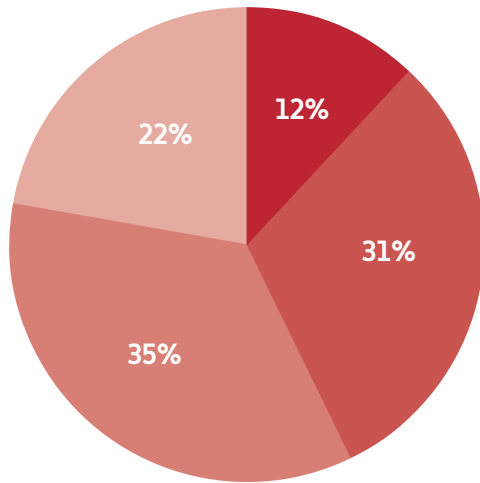
42%

Diversity equity and inclusion

Yet many organisations still lack the structure and technology for joined-up reporting and analytics.

Most lack key capabilities that should come as standard with a global payroll structure. While **35%** say they have a global dashboard to help them model and inform workforce strategies in real-time, and **22%** have advanced HR benchmarking, forecasting and reporting with complete visibility over spend, **31%** say they can only access some data, but it isn't standardised. In the most worrying cases, around one in 10 (**12%**) are unable to access any data for global reporting, suggesting they're effectively operating in the dark.

**Thinking about how you share global payroll information with senior leaders, would you say your organisation...**



- Is unable to access data for global reporting and existing data is unreliable
- Can access some data but it's not standardised across countries
- Has a global dashboard with real-time access to insights that helps model and inform workforce strategies (e.g., recruitment, benefits and pay equity)
- Has advanced HR benchmarking, forecasting and reporting with complete visibility over spend

**Tracking compliance**

Visibility of global payroll status and compliance performance are equally important, to ensure that employers can deliver the payroll fundamentals while simultaneously identifying any regulatory risks alongside areas for improvement and innovation. But again, many organisations are still unable to do this, with less than half (**44%**) saying they have full visibility of all payrolls across all locations — no improvement on last year.

When it comes to tracking compliance performance, **52%** have some standards in place (such as whether statutory returns were submitted by their due date), but they struggle to relate this back to improving processes. For a further two in five, each country has different methods of tracking compliance performance.

This naturally impacts accuracy and performance, with almost a third of respondents saying that mistakes are only discovered either when a payroll audit is run (**29%**) or when authorities contact them (**25%**). A lack of compliance visibility could also leave organisations open to regulatory penalties, not to mention the reputational issues and damage to employer brand that come with failing to comply with regulations and paying employees incorrectly.

**How, if at all, do you track global payroll compliance performance? (Tick all that apply)**

We use some standard metrics (such as whether statutory returns were submitted by their due date) but struggle to relate this back to improving processes	52%
We've defined our own metrics and KPIs and use these to monitor compliance	47%
Each country has different methods of tracking compliance performance	41%
Mistakes only come to light when a payroll audit is run	29%
Mistakes only come to light when employees complain	28%
Mistakes only come to light when authorities contact us	25%
We don't track compliance performance	2%



### Challenging the status quo

There are signs that many organisations have accepted the status quo, perhaps due to budgetary restrictions or local business resistance to change. For example, only a quarter of respondents (**25%**) say they want to increase reporting speed, or gain access to greater reporting and analytics capabilities (**25%**), while close to one in five (**19%**) say that achieving a holistic view of global payroll is a key business driver for their payroll operations over the next two to three years. To break through resistance, payroll leaders need to build a business case for updating legacy payroll systems, demonstrating the financial and business impact, and why it deserves to be prioritised over other IT investments.



### Achieving global payroll visibility

The best global payroll solutions combine local expertise with a single, engaging user experience. This enables organisations who span multiple geographies to manage every aspect of their payroll, including pay runs, pay tax calculations and payslips from one solution, which will also collate data at a global level for unified reporting and full global visibility. Meanwhile, local expert support is always on hand to handle in-country regulatory issues and challenges.

*“ADP’s Global Payroll technology as well as its integration and compatibility with HCM systems, assured organisations of the accuracy and reliability of payroll data. This reinforced customers’ confidence in their ability to provide employees with the correct pay and relevant authorities with accurate data.”*

Total Economic Impact™ of ADP Global Payroll, conducted by Forrester Consulting, commissioned by ADP 2023

# Making the IT case for global payroll



Data integrity and systems integration are two of the primary challenges facing organisations today and are major factors influencing opting for a global payroll solution. Finding the right capabilities has become so important that IT leaders have become a leading stakeholder in global payroll conversations, with a view to minimising the complexity of implementation, ongoing maintenance and managing data flow.

Ease of integration ensures that payroll systems are future-proof, with the ability to incorporate emerging technologies and cater to evolving business needs, without requiring substantial IT development time. This is backed up by the research, which shows that data quality and integrity, and increasing integration with business-critical systems rank in the top three key business drivers for payroll transformation in the next two to three years (**both 35%**).

Gone are the days of separate manual payroll, time and attendance, and HR processes. Today everything needs to be automated and connected seamlessly, minimising the time that teams spend on data entry and reconciliation, reducing the chance of errors and enabling real-time visibility across an organisation. In last year's research, more than one in five (**22%**) payroll teams admitted spending more than 30 hours every week reconciling payroll and HR data.

There are signs that the situation is improving, with many organisations having introduced automation to ease manual payroll processes, although for a significant number this is something they are working towards:



Nearly two thirds (**60%**) now have automated data collection, while **36%** would like to



**54%** have automated reconciliations between payroll and other business systems, while **41%** would like to

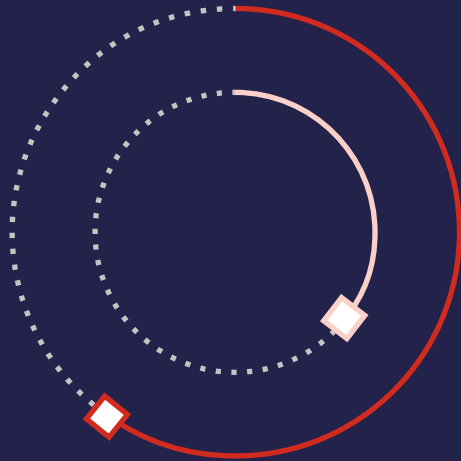


**59%** have automated data entry, while **37%** would like to



**52%** have automated reporting in the payroll process, while **41%** would like to

## What payroll processes, if any, have you automated (RPA) or would you like to in order to reduce manual effort and be more efficient?



60% now have automated data collection, while 36% would like to

### Lack of integration puts pressure on IT

Nevertheless, effective automation goes hand in hand with systems integration, which is still lacking in more than half of the organisations questioned. At a global level, integration with finance and accounting systems is most common (41%), however, the figures are lower for benefits and HR systems of record (both 39%), time and attendance (38%), leave and absence (37%), and enterprise resource planning (ERP) systems (35%). It's an issue that nearly all respondents are keen to solve, with more than nine in 10 (94%) agreeing that they would like to see integration across all these systems either on a global level, or in all/some countries.

Some global payroll providers offer integration with a variety of different business systems, but in many cases IT departments must configure their own. The consequence is that IT resources are getting pulled in to manage data flow between payroll and HR or business systems, as well as managing data flows where an integration doesn't exist. On average, respondents estimate that this amounts close to 22 hours per week, per country, which is a substantial amount of time that could be spent elsewhere. Based on these figures, it's understandable that integration complexities were named as one of the biggest barriers to implementing a global payroll model (41% compared to 35% last year).

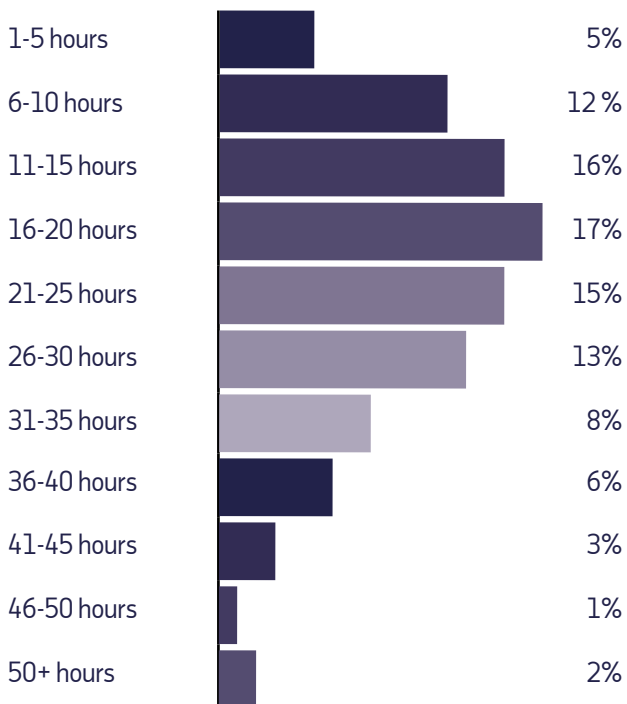
But integrating systems doesn't have to be as difficult as businesses might imagine. In fact, investing in a global payroll solution can greatly ease the IT burden, due to automated integrations with all the most popular HR systems. The increasing involvement of IT leaders in payroll conversations is a huge step forward in raising awareness of how to ease integration challenges, and this will only continue in 2024, as automation, efficiency and data continue to drive competitive advantage.

94%

more than nine in 10 agree that they would like to see integration across all these systems



**On average, how much time are your IT resources spending on managing data flow between business systems and payroll systems every week per country?**



**Working time regulations drive combined payroll and T&A**

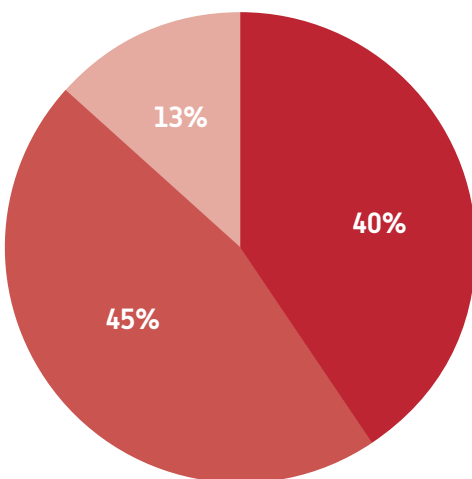
Payroll and time and attendance (T&A) systems have historically been separate entities, due to their distinct functionality. But as working time regulations have come into force across many regions, accompanied by strict reporting requirements, the need for combined or closely integrated systems has increased. Where organisations have separate systems, they have found themselves reconciling data across the two or building complex integrations. This can be avoided by working with a provider that provides both systems as part of one package, so data is transferred across automatically. No rekeying or reconciling required.



### Cyber security: A constant threat

Cyber security breaches are a constant threat for payroll, and it isn't a case of 'if' but 'when' an organisation will face a major breach. Nearly two thirds of respondents (**60%**) report at least one cyber security breach that has impacted payroll in the last 24 months and a quarter (**25%**) reveal that they have had three or more. At a global level, data security was named as the top area for improvement for payroll over the next two to three years (**38%**).

**Regarding the cyber attack security breaches that have impacted your payroll, how would you describe these attacks?**



- Minor breaches
- A combination of minor and major breaches
- Major breaches

Encouragingly, more businesses are now putting the right foundations in place to mitigate the impacts of a breach. More than half (**52%**) say that they have developed a playbook and contingency plan across all their businesses to protect their payroll operations worldwide, up from **46%** last year. Moreover, **99%** said data security in their payroll strategy had become important over the last 12 months, with **46%** saying it had become critically important - up from **98%** and **43%** last year respectively.

Leaving:



Data security is a major concern, and one of the primary factors influencing a global payroll implementation decision. More than two fifths (**41%**) of respondents name data security concerns as a barrier to implementing global payroll, which is surprising as, in most cases, more systems means more complex security. Nonetheless, payroll and IT leaders clearly want to know that the partners they work with have all possible protections in place to safeguard their data, globally 24 hours per day.



*“The first time, you’re not ready for a malware attack — and it is accepted. But if you’re not ready for it the second time, now you are to blame — and no one will understand if you need to compromise on payment accuracy or timeliness.”*

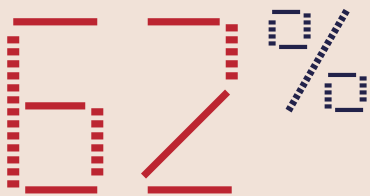
Volker Schrank, Senior Director, HR Technology & Employee Experience at Mondelēz International



# From operational to strategic – the modern payroll team

Digitalisation is progressing apace in many payroll teams, but organisations vary enormously in where they are on their own digital journeys and the role that their payroll teams play in the transition. While some are still heavily reliant on traditional payroll skills, others are seeing their teams evolve to incorporate broader and more technical expertise, as they strive to tackle data security, analytics or strategic challenges.

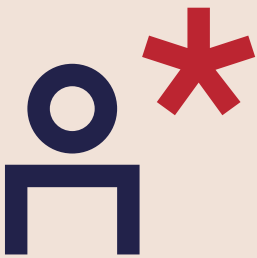
But whatever their position, people are still a central part of delivering local and global payroll effectively and businesses are striving to maximise the value of their payroll teams, as skills and budget challenges bite. Drawing on external partners for technology and operational expertise is critical to driving efficiency and helping payroll professionals shift to a more strategic role.



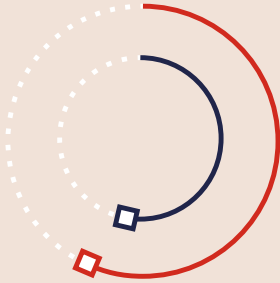
report that they're reviewing how they do payroll with fewer people

## Payroll skills shortages are worsening

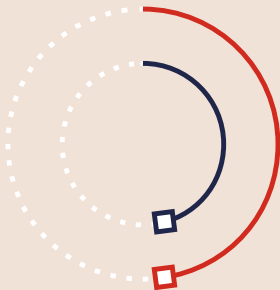
Employers are faced with competing priorities. On the one hand, more is being demanded of payroll, but on the other, there is a continuous need to increase efficiency and manage costs. This is reflected in their approach to talent. Overall, payroll teams are growing, with eight out of 10 respondents saying that they're expanding their team across their business, and **73%** saying their team is growing in one or two countries – both up on last year. But equally, **62%** report that they're reviewing how they do payroll with fewer people – up five percentage points on last year.



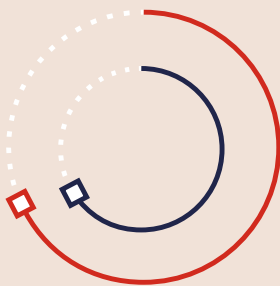
Optimising payroll teams for business challenges and opportunities isn't easy, as skills shortages continue to increase. Since last year there has been no letup in finding new talent, with nearly half (**48%**) of respondents report having difficulty in finding payroll skills from outside the business, while even more (**57%**) admit that their payroll service is or has been affected by a shortage of payroll staff, up on last year (53%). This is leading two thirds (**67%**) of employers to train existing, non-payroll staff to work in payroll (up from 64%).



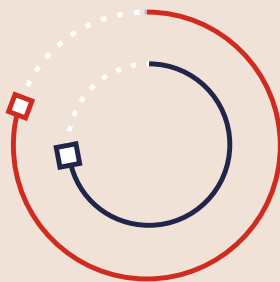
**57%** say their payroll service has been affected by shortage of payroll staff – up from **53%** last year



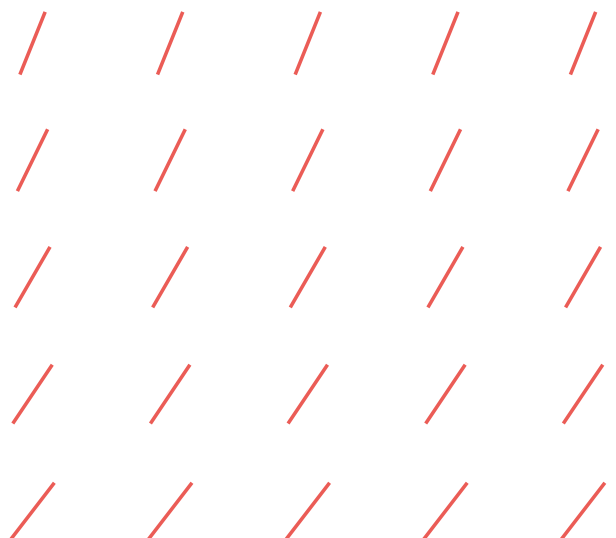
**48%** are having difficulty finding payroll skills from outside of the business – **same as last year**

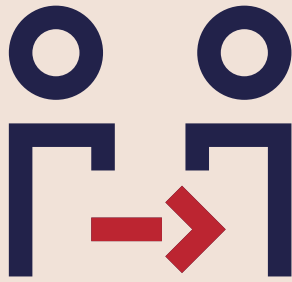


**67%** are training existing non-payroll staff to work in payroll, compared to **64%** last year



**79%** are upskilling existing payroll staff and changing how they work – compared to **72%** last year



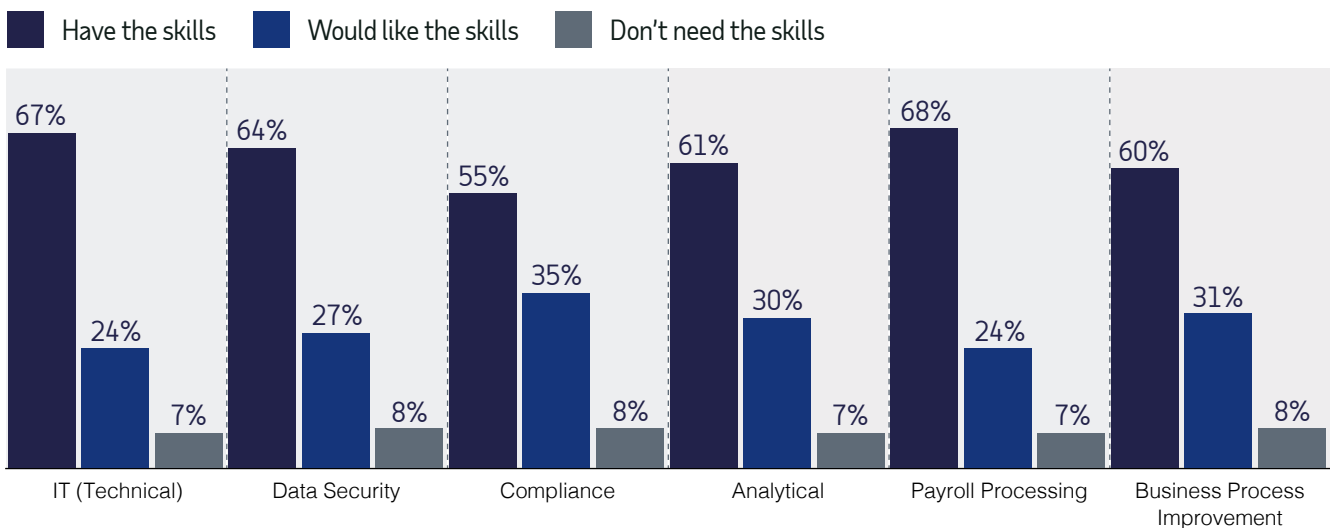


### The changing face of the payroll team

An added challenge is that the composition of payroll teams is shifting, with organisations looking to increase their capabilities in technical, analytical and strategic competencies. For some this has meant upskilling existing staff and changing how they work (79%), while for others it has sparked hiring of specialist expertise, outside of the traditional payroll competencies.

Across the board, specialist skills are on the rise in payroll organisations, with around two thirds now having dedicated IT resources/skills (67%), data security resources (64%) and analytical/reporting skills (61%). Around half (55%) now have compliance experts in the team, and most of the remainder would like to have they types of expertise.

### What dedicated resources/skills do you currently have, or would like to have, in your global payroll organisation?



The focus on technical capabilities is also reflected in the activities that payroll leaders most want their teams to spend more time on, which span data security/privacy (56%), data analysis (56%), integrating new/emerging technologies (56%), BPI (business process improvement) (56%) and strategic planning (55%). However, it's interesting to note that a significant proportion of respondents also want existing payroll employees to increase the time they spend on lower-value tasks such as data collection (52%), data entry (48%), reporting (47%) and reconciliations (43%). This highlights the ongoing prevalence of these activities in global organisations, where technology isn't being maximised to reduce the administrative load.



**Would you like the time spent on any of the following payroll activities by your payroll team to increase, decrease or stay the same?**

Activity	Increase	Decrease	Same
Data security/privacy	56%	17%	24%
Integrating new emerging tech	56%	17%	24%
BPI	56%	18%	24%
Data analysis	56%	17%	25%
Strategic planning	55%	18%	24%
Data collection	52%	19%	25%
Compliance tracking	49%	20%	28%
Data entry	48%	24%	26%
Reporting	47%	21%	30%
Employee enquiries	46%	22%	30%
Reconciliations	43%	22%	31%
Data integration errors	40%	33%	25%

### Outsourcing to solve talent challenges

Outsourcing core payroll processes enables organisations to tackle many of these talent challenges. By providing a combination of core operational resources and automation, global payroll outsourcing frees up resources and supports those **79%** of organisations who say they are upskilling existing payroll staff and changing how they work. It's a popular route for senior payroll leaders, with **70%** reporting that they're considering outsourcing some of their payroll processes to support teams across all geographies, while **69%** are considering outsourcing all or most of their payroll processes worldwide.



**reporting that they're considering outsourcing some of their payroll processes to support teams across all geographies**



# The potential of payroll in 2024



Payroll teams are ambitious, they want to add the most value possible at a global and local level, but in many cases, they're being held back by shaky foundations that mean delivering added value is harder than it could be – if not impossible. As things stand, the challenges are in danger of eclipsing the potential of payroll.

So, what can payroll leaders do to shift the balance?



**Focus on the fundamentals:**

Innovative employee experience and pay initiatives are irrelevant if payroll teams can't get the basics right first. Leaders should start by carrying out a review of payroll systems and an audit of payroll accuracy and errors across the organisation. Why are they happening? Once the key issues are identified, it is time to put a plan in place for closing the gaps, including exploring new technologies and payroll partners that can help.



**Consider value, not cost, of payroll tools:**

It's easy to accept the limitations of tried and tested legacy systems and consider the barriers rather than the benefits of change. But switching to an innovative, holistic, joined-up global payroll solution will bring value far beyond a shiny interface, helping to drive strategic decisions, and long-term efficiency savings, that will more than return on the investment. The Total Economic Impact Study™ of ADP Global Payroll 2023, conducted by Forrester Consulting on behalf of ADP, found that switching from a non-integrated payroll solution yielded a total ROI of **131%**. This was made up of quantified benefits such as compliance cost avoidance and payroll efficiency savings, as well as unquantified benefits such as increased payroll accuracy, improved employee experience, plus harmonisation of direct costs.



**Prioritise data:**

Seamless automation and integrations are central to the future of global payroll, so work with partners that make it easy. IT professionals are spending too long managing connections and transferring data around when this could be fully automated and maintained by an external provider.



**Maximise technology to reduce the admin load:**

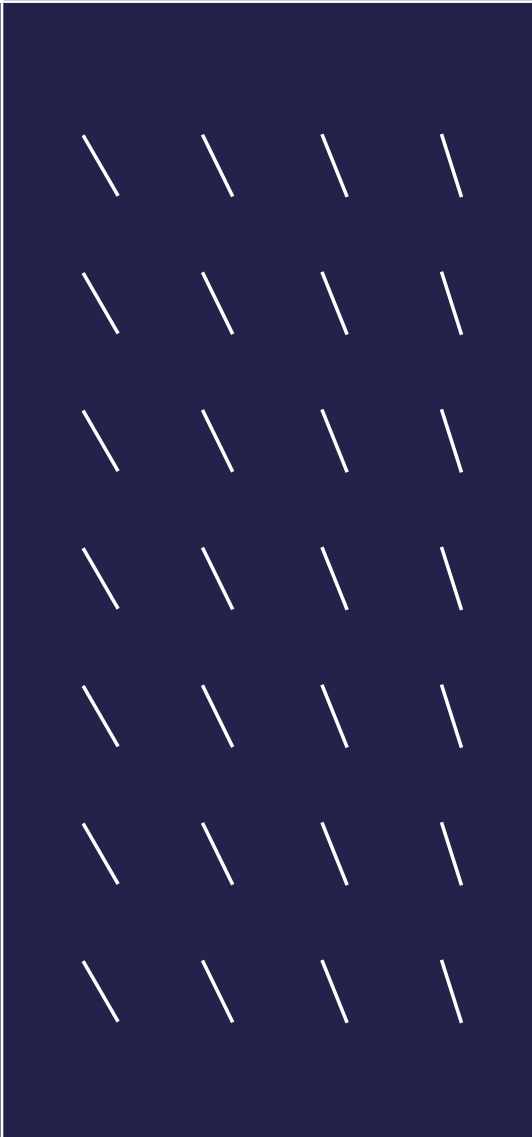
Manual data entry and reconciliation are still taking up too much employee time, which is exacerbating skills shortages, reducing efficiency and contributing to accuracy issues. Working with a global payroll partner enables organisations to automate much of this manual administration, and draw on external expertise, so talent budgets can be spent on strategic and technical skills for the future.



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