

ADP® ReThink 2023: Malta

Define the future of work



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Even though the pandemic made the value of payroll clear, the cost of payroll fragmentation is still often invisible in the C-suite. In this time of worker shortages and inflation, pay timeliness and accuracy are more important than ever. Unified payroll systems are crucial for operational efficiency and resiliency in a time of increased cyberattacks.

The world doesn't stand still for anyone, and that includes the world of work. More than 200 attendees from 130 companies gathered in Malta to share best practices and ideas for how to define the future of work. If you missed the ReThink 2023 event, you can find the highlights in this guide, and watch full videos [here](#).



Global business is fluctuating, and you need solutions from a global company with local expertise. Workers' priorities and expectations are changing, and the employers who engage and respond to these needs are better served than those who do not."

Maria Black,
President and CEO, ADP

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Left to right: Maria Black, President and CEO, ADP, Virginia Magliulo, President ESI, ADP

Event summary

Business leaders from around the world gathered at ADP ReThink in February 2023 in Malta. Together with ADP executives and world-renowned thought leaders, they shared their insights on the main stage and exchanged best practices in small-group breakout sessions. These were the biggest themes for global HR and payroll leaders in 2023:

"Change is a choice as of today."

Nela Richardson,
Chief Economist and Co-Head
of the ADP Research Institute

"We lost 20 million jobs in six weeks in 2020 — that left a scar. We'd be thinking about getting those jobs back for the next three years, but we're entering a new phase where change becomes a choice," Richardson says. The world isn't ever going back to how it was in 2019, and organizations have to adapt to the new reality. This is especially true when it comes to wages, considering the worker shortages and inflation many countries are currently experiencing. Companies can choose to use compensation to attract the best talent and get the most productivity.



"Love is always in the company of excellence."

Marcus Buckingham,
Best-selling author and Co-Head
of the ADP Research Institute

To attract the best people, you need to recognize and honor the little things they love about their job. Decades of research prove that doing what you love every day is the No. 1 driver of both engagement and performance. People are most creative, resilient, happy and motivated when they get to play to their strengths most of the time. When I study highly successful people in any role, from housekeepers to teachers to lawyers to doctors, I always find that there are moments, situations or context that they love. They don't love everything that they do, but they do find love in what they do.



"Personal alignment is individual."

Martha Bird,
Chief Business Anthropologist, ADP,
and Shelley Sather, Principal, Demophile

Drawing on data from the [Worker Identity Research Collaboration](#), Bird and Sather found that the concept of loyalty is changing among workers. Loyalty implies longevity and a power-based symmetry, but employees aren't feeling a lot of reciprocity today. A theme they saw was commitment without loyalty or longevity — companies might want to consider serving employees in the season of life they're currently in rather than expecting them to stay forever. "We've stuck to management models from the industrial revolution — chain of command, efficiency," Bird says. "But now with new tools and distributed teams, it's shifting ownership of products and diminishing strict hierarchies."



"We're radically accountable for the things that we do in this life."

Sebastian Terry,
Founder of the 100things Movement

When a friend died at just 24 years old, Terry realized he had been drifting through life without any goals. Inspired by that friend, Terry wrote a list of 100 things he would like to do, from small things like planting a tree to outrageous things like marrying a stranger in Las Vegas. "It didn't change the world, but it changed the way I saw the world," he said. Why do we wait for a dark moment to give ourselves permission to do what we always wanted to do? We can't control how much time we have on this planet, but we can decide what we do with it.



"Create connectional intelligence, not connectional overload."

Erica Dhawan,
Author of "Get Big Things Done: The Power of Connectional Intelligence"

The time we spent distanced in the pandemic allowed us to reconsider what kinds of connection work for us, and what we're ready to discard. Now when we're meeting in person, it's with purpose. It's time for new takes on brainstorming and collaboration, encouraging ideas from all levels of the business. Dhawan's theory of connectional intelligence prioritizes regular recognition, clear communication, confident collaboration and total trust. Cutting meeting times to the bare minimum while encouraging informal social connections are norms that can make work better.





"Human connection is changing."

Maria Black,
President and CEO, ADP

After years of radical transformation, business around the world is continuing to evolve. "We swung all the way to technological human connection during the pandemic, but that shift is not done as workers return to the workplace," Black says. We're rethinking how we connect with each other, and that includes the employer-employee relationship. The pandemic highlighted workers' shifting priorities and expectations, especially regarding pay transparency and pay equality. Organizations that take time to understand these needs and respond to them will be more likely to recruit and retain workers going forward.



"We are Client Zero."

Sreeni Kutam,
President, Global Product and
Innovation, ADP

Payroll is all about data and numbers, but HR events are all about people. "There's an emotional string through every single transaction," Kutam says. The next generation of HRM automation will apply human emotions to data transactions — for example, identifying which workers may be likely to leave because their pay rate is low, or proposing other open positions to a declined job candidate. ADP is proud to play a part in multivendor HCM systems for its partners, and ADP is its own client, too, working to expand possibilities in the entire ecosystem.



"The most powerful thing is looking at the entire process holistically."

Marc Fafard,
Executive Director, Enterprise Business
Services Strategy, Raytheon Technologies

Early in his relationship with ADP, Fafard remembers drawing concepts on a whiteboard in a conference room. "We went from a concept on a whiteboard to multi-country live payroll in production in about nine months — paying assignees in 25 countries, with 15 currencies on one payroll, with one bank file," he said in the Client Advisory Board session. Now they're re-examining the entire process, from both ADP and Raytheon's sides, to improve the process and leverage automation. "Those handoffs and connection points are where we see the value come forward," he says.

Small-group insights

Breakout sessions at ReThink 2023 allowed attendees to share their experiences and make connections with other global payroll leaders. Discussions included:



Achieving your objectives and goals on your global payroll journey: The planning stages are crucial in determining scope, managing expectations and evaluating readiness of your team. Implementation will be a learning experience for everyone; don't forget testing in the name of saving time.



Considerations for a global payroll time strategy: Most organizations have many different tools employees use to interact with their company. A unified system for HR, time tracking and payroll can save precious time and resources and enable your organization to better analyze company-wide data.



Global payroll implementation: If I knew then what I know now: Your software partner's support structure is what determines the project's success. Don't try to achieve too much with too few resources, and consider the costs of doing it fast vs. doing it right.



How to secure success in your multi-country deployment: Clients shared notes on best practices and their own experiences implementing ADP Global Payroll. Change management within your organization is essential to a successful implementation.



Protection you need from the partner you trust: Payroll departments are attractive targets for hackers, and data breaches can disrupt businesses and create major financial losses. Your organization's risk assessment and plan development should include all your technology partners.



The future of automation beyond the horizon of RPA: Robotic process automation must be implemented with a whole-organization strategy and must be regularly tested and audited. The next generation of end-to-end business process automation will increase ecosystem efficiencies even further.





How global payroll is changing in 2023

Although the world has never been more connected, the last few years have brought rapid changes for global business. ADP's country experts and partners around the world shared the biggest changes affecting payroll this year.



Ukraine: Putting business continuity plans to the test

EBS, Ukraine's biggest payroll provider and an ADP partner since 2009, services more than 250 clients. In the wake of the crisis in February 2022, EBS had to reassess its business continuity plan, considering the risks to people, communication methods and the security of important documents and servers.

Different scenarios were played out, and staff and clients were kept up to date on the developing plans. EBS devised emergency draft calculations for each payroll client and set up backup digital storage outside of the country.

"It's a living continuum of adapting to working in a changing situation and adapting our capabilities to our best operating advantage — having one plan isn't enough," says Marina Makarenko, Partner and Payroll Outsourcing Practice Leader at EBS.

A few days into the crisis, the firm was able to implement flexible working arrangements rapidly, thanks to its pandemic experiences. But EBS still faced personnel shortages, as workers might be offline during power outages, for example. Detailed payroll procedures for each client ensured that EBS was able to brief a staff member from another department quickly if a specialist was unavailable.

Thanks to its business continuity plan, EBS has managed to retain the same quality of service and hasn't had a single processing failure caused by conflict-related events. While the situation in Ukraine remains challenging, EBS has been in a position to restart implementations with the assistance of ADP — EBS onboarded six new payroll clients in January 2023.



Vietnam: Competing for workers

Vietnam is becoming a global hub for manufacturing. In 2020, this sector accounted for 58.2% of the country's foreign direct investment. As more companies move operations to Vietnam, salaries and benefits are becoming more competitive. And some companies are falling behind in this competition for labor.

One of the key challenges for global manufacturers is operating in the local language, says Nguyen Thi Thanh Huong/Helen, Deputy CEO, TalentNet. Local regulations require companies to provide employees with a breakdown of their payslips in Vietnamese. And if companies aren't getting payroll correct, they risk losing employees to competitors.

To help alleviate this, ADP and its Vietnamese partner support clients during the payroll setup phase and help them navigate all necessary paperwork and policies. By utilizing the ADP time and attendance system established with local compliance experts, clients can stay competitive and retain employees by ensuring payroll efficiency.



China: The end of 'Zero Covid'

When China's government suddenly lifted its Zero Covid policy in December 2022, Covid-19 cases soared across the country. This wave of infections temporarily affected supply chains and workflows, reports Jessica Zhang, Senior Vice President APAC, ADP. By some estimates, 76% of the workforce contracted Covid-19 in the two weeks following the policy announcement.

In China, businesses are accustomed to sudden government policy changes, which sometimes come with only 24 hours' notice. Thanks to its robust business continuity plan, the ADP China team was well prepared when its workforce was impacted by Covid-19 in December. Payrolls continued to be managed accurately and on time, thanks to the global ADP network.



Japan: Complexity and trust

With a high volume of legislative changes implemented every year, Japan has some of the most complex payroll in the Asia Pacific region. Payroll in Japan consists of a high number of off-cycle payments, which traditionally includes summer and winter bonuses. There are also mandatory lodgment services that bookend the payroll process, such as labor insurance applications, social insurance verification and commuter allowance management.

ADP has been supporting payroll in Japan for almost 20 years, implementing over 300 clients, reports Davide Zonta, Vice President Implementation and Project Services, Asia Pacific. ADP is growing its team in Tokyo, with plans to double in size by mid-2023. Building trust is integral to achieve successful payroll implementation in Japan. ADP prioritizes building good relationships with local stakeholders by taking extra time to document and define client requirements, communicating in the local language at the functional level, and having face-to-face engagements wherever possible.



India: Adapting to changing employee priorities

India had returned to pre-pandemic growth levels by December 2022. But one of the biggest challenges now facing businesses is how to balance productivity with employees' demands for a more flexible workplace culture, particularly in terms of remote work, says Rahul Goyal, General Manager India and South East Asia, ADP.

The ADP Research Institute found in 2022 that 73% of people in India would be willing to take a pay cut to guarantee flexibility of where they work. ADP is helping clients adapt to this new reality. Many of ADP's 2,000 clients in India have expanded their physical offices to towns and cities where potential employees are located — ADP is calling this the “clicks and bricks” model. This way, employees can benefit from a hybrid work model without long commutes.

Managing a distributed workforce has its own challenges, but digitization initiatives by the government have improved efficiency: Statutory filings and compliance-related activities can now largely be done online.





United Kingdom

United Kingdom: An unpredictable workforce

The U.K. labor market is far more volatile than it has been in recent decades. A mixture of early retirements, a loss of 330,000 immigrant workers due to Brexit and 2.5 million people out of work because of long-term sickness has put serious strain on the workforce.

The trifecta of Brexit, the pandemic, and inflation has triggered a sharp increase in strike actions in both the public and private sectors. Wage inflation — which was at 6.4% in January 2023 — coupled with low unemployment and a large vacancy rate means that the labor market is very competitive, says Lorna Wake, Chief Financial Officer U.K., ADP.

However, in sectors with more flexible labor forces, such as retail and health and social care, there's been strong growth. One such ADP client hired 10,000 new employees in 2022, which meant the company needed to scale up their payroll department, and fast. In order to avoid training delays, ADP was able to help by taking over tasks like background screenings and onboarding, which meant the company didn't lose out on valuable talent.



Argentina

Argentina: Living with high inflation

High inflation is part of daily life in Argentina: While the global average for inflation was 8.8% in 2022, in Argentina, inflation will be close to 100% in 2023, up from 94.8% in 2022.

Operating payroll in such an environment requires enormous flexibility, says Luiz Bernabe, General Manager Southwest LATAM, ADP. Salaries need to be updated monthly to match inflation rates. Payroll must keep up with high employee turnover, since people may be more prone to job-hop in order to secure a wage increase, which makes it hard to retain talent. The government is also constantly reviewing tax bands to give income relief for lower-paid workers; in 2022, there were four big tax band changes with retroactive effects.

ADP has had a local office in Argentina for a decade — with nearly 300 local clients, 60% of which are multinationals — and has weathered other periods of high inflation. ADP's legal department works closely with major consultancies to ensure compliance with the changing laws. Tax issues in Argentina can be complex, but ADP's product automation makes it easier to deal with.

Global payroll transformation in action

Some of ADP's global payroll clients shared their experiences at ADP ReThink 2023 in Malta.

BD: Solving problems with collaboration

"Even though I've had payroll reporting to me in one capacity or another for more than 15 years now, I still don't consider myself to be a payroll expert, nor do I need to be. I just need to surround myself with people who create the right environments for success.

When I started at BD, we were right in the middle of the pandemic. Because of that, the working environment had a very different feel to the face-to-face relationships I was used to, since everyone was working from home. The company had also grown significantly in size over the course of a few short years, and because of that speed, we had not really taken time to rethink processes end to end, but rather had just been incorporating new work into our existing models. Coupled with the fact that teams were often working independently from each other without communicating, that was creating some inefficiency for us.

By having people come together, we were able to discover the deeper root of those problems. We had more success through collaboration than we ever could have had just operating within our individual towers. And that's where ADP was and continues to be a valuable partner. ADP works to have a partnership at every level of operations, from a services team that meets you on the ground all the way up to the global level.

At the core of payroll, you're trying to take care of the needs of your employees. By establishing trust and assuring people that they can count on an ongoing partner, you'll ultimately be able to bring teams together."



Mitch Spivey,
Senior Director of HR Operations
and Service Delivery



Company: Becton, Dickinson and Company (BD)



Headquarters: New Jersey, United States



Industry: Medical technology



Employees: 75,000 across 50 countries



Established: 1897



Website: bd.com

Watch the BD transformation story [HERE](#)

Commonwealth Bank: Cutting through chaos with automation

"Commonwealth Bank opened its first branch in Melbourne, Australia, in 1912. It's now Australia's biggest bank, and one of the largest companies on the Australian Securities Exchange. Today, we have employees in 13 countries through Europe, Asia, New Zealand, the U.S. and, of course, Australia.

I've always loved working in payroll. Crazy as it may sound, I love "pay close Friday" — what we call our fortnightly payroll day. When I first joined CommBank, payroll was done via manual data entry and then transitioned to a self-service system.

Before the transformation, Commonwealth Bank's payroll department had 54 different contract templates for five different entities under which Australian employees are employed. The possible combinations that HR and payroll would have to process were mind-boggling. We had 2.4 million entitlement pathway combinations, which made the risk for error and delays much higher.

Then there's the problem of overpayments: Employees are paid every two weeks, which means we are calculating future salary and benefits in order for payslips to go out in time. This can often lead to overpayments.

We wanted to work with ADP to tackle overpayment issues by simplifying and automating as much as we could. Since the automation in December 2021, we have had a 72% reduction in the time it takes an employee to enter into a repayment plan.

We were also able to pare down the different pathways to payment. We've simplified the number of contract templates from 54 down to five and brought the combinations of entitlement pathways down to 350,000."



Belinda Atkins,
Head of Global Payroll



Company: Commonwealth Bank



Headquarters: Sydney, Australia



Industry: Banking and financial services



Employees: 43,585



Established: 1911



Website: commbank.com.au

Watch the Commonwealth Bank transformation story [HERE](#)

Meta: Future-facing payroll upgrades

"When most people think of Meta, the first thing that comes to mind is the social media platform Facebook. But the company has grown a lot since it began in a Harvard dorm room in 2004. Meta includes popular products such as Instagram and WhatsApp, and you've probably heard about our latest focus: expanding the Metaverse, an ambitious virtual reality world. As you can imagine, such global growth has created some significant challenges for our payroll team.

I had already worked with ADP before joining Meta in 2021 and had created a really strong relationship with ADP during that time, with open lines of communication.

At Meta, I was excited about joining a company with a contemporary, fast-paced feel. But I found that this wasn't necessarily reflected in its payroll. Though we're a leading technology company, our payroll and payslips were very old-fashioned. That's why we introduced ADP GlobalView to all major offices outside of the United States, and the results spoke for themselves. With GlobalView, employees can now access the contemporary take on the traditional payslip in ADP MyView, and the feedback has been excellent.

Payroll transformation doesn't ever end. It's continuous. ADP invests heavily in research and development, and they're constantly looking at how they can make payroll easier and how best to support their clients. We benefit from that wealth of knowledge on a regular basis."



Michelle Whitfield,
Director of Global Payroll



Company: Meta



Headquarters: Menlo Park, California, United States



Industry: Technology



Employees: Around 75,000 across six continents



Established: 2004



Website: meta.com

Watch the Meta transformation story [HERE](#)



Microsoft: Helping employees through crisis

"As payroll professionals, our mission is clear: We empower our employees through the accurate and timely delivery of pay. But part of the challenge of payroll is that there will always be unforeseen events. Even the most detailed playbooks and business continuity plans can't anticipate everything.

This became abundantly clear in the past few years. We had to make fast tactical decisions during the pandemic, and again last year with the Ukraine crisis. The impact of partnering with ADP to build and execute a plan to support our employees during these crises can't be underscored enough. We were dealing with a situation that was unfolding in the news and unfolding in our business operations. We didn't know what would happen next, but we knew that we needed to ensure that our employees were equipped to face whatever that might be.

We worked with our ADP Celergo partner in Ukraine to devise a plan to advance pay to employees. Regardless of what was happening around them, the local partner made sure they were able to execute that strategy and our employees ultimately were able to receive their pay.

That's why one of my main goals when it comes to recruiting new talent is to emphasize the importance of building strong relationships with partners like ADP. Potential employees might think they understand what payroll does, but they don't see all the fascinating and complex work that goes into making that payslip happen. By leveraging ADP's technological innovations, tools and supportive partnership as key components of your payroll strategy, current and potential employees will have a better understanding of how their skills can add value to the company."



Jennifer Collins,
Senior Director of
Global Payroll



Company: Microsoft



Headquarters: Redmond, Washington, United States



Industry: Technology



Employees: 221,000 worldwide



Established: 1975



Website: microsoft.com

Watch the Microsoft transformation story [HERE](#)

Worley: Automation and transparency are key to innovation

"Starting out in 1971 as a small Australian engineering consultancy, Worley has since grown into a global energy sector specialist with a presence in every continent. Today, Worley provides expertise on engineering, procurement, and construction issues for sectors as varied as mining and minerals, wind and hydropower, chemicals, and even atomic energy.

It's fascinating to see these complex projects coming together. When I started at Worley, payroll operations were incredibly fragmented across 49 countries, and there was no global concept. Many countries are still doing a lot of manual work to maintain their payroll operations, which we want to change. My goal has been to bring all 49 countries under a global umbrella, and we're working with ADP on designing that roadmap. In less than 12 months, we got seven countries live in ADP's GlobalView system.

Transparency, strong partnerships and clear processes are key in making this transformation work. When people think about transformation, they normally think it's all about systems. But there are a lot of factors that contribute to successful change. If we are running global payroll, then we also need to think about the mix of global versus local processes. I believe thinking global but acting local is important in process transformations. For example, the master data integration process with the HRIS solution could be global, but the tax configuration could be local. So before adding any automation, you should assess your existing process.

But ultimately, it all comes down to people. Payroll transformation can only work if we can build trust between the teams in HR and payroll services, and between the company and the payroll supplier. We've found this with ADP."



Farhad Mahbub,
Global Payroll
Transformation Lead



Company: Worley



Headquarters: North Sydney, Australia



Industry: Resources and energy



Employees: 57,600

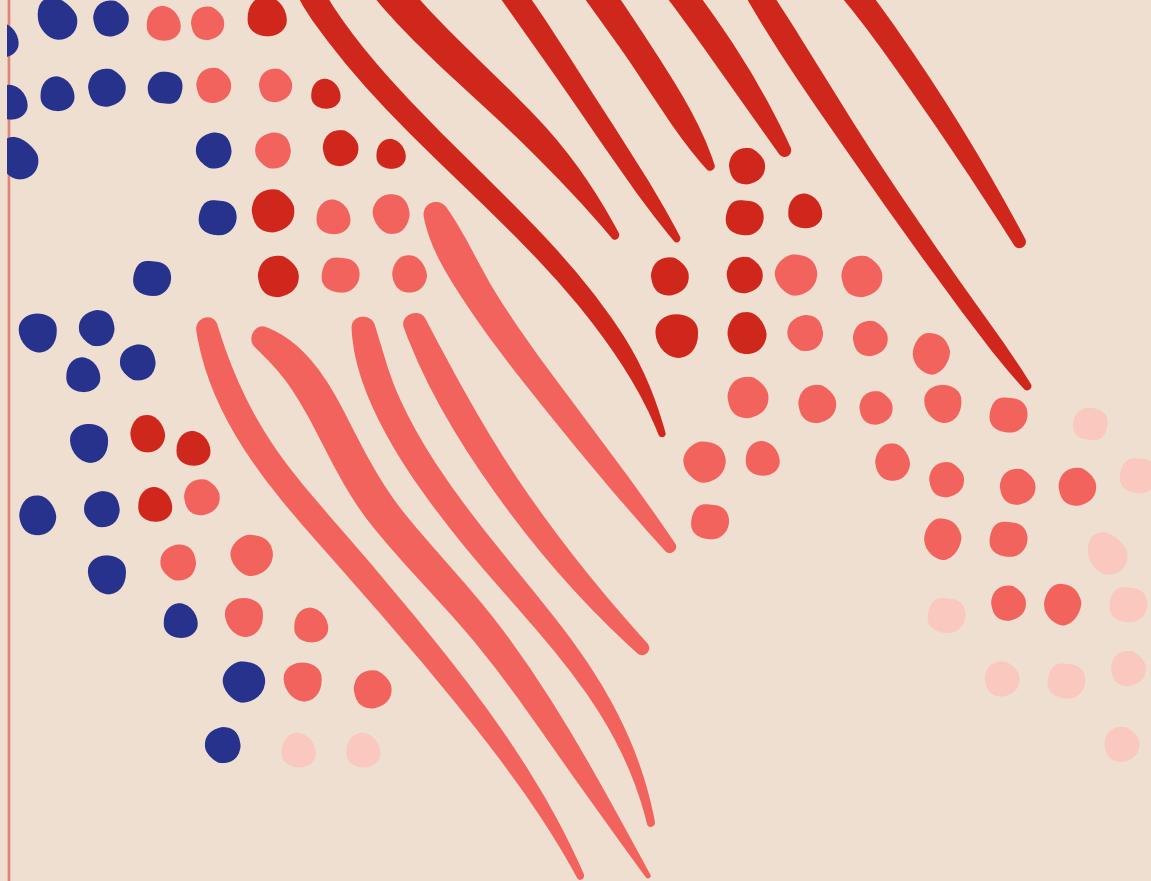


Established: 1971



Website: [worley.com](https://www.worley.com)

Watch the Worley transformation story [HERE](#)



Get ready for 2024

The next few years are critical for business transformation, and inaction has a cost far greater than the risk of change.

The next ADP ReThink event will take place in London from January 31–February 2, 2024.

Registration opens in September at rethink.adp.com

Revisit ReThink 2023 in Malta

If you missed the live event or want to refresh your memory, you can watch all of the expert sessions and client stories from ReThink 2023 in our [video library](#).

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