ADP[®] ReThink 2024: London

Leading the new world at work







Optimizing generative AI for payroll systems. Staying ahead of the curve on diversity, equity and inclusion. Leading with empathy as employees navigate economic uncertainty. Embracing culture and strong communications to unlock the full potential of digital transformation.

These were some of the main themes of this year's ADP ReThink event in London. Every year, ReThink holds up a mirror to the broader world of work to examine the current questions and concerns. This year, with new technology and global uncertainty at the forefront of everyone's minds, ReThink brought together some of the best thinkers in payroll, finance, HR and IT to share their insights on how to thrive in a rapidly changing environment. Taking inspiration from this year's theme, "Leading the new world at work," they showed how the wisdom that comes with ADP's 75 years of experience is translating directly to added value when it comes to making decisions about automation and machine learning.

In this guide, we share how the leaders and speakers featured at ReThink are balancing the human and the technical, logic and emotion, and data and understanding to lead the new world at work.



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

Event summary

Some of the world's most inspiring leaders from ADP and beyond gathered in London to take the main stage at ADP ReThink 2024. Touching on everything from navigating global crises to inclusive leadership, global payroll transformation and the future of AI, here were some of the most exciting lessons they shared.

There's no room for 'I don't know.'"

---**Rt. Hon. Dame Jacinda Arden,** Prime Minister of New Zealand (2017-2023); Senior Fellow, Harvard University; Board Member, The Earthshot Prize "We need to see our time in leadership as temporary — to focus on making every day count. What do we do when the good times feel relatively limited? In moments of tragedy and crisis, we want to reflect the emotions of our communities and the people we lead. We need to ask ourselves: 'How do I feel?' Crisis and change are our new constant, and crisis and change naturally give rise to fear. Leaders need to be confident."

You're always on an automation journey."

-Lisa Rosenblatt, Director Accounting, Commvault "We just finished some process efficiencies, but we still have a list of things we want to do. We've set up on a global platform with ADP, with primary hubs in the U.S. and India. Compliance is important. You can't know every law in every country, and that's why we rely on ADP. Compliance is getting more complex, and it's important that ADP continues to work with us on keeping us compliant. We all went remote through the pandemic. Nobody wanted to come back, so we've gone remote-first with the option to go into the office for meetings or to collaborate. I found it was much easier to hire people because it was remote-first. You'll attract better talent and highly qualified people."

Nobody goes to college for a payroll degree; we all fall into it somehow."

—**Steve Bogner,** Managing Partner, Insight Consulting Partners "I'm a fan of rotating people into management positions. People who've been managers of payroll for a long time, it institutionalizes that knowledge into that one person. You're less likely to document everything. Bringing in someone new brings in new ideas and keeps the department fresher. And those people might attract more talent who follow them wherever they work. At the operational-tactical level, I support companies paying for employees' payroll certifications. They'll learn payroll from front to back, not just how you do payroll."









 We have to design our products with all people in mind."
—Giselle Mota, Chief of Product Inclusion, ADP "In discussions about race, ethnicity, disabilities, ages — we might get a little uncomfortable. There are nuances. Inclusion, diversity, equity and belonging (IDEB) has evolved over time. It's not a new topic, but there's so much dialogue about talking about and recognizing that people are different. We see the demographic data of the people we're paying for reporting. People bring their whole selves to our organizations. Consider going beyond compliance to being a vanguard for IDEB."

Every single HR action has an underlying emotion."

> --Sreeni Kutam, President, Global Product and Innovation, ADP

"Things like not getting a job offer, your hours changing, your pay rate increasing, or your manager changing all have an emotional impact. That's why it's so important to make those transactions and transitions really easy, smart and human. ADP's products and solutions are always designed for people."

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Fluctuations in one part of the world can affect businesses thousands of miles away."

-Nela Richardson, ADP Chief Economist and Head of the ADP Research Institute "People at Work 2024 surveyed over 34,000 workers in 18 countries, asking, 'What's important to you in a job?' Salary is always number one. Job security is next, but after that it varies. Flexibility was number three this year, but last year it was replaced by career progression. There is also a lot of cultural variation in these jobs. 20% of the global workforce now feels insecure about their jobs. Expectations of salary are not being met."

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Al will become the center of the application — no longer this thing that we do on the side."

-Roberto Masiero, Senior Vice President, ADP Innovation Labs "The Al industry is investing in techniques and putting them in the hands of developers to make sure Al can become useful, something that can go against bias toxicity and maintain ethics. There is a whole initiative called Constitutional Al, which is the idea of building the foundation model from the ground up to make sure that it aligns with human values. Al is not just a tool; it's something that is so fundamental that can change our industry — it can change all industries. It can change us as humanity."

Together we ensure that millions of people around the world are paid correctly and on time."

—Jeff Phipps, Senior Vice President Global Payroll, ADP

"Being global means that we touch so many different lives, and we all know that there is a story behind every paycheck. We've delivered for those people regardless of what has been thrown at us. Pandemics, natural disasters, geopolitical crises. Some of you come from Fortune 500 firms that have been leaders for decades, and some from fast-growing startups who are disrupting whole markets. Yet you all share that desire to make sure your colleagues can buy those groceries and birthday presents for loved ones, while at the same time, ensuring their data is protected, your organizations stay on the right side of law, and your stakeholders are satisfied."





Small-group insights

Breakout sessions at ReThink 2024 enabled attendees to make connections and share experiences with other global payroll leaders. Discussions included:



Technology and change management in $\ensuremath{\mathsf{HR}}$

As technology has automated many manual tasks, HR professionals can ensure their focus stays on their organization's people. Communicating change, especially when related to payroll processes, helps build trust and loyalty with employees.



Achieving a culture of belonging among your employees

Fostering greater employee engagement and productivity is fundamental to driving better business results. It's critical to create an environment that supports belonging for our employees, so they feel seen, connected to and supported by their employers.



Building and maintaining high performance teams

Many leaders are currently too focused on bottom-line results. Hiring passionate and qualified individuals is the first step, but building the employee-employer relationship starts with onboarding and never stops.

Building a successful business case for change

Making the case for a global payroll transformation strategy necessitates appealing to key stakeholders' needs. Gathering data to assess organizational needs and to structure your business case must include views on compliance, business continuity and growth.



Designing a successful shared service center

Creating payroll delivery via a shared service center model can drive synergy across countries. But you must ensure continued focus on employee satisfaction and compliance oversight.

How to overcome the challenge of increasing workplace diversity

Building inclusion, diversity, equity and belonging into your organization's culture can foster diversity and inclusion on both individual and company-wide levels. First you must identify the burden of social issues and determine what boundaries and guidelines are needed to ensure a safe and authentic workplace.



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Navigating the complexities of global payroll and time: How to select the right strategy

How you design your organization's global pay and time strategy depends on your desired outcomes and business needs, such as number of employees, countries of operations, and necessary features.





How global payroll is changing in 2024

ADP's experts from around the world shared country-specific updates that once again showed how real-time access to on-the-ground news and insights is crucial to effective payroll management. Tuning in from five continents, they shared what makes payroll in their regions unique.





Morocco

A young workforce with big plans for their country's future

For this North African country, the secret to becoming a global business hub lies in its young and ambitious population. Of Morocco's population of 37 million, almost half are under 25, and this generation has big plans for their country.

"This young population is changing the way business is being done," says Basma Haouari, ADP Global Sales Manager Africa. "Businesses coming to Morocco need to be prepared to meet the expectations of this young workforce." Many young Moroccans who have taken opportunities to work and study abroad are returning home with big ideas they're eager to implement, having become familiar with U.S. and European standards of technology and HR platforms. They're envisioning a country with vital connections to Europe, Asia and the Americas.

This demographic, coupled with a politically stable environment, has created a boom of opportunities for businesses looking to come to Morocco. Multinationals can expect a young workforce that prioritizes digitalization and efficiency. ADP is on the ground to help meet this demand by providing valuable data-driven payroll technology and insights, including cloud-based systems and accessible analytics. Morocco's business landscape is changing, and ADP is helping clients make the most of these new opportunities.



Malaysia

Diversity as a driving force

Malaysia is defined by its diversity: It's a multiethnic and multilingual society, with influences from Persian, Arabic, British, Chinese and Indian cultures. It's this diversity that has worked in Malaysia's favor in establishing itself as a business hub in the region. "The likelihood that clients will be received with a personal touch in terms of language and culture is very high, and it allows Malaysia to function as a gateway for numerous markets in southeast Asia," says Leanne Chin, ADP's CFO for the APAC region.

Malaysia's stable economy, ease of doing business, high-quality infrastructure and affordable cost of living have led several companies to choose to set up camp in Kuala Lumpur as opposed to neighboring Singapore.

It's also why ADP enjoyed long and successful relationships with a network of partners in the region before finally establishing its own dedicated Malaysian operation in 2023. Now clients can benefit directly from ADP Malaysia's payroll processing, statutory disbursements and money movement services. Thanks to ADP's global network, clients can also directly access regional support networks that go beyond Malaysia's borders and expand across southeast Asia. ADP Malaysia provides local solutions with global perspectives.



Sweden

Navigating complex holiday pay rules

The Nordic countries have a reputation for promoting a healthy work-life balance, and that's reflected in how holiday leave is calculated in Sweden. Here's a quick overview: Vacation pay is calculated as the daily rate paid to the employee, plus a premium of 0.43% of their monthly pay. Swedish law also mandates a 12% vacation pay on any bonuses or additional pay an employee might receive. So in other words, employees get paid extra to take vacation days.

It can be complex to navigate payroll requirements such as these, says Catarina Tallving, Business Unit Director for ADP Sweden. In addition to calculating these premiums, payroll departments must also factor in things like an employer's social fee contributions, based on employee salaries. Companies in Sweden are also required to send monthly payroll data reports to various government agencies.

After working with partners on the ground in Sweden for many years, ADP officially established itself in the country via acquisition in 2023. ADP supports both local and multinational businesses in navigating Sweden's regulations, including the correct calculation of holiday pay. Achieving a good work-life balance takes effort: ADP's team of payroll professionals on the ground help ensure clients are doing their part.



Middle East

Managing legislative complexity

ADP's partner in the Middle East region has a long-standing history of delivering excellent payroll solutions to clients across nine countries in the Middle East. These countries all have different ways of doing things, especially when it comes to tax and business rules.

Countries in the region have vastly different levels of foreign investments, expat presence, economic and political stability, bureaucracy and digitalization. "While the majority are moving towards more automation, some countries, such as Lebanon and Egypt, still require manual, in-person registrations for some activities," says Houssam Hatoum, Managing Director for ADP partner BSH.

Keeping up with legislative changes, knowing the local languages, and managing many different payroll procedures are all competencies with which ADP and their partner in the region can help clients. Together, they've embarked on long-term investments by expanding beyond an HRMS licensing model to managed services and a true multicountry platform that strengthens the regional scope and works in full sync with ADP's platform. By leveraging ADP's global process expertise and ADP Global Payroll tools, clients can navigate greater complexity as the region opens up to foreign investment and as local companies expand beyond the region.

Latin America

Moving towards a more employee-centric work culture

The move toward implementing a 40-hour work week has been a cornerstone of recent labor legislation in Colombia and Chile. The reduction of working hours without decreasing employees' salaries is something that companies in the region will need to navigate in the coming years. These changes will affect the way companies assign shifts, handle overtime and calculate paid leave.

"ADP is helping clients in the region to develop their strategy and tackle this change proactively, instead of simply reacting to it as it happens," explains Monica Lopez Gomez, Director of Client Services for Latin America at ADP. Clients need to work with employees and unions to negotiate agreements that take these new working hours into account. These changes are all part of a shift towards a more employee-centric work culture in Latin America. Multinationals will be able to benefit from this, especially if they offer flexibility and perks such as converting overtime into extra vacation days.

In addition to working closely with clients to keep them up-to-date on legislation, ADP experts also draw from the expertise of their global network. Lessons learned abroad are being actively integrated into ADP's strategy for its clients in Latin America.

South Africa

Practicing resilience

In South Africa, socioeconomic factors shape the workplace and the labor market, including racial equality employment regulations that have been in place since the end of apartheid. Companies are required to submit regular reports on the racial makeup of their workforce, which should roughly reflect the racial makeup of the country. "ADP helps clients comply with these requirements by seamlessly integrating the required data into the products used by South African clients," notes Stephane Janse Van Rensburg, Service Director for ADP South Africa.

South Africa also faces unique challenges that can affect an employee's daily life. Scheduled power outages are quite common and can happen up to several times a day. Employees need to plan their work and home lives around the outages and the use of generators, which can be loud and cumbersome.

Employers have adapted by offering flexible working hours and hybrid work models so that employees can work around the outages. ADP has also equipped its team on the ground with inverters, a type of long-lasting battery pack, that can be used to run laptops, monitors and wireless routers. This way, there is no downtime when it comes to supporting clients.



Global payroll transformation in action

We were thrilled to hear from a number of ADP's global payroll clients about their experiences crafting their global strategies. Their journeys offered a fascinating look at the common joys and challenges of global payroll transformation — and at the organizational and regional complexities guiding each company's choices.



Forvia: A unified HRIS system helped redefine its global identity

"Forvia is one of the world's leading automotive technology providers. One in two vehicles worldwide are equipped with Forvia products. The company is technically just two years old. It was created in 2022, when Faurecia and HELLA — two big names in the automotive technology world — merged. So we actually need to go back 15 years and look at Faurecia's payroll journey to understand how our transformation shaped Forvia's current payroll.

By 2007, we had 65 different payroll systems operating within Faurecia. There was no central management and no global strategy. It was so decentralized that there were several different payroll systems within France alone. By ensuring that everyone was working with the exact same technology, we could simplify payroll and HR operations across the board while guaranteeing a standard operating procedure, regardless of whether you were in Mexico or Japan.

ADP was a valuable partner in executing this goal. We introduced ADP Global Payroll as our single payroll platform across the entire company and integrated it,

along with SAP SuccessFactors, across all of our HR operations. By 2020, 95% of Faurecia employees were being paid via ADP, and 100% of employees were using SuccessFactors in their day-to-day professional lives. But there were some challenges along the way.

Local teams were hesitant about the change and didn't understand how this transformation would help them. So we organized kick-off meetings with ADP representatives across our global locations. They'd walk everyone through the global payroll system and explain how it would set everyone up for success.

I knew we were on the right path after a company-wide HR convention we held in 2015, where we presented the initial results of our ADP Global Payroll rollout. Every HR manager needs to submit monthly reports, so our ADP system was integrated to automatically pull all the required data without any manual input from managers. People's eyes lit up at this news. Suddenly, everyone was going, 'Hey, we want to be next!' That's when I knew that our teams across the globe would stand behind this new HRIS vision, paving the way for Forvia's future."



Laurent Villemagne, Vice President for Group HR Information Systems



Kennametal

Connecting people through a common goal

"Kennametal is a multinational company that delivers innovative material and wear solutions. This means that we're dedicated to building longevity into a wide variety of industries: From the battery housing of electric vehicles to the materials in the tip of a drill bit currently being used by NASA's Perseverance rover on Mars.

In 2015, we decided to take on a complex, multi-year project that would fundamentally change the company: Transforming our own HRIS system. At the time, we had 43 different payroll vendors with 47 contracts in operation. Many of our payroll operations were still manual and decentralized. We aimed to bring everyone under one HRIS system and use one platform, including various products, but all managed by ADP.

But as the standardization project unfolded, some regions exhibited some resistance to the changes. Moving shared services centers to more strategically centered regions, for example, raised concerns among local teams who felt something was being taken away from them. People were concerned about the future of their roles and their work environment. You can't underestimate those emotions. So you need to work on connecting those people to a common goal. It was important to communicate why these changes would be beneficial and give people the tools to thrive under these new conditions.

Our tendency to tackle complex problems head-on and use them as opportunities for innovation was exactly what made us and ADP such a great team. ADP shares our values — they don't shy away from big challenges, and they're eager to work together to find the best, most efficient way forward. So the ADP team became an integral part of figuring out how to navigate this transformation."



Marc Lippa, Vice President of Global HR Operations



Meg Kulkarni, Director of HR Technology and Program Management Office



- Headquarters: Pittsburgh, Pennsylvania, United States
- **Industry:** Industrial material and tool supplier
- **Employees:** 8,700 employees in almost 100 countries
- 31 Established: 1938
- Website: <u>kennametal.com</u>

Watch the Kennametal transformation story here



INGKA (part of IKEA group)

Assembling the building blocks for success

"IKEA is the world's largest furniture retailer, and we're one of the most trusted brands in the world. We're present on all continents except for Antarctica, and IKEA's cafeterias put us among the top 10 largest restaurant chains in the world.

For decades, IKEA's business model has relied on brick-and-mortar stores. But the pandemic shifted everything online quickly. Expanding our online offerings and allowing customers to purchase items online and have them delivered meant that we needed to reimagine our fulfillment, delivery and customer service operations.

Our decentralized HCM system was undergoing a revamp as well, and we had to ensure that we could maintain diverse pay schedules across various regions. We have over 177,000 employees across INGKA, IKEA's parent company, and over 80% of them are blue-collar workers who are getting paid weekly. We generate over 2.6 million payslips a year.

We needed to standardize and modernize our core HR foundations globally, including our shift scheduling system. Our original approach was to move quickly to get as many regions as possible under a joint operational umbrella. But we quickly realized that this was going to be quite difficult because of the sheer size of our global presence and the decentralized nature of our HR systems.

IKEA is a company that has perfected the art of modular furniture. So we thought: Why not take a modular approach for this transformation project? We'd treat each market like a block that we needed to assemble before moving on to the next block, until they all fit together seamlessly within a standardized framework.

IKEA has been working with ADP since 2006 to maintain payroll through this transformation. We had many workshops with our partners at ADP to figure out the best way to design a global shared services model that reflects our global presence and standards.

Thanks to this block-by-block method, we've successfully implemented our HCM transformation in a number of regions, with more to come as we build out our payroll transformation. It's our goal to have a uniform payroll experience across all of our regions. When you shop at IKEA, you know what to expect, whether you're in Australia or Taiwan. We want our payroll to feel the same way."



Varun Nagalia, Vice President of Digital Workplace and HR Technologies

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(W)	Company:	INGKA (p	art of IKEA	(qroup
	company	in tart (p		(group)

Headquarters: Almhult, Sweden

- Industry: Furniture retail
- **Employees:** 219,000 employees in over 50 countries



Website: ikea.com

Watch the IKEA transformation story here

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Principal Financial Group Rethinking what it means to be truly global

"Principal Financial Group helps people gain financial security and stability by protecting their finances, whether that be through retirement strategies or helping people grow their investments.

I know this firsthand: My father worked at Principal for 36 years until retirement. I was proud to join this company whose values and commitment I had experienced firsthand. When I joined in 2012, the company was just beginning to standardize its HRIS. Something like global payroll was far from anyone's mind. But as we became more serious about the HR transformation, it became clear that we couldn't proceed without majorly revamping our payroll as well, as it was very fragmented. We were working with 27 systems across 24 global locations.

But things really kicked off in 2018, when we had just completed a joint venture in Malaysia, Thailand, Indonesia and Singapore. Since we were already embarking on a new journey in the region and undergoing an HR transformation, we decided: Why don't we just test out a payroll transformation here? If it worked in the APAC region, we could continue the process in other regions where we had successfully completed the HR transformation. So in March 2020, we kicked off the implementation of ADP Global Payroll in the APAC region.

This was a huge identity shift for us: We are a company headquartered in the U.S., and usually new projects would be started there before being rolled out internationally. But this time, we were starting in the APAC region and then expanding from there. ADP was incredibly helpful during this transition period. They helped us develop a realistic and comprehensive regional timeline, and we were working with three regional ADP teams who were on the ground and providing local expertise.

Before, we had been a U.S. company with international outposts. Now, we are becoming a truly global company, with over 19,000 employees worldwide."



Deanne O'Hollearn, Global Payroll Director

Company: Principal Financial Group

- Headquarters: Des Moines, Iowa, United States
- Industry: Financial management and insurance
- **Employees:** 19,000 employees in over 18 countries
- 31 Established: 1879
- Website: principal.com

Watch the Principal transformation story here

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What drives payroll professionals?

Knowing that they make a difference in the lives of working people, all around the world.

Every issue of the ReThink Quarterly features real stories from real people talking about how they earn money and what they do with it. The magazine finds the human stories in global economic trends, all with an eye for payroll executives like you.

Read the ReThink Quarterly at rethinkq.adp.com



Explore the world of payroll



Jeanne Quilop from Dubai



Li Jiawei from Beijing



Samiksha Acharya from Kolkata



Sean Decelis from Malta



Noluthando Mqadi from Cape Town, South Africa



Mindy Browne from Las Vegas, USA



Revisit ReThink 2024 in London

If you missed the live event or want to revisit a talk, you can watch many of the expert sessions and client stories from ReThink 2024 in our **video library**.

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Save the date for 2025

If the last few years have taught us anything, it's that the only thing we can expect for sure is more change on the horizon. In this period of global flux, the worst thing leaders can do is to simply do nothing. Save the date now to be sure to learn how next year's distinguished group of speakers are leading business transformation, regardless of the challenges — and opportunities — that arise.

The next ADP ReThink event will take place in Zurich, Switzerland, from February 4 to February 6, 2025.

Registration opens in September 2024 at **rethink.adp.com**

