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Unleashing Your Strategic Payroll Potential

Leveraging Workflow driven HCM to transform Your Payroll Process

Introduction

Savvy business and thought leaders have begun to realise that payroll processing plays a greater role in achieving strategic business objectives than just providing transactional accuracy. Integrating and streamlining strategic payroll processes saves money, empowers employees and identifies areas where efficiencies of scale can be realised. Poorly designed systems, however, can generate an astonishing array of problems that include mistakes when reporting and filing taxes, difficulties in dealing with enhanced payment options like direct deposit, inefficient scheduling, weak human capital management (HCM) and poor management of human resources. No matter how advanced your HCM software might be, it won't address your company's strategic objectives unless the software links to various business processes through software integrations in your company's API layer.

Payroll managers want to take more active roles in formulating policy, implementing controls and providing responsive world class service, and HCM software can empower payroll departments to contribute to business operations in extraordinary ways through strategic payroll applications. Upgrading to centralised storage in the cloud is critical to meet the demands of stakeholders in various locations and employees who work flexible schedules. Your payroll department and HR staff can work together as productive business partners when you adopt strategic payroll practices. The cloud provides the framework for unleashing the strategic potential of these processes.

Putting People First with Employee-Centric Payroll Features

Electronic support channels can provide seamless self-service capabilities that allow your staff to get answers to their pay and benefits questions. Employees don't have to consult a staff member or manager just to get information. Payroll data routinely affect every employee, so investing in self-service automation just makes sound financial sense. It also improves the employee experience, which is critical in today's competitive efforts to recruit and retain top talent. Self-service allows employees to work more flexible schedules and check in or out while working away from their desks.

Employees can also file their own requests for vacation times, paid and unpaid leave, benefits and other administrative requests like transfers. These self-service options increase employee engagement, speed decision-making and save time for managers who no longer need to handle routine requests for information.

Unleashing Strategic Payroll Potential in Your HR Department

Payroll reporting can deliver strategic value to the executive suite by providing a more comprehensive view of any company and its departments and processes. Each data point can assist in strategic decision-making by identifying trends, showing where resources can be streamlined and eliminating compliance issues and penalties for late filings of employee-related information to government agencies. Strategic payroll reports can monitor salary projections, identify cost overruns on projects, prevent tax penalties and streamline services such as direct deposit. HCM software can cross-reference payroll data and business intelligence from third-party sources to guide long-term business decisions based on trends, competitor activities, costs of expanding and business forecasts.

It's critical to establish firm calendars for the various pay cycles to eliminate the stress of meeting payroll when multiple feeders are involved. Many departments routinely push the deadlines, which results in stressful payroll processing. Establishing a concrete framework for the pay cycles involves setting clear cut-off deadlines. You can collaborate with 'feeders' before setting these deadlines, but you should allow enough time to process payroll in a stress-free work environment. This creates a predictable process that can be used confidently in strategic payroll decisions.

Tactical activities can generate an incredible waste of resources, and the time spent on these repetitive, manual tasks prevents your payroll managers from becoming true business partners in strategic planning. Convoluted technology adds complexity and makes data entries prone to errors, but integrated HCM

software can work as a strategic asset in recruiting, retaining and engaging employees.

Your company's culture - together with the right HCM software - can encourage employees to go paperless. Employees might receive their money a day or two early with direct deposits or debit cards, which reduces total administrative costs. Built-in reporting systems based on payroll data can help executives and managers make better decisions about authorising overtime, raising pay, awarding bonuses and identifying potential cost overruns in special projects. Strategic payroll can even be used to identify phantom employees and fraud.

Some of the strategic payroll benefits for business of fully integrating HCM software include the following benchmarks:

- Meet complex, confusing and evolving regulatory requirements.
- Communicate with staff directly to foster workforce goals and allow each team member to check on his or her progress.
- Reduce administrative burdens by outsourcing, automating and streamlining payroll processes.
- Comply with mandatory health care guidelines.
- Simplify on-boarding and off-boarding processes through self-service applications.

Using Payroll to Foster Better Workforce Communication

HCM software and cloud technology increase communication options throughout any company. Managers can reach employees in real-time, access their records, resolve problems and change an employee's status, pay or benefits instantly. BI tools can be integrated for direct access to insurance providers, retirement accounts and other benefit programs. Third-party providers can also connect seamlessly to provide outsourced payroll services, medical appointments and other benefits.

You can turn HCM into a collaborative process that includes encouraging peer-to-peer sharing, providing performance rewards, engaging HR managers and informing executives of critical information.

Seven Steps to a More Strategic Payroll Process

Strategic payroll promises greater organisational efficiency, lower costs and reduced headaches when reporting taxes and employee-related work activities. You can customise pay calculations for different departments, offices and employee segments while reducing administrative costs due to HR management of work-related information issues.

Seven steps involved in building a more strategic payroll process include:

1. Aligning Strategic Payroll with Your Company's Vision

The AICPA recommends that companies follow the best practice of aligning business goals with the right technology, and HCM software is increasingly critical for managing your firm's strategic vision. [1] HCM software is critical for aligning strategic payroll decisions to achieve company goals. You can manage your payroll more efficiently with less paperwork, and your data will automatically post across various applications and internal processes where the information can be used in real-time to guide decisions. Strategic payroll can attract and mobilise talent, increase performance, promote a common language and foster organisational agility.

2. Unifying Payroll with Core Capital Management Processes

HCM software can unify your payroll processes, but strategic payroll requires integrating the software with your core business applications to get the best results. Traditionally, most companies view HR as the 'people management' part while payroll processing is just there to ensure that everyone gets paid. However, an effective HR department combines the functions of managing people, making payroll and aligning strategic business goals with the company's technological software applications.

Each system could take hours of training and support and require multiple data entries, which can lead to mistakes and confusion. However, unifying your systems reduces administrative work and facilitates core HR tasks that rely on payroll data. Integrating the right structure is crucial if you want your business to thrive. If you organise your business to produce the results that you want, you can automate data collection and dissemination to support those goals.

Many organisations devote 50 percent or more of their budgets to payroll costs, so employees easily rank as the top business expense. [2] No long-term business goals can be reached unless you consider the direct and indirect costs of meeting payroll. That's why many companies struggle to meet their budget goals, but you can position your company for success with the right HCM software, personnel policies and integration strategy. If your business model focuses on encouraging the behaviours that you want, integrated HCM software can help you accomplish your goals.

No matter which HCM software you choose, it's possible that you won't get the results you need. If your software isn't integrated with core processes, it can't act in concert to collect and disseminate data to the right applications. The best HCM solutions unify HR data, payroll, BI and other features in a single system that records information in all relevant areas.

3. Utilising the Cloud for Payroll Processes

Adopting cloud technology becomes increasingly essential for SMBs that want to remain competitive and agile, and nowhere is this more obvious than in payroll processing. Cloud technology has revolutionized strategic payroll in a business environment where payroll grows more complex each day and businesses must often comply with HR and payroll rules from multiple jurisdictions. Your HR department could face countless sets of regulations and continuous changes to the rules.

Cloud computing reduces paperwork, simplifies administrative tasks and allows access to records from any Internet connection. You can easily manage the varying needs of different groups of employees while streamlining your HR staff's ability to monitor and manage their work. These benefits reduce the costs of payroll processing and performing other administrative tasks. HCM software can automate and streamline your payroll while the cloud ensures that all the information remains secure and accessible 24/7. A recent study by Deloitte found that using cloud technology correlates to faster growth - those companies using the cloud grew 26 percent faster and were 21 percent more profitable than those that don't. [3]

Cloud payroll services provide all managers, employees and company stakeholders access to strategic payroll intelligence to manage different classifications of employees, access pay group information, view payroll calendars and generate custom reports. These benefits reduce the time that professionals must spend on strictly administrative tasks so that they can concentrate on core activities that generate income, solve problems and enhance employee engagement.

The cloud can eliminate delays in accessing information, enhance security, provide self-service access for employees and reduce the need to replicate data across company operations. Strategic payroll can gather information from multiple locations, retrieve timekeeping and attendance data, calculate pay instantly and deduct authorised amounts for benefits and taxes. The system can be set to update automatically when tax rates or deductions change, and advanced software manages different rates for employees in different jurisdictions seamlessly.

4. Eliminating Repetitive Steps

Although payroll processing is one of the most critical functions of any company, it doesn't have to take an inordinate amount of time. However, many companies face complex payroll and accounting challenges based on incompatible systems, global variances, mergers, acquisitions and expansions into new territories and product lines. Reconciling these disparate systems can involve days and weeks of effort unless you automate your payroll processes.

One of the key advantages of integrating HCM software is that it only requires entering information one time. The information is then transmitted throughout the company's systems without requiring additional entries, redundant steps or manual reconciliation. Marketing compensation is a key area to consider. Today's marketing-based compensation scenarios often involve sales leads, bookings and team efforts, and this evolutionary approach to compensation can complicate payroll. You can combine multiple steps into one when all your payroll processes are integrated. You can also save money by eliminating paper checks, using direct deposits or debit cards and combining weekly pay periods into monthly or bimonthly compensation periods.

5. Empowering Staff with User-Friendly Access and Features

Each time that an employee asks a question about his or her pay or benefits or wants to change contact information, someone in HR must handle the task unless your employees have easy access to their own records. That can add up to hundreds of hours for HR staff and lost productivity. However, if you have your payroll information synchronised in the cloud, you can offer your employees the same convenience for accessing their records, changing contact information and adjusting their deductions.

Employees can view their information 24/7, monitor compensation data, view pay details and request time off from work. As long as the employee has an Internet connection, he or she can view the data on a smartphone, tablet or desktop computer. Your HR team can focus on generating revenue and improving workplace efficiency instead of handling routine information requests.

6. Ensuring Full Integration Among HCM Processes Such as Payroll, Finance, Timekeeping and Attendance

Today's fully integrated HCM software allow employees to clock in and out electronically from their phones, computers or time clocks, and the data seamlessly upgrades in the company's payroll software. Integrated systems offer secure data transfer based on Web standards that streamline every payroll process from direct deposits to court-ordered deductions for child support, alimony, fines and other payments. These systems offer the following additional strategic payroll abilities:

- Creating and altering employee schedules in real-time
- Managing paid time off, sick leave and unpaid leave
- Monitoring employees by geolocation and geofencing
- Providing real-time insights about who is working, who is late, who is not where they're supposed to be and who is approaching overtime
- Generating data on labour and performance
- Streamlining third-party integrations
- Connecting seamlessly with insurance providers

In today's global business environment, HR organisations must often comply with wide variations in the rules that govern leave and absence policies in different jurisdictions. It's critical to manage strategic payroll globally while applying local regulations, and integrated HCM software can help you accomplish these objectives.

7. Ensuring Full Integration Among HCM Processes Such as Payroll, Finance, Timekeeping and Attendance

Payroll processes can provide significant real-time insights that are just as valuable as other business intelligence. Using HCM software to its fullest potential, your company can correlate collected data to generate custom reports in real-time to guide strategic business decisions. Historical data on payroll can be used to enhance many business processes, streamline workflows and monitor quality-of-work reports as compared with payroll hours. A cloud-based, automated HCM system can provide all the metrics you need to make smarter business decisions.

You can drill down into the data and generate strategic payroll reports based on departments, branch offices, type of work, employee demographics and other key metrics. Focusing on taxes, strategic payroll reports can incorporate complex analytics data based on short- and long-term tax liabilities.

Other possibilities include monitoring the costs of compliance, new hires and training programs. An ideal use of reports involves identifying areas for preventative maintenance, further training and other HR services. Real-time dashboards and automated reports can simplify and optimise business performance with targeted insights delivered exactly where
they need to be.

The Future of Strategic Payroll

Heightened regulatory enforcement, evolving healthcare standards and an increasingly diverse workforce have increased the problems of routine payroll processing. Companies face multiple regulations in different jurisdictions, demands to align payroll departments with strategic business goals and a wide array of stakeholders to satisfy that include contract workers, commissioned employees, work-from-home staff and other logistical challenges. Strategic payroll challenges include anticipating legislative changes, monitoring real-time updates and incorporating new regulations within deadlines.

Using HCM software helps, but it's critical to integrate your business applications to get the best results. Strategic payroll can anticipate many situations such as accommodating growth projections, analysing how growth might affect payroll and providing advance warning when increased hiring becomes necessary. Strategic payroll isn't static; it adapts based on legislative changes, new industry regulations and the corporate imperative to make continuous improvements to attract and retain top talent.

HCM software won't solve all your problems, but it will serve as a strategic asset for your business. You can use payroll, HR and BI insights to create a governance model that adjusts in real-time to any project, company initiative or expansion plan. HCM software and strategic payroll practices provide proactive payroll planning instead of transactional processing that doesn't consider environmental, business, legislative and industry changes that could marginalise your business.

About EmployeeConnect
EmployeeConnect provides an end-to-end workforce management solution that lets HR leaders and their team transform the way employees are traditionally managed, engaged and recognised. This powerful HRIS provides valuable insight through a range of HR scorecards, dashboards and reports to enable data-driven decision making. Designed with built-in flexibility, EmployeeConnect's HR software can adapt to organisations of every size, industry, and region. Access simple and effective tools to manage performance, develop key talent, and plan succession for the future of your organisation. With EmployeeConnect, you can easily streamline HR processes online, improve compliance, and increase visibility over your most precious asset: your people.