



GLOBAL PAYROLL EFFICIENCY INDEX 2023

HOW TO IMPROVE YOUR
PAYROLL PERFORMANCE





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AGENDA

- What is the Global PEI Report?
- How have the cost-of-living crisis and the war for talent affected payroll efficiency?
- Why standard SLAs aren't enough
- Which country is most efficient at doing payroll?
- Global KPI analysis – 2021 vs. 2022
- KPI analysis by region
- Next steps

WHAT IS THE GLOBAL PEI REPORT?

Industry benchmarking report of payroll processing KPIs across 130+ countries.

- Identify and measure efficiency metrics that make a difference to payroll performance
- Monitor across every country and use for continuous process improvement
- Data sampled from 1m+ payslips generated between Jan 1-Dec 31, 2022, from multinational entities



HOW THE COST-OF-LIVING CRISIS AND THE WAR FOR TALENT ARE DRIVING THE ADOPTION OF PAYROLL INNOVATION.



WHY STANDARD SLAs AREN'T ENOUGH

We recommend tracking five KPIs to understand payroll performance.



FIRST-TIME APPROVALS

% of gross-to-net calculations approved upon initial review



DATA INPUT ISSUES

% of data errors caused by incorrect or incomplete customer data entry



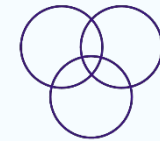
ISSUES PER 1000 PAYSLIPS

of data issues identified for every 1000 payslips processed



CALENDAR LENGTH

of days required to complete payroll processing



SUPPLEMENTAL IMPACT

% of payroll runs completed as supplemental runs

WHICH COUNTRY KEEPS GETTING MORE DIFFICULT?

WHICH COUNTRIES ARE MOST EFFICIENT AT DOING PAYROLL?











China has moved up to first and its score of 95.98% is the second-highest in this report's history, after Panama recorded 96.5% recorded in 2019.

 China 95.98%	 Croatia 91.04%
 Cyprus 94.06%	 Bolivia 90.48%
 Brazil 93.22%	 Chile 89.17%
 Russia 92.35%	 Argentina 88.92%
 Greece 91.53%	 Slovakia 88.89%

We define efficiency based upon the first-time approval rate

WHICH COUNTRIES HAVE MOST IMPROVED EFFICIENCY?

Paraguay has recorded a 20% improvement in FTA between 2021 and 2022.

 Paraguay 20.02%	 Guernsey 8.75%
 Pakistan 15.37%	 Australia 7.73%
 Bolivia 13.56%	 Austria 7.71%
 Denmark 10.29%	 Greece 6.65%
 Jersey 8.79%	 Israel 6.22%

We define efficiency based upon the first-time approval rate

We define efficiency based upon the first-time approval rate

PEI MATRIX

Insight into the impact of local conditions on payroll efficiency, linking payroll difficulty with two efficiency KPIs: FTA & Issues/1k



WHAT IS PAYROLL DIFFICULTY?

It's more than just complexity...

FACTORS

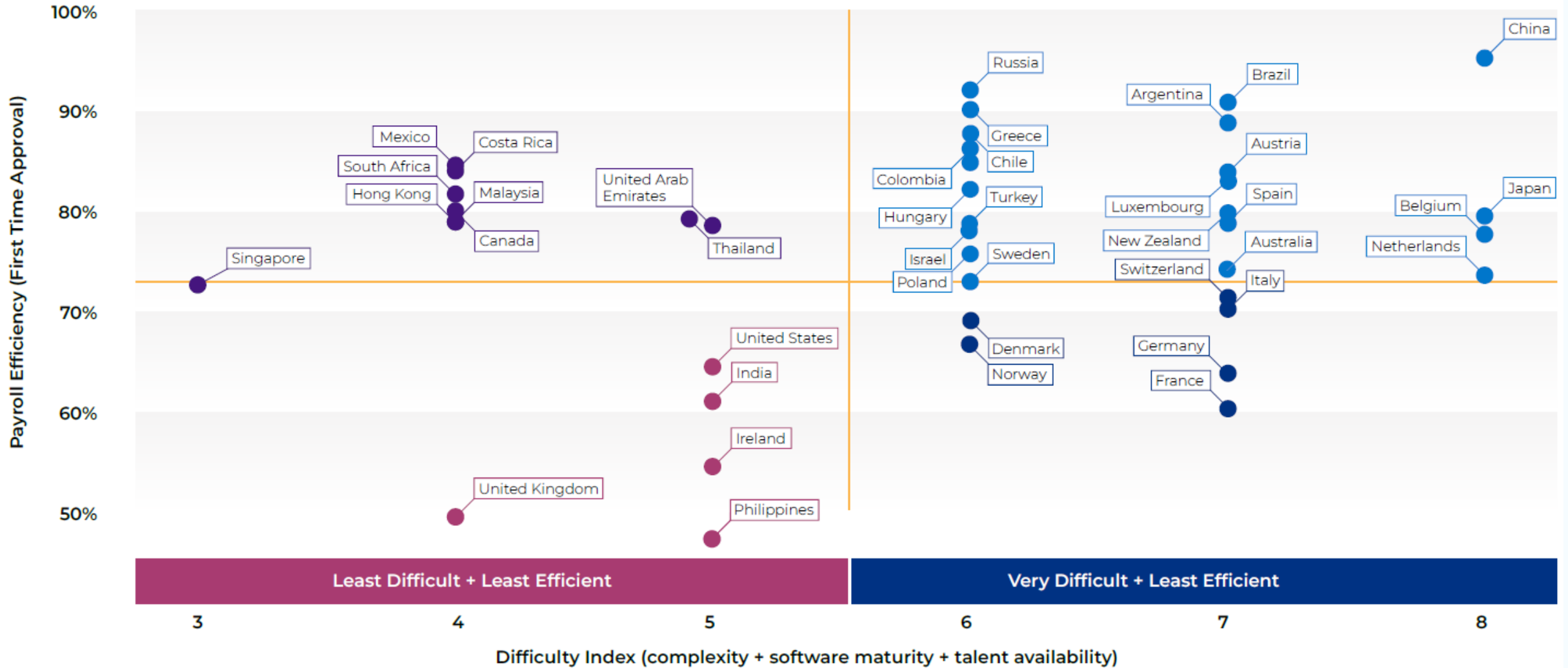
RATING SCALE

PAYROLL COMPLEXITY	1=NOT COMPLEX 3=VERY COMPLEX
PAYROLL SOFTWARE MATURITY	1=VERY SOPHISTICATED 3=NOT SOPHISTICATED
PAYROLL TALENT AVAILABILITY	1=GOOD ACCESS 3=LIMITED ACCESS

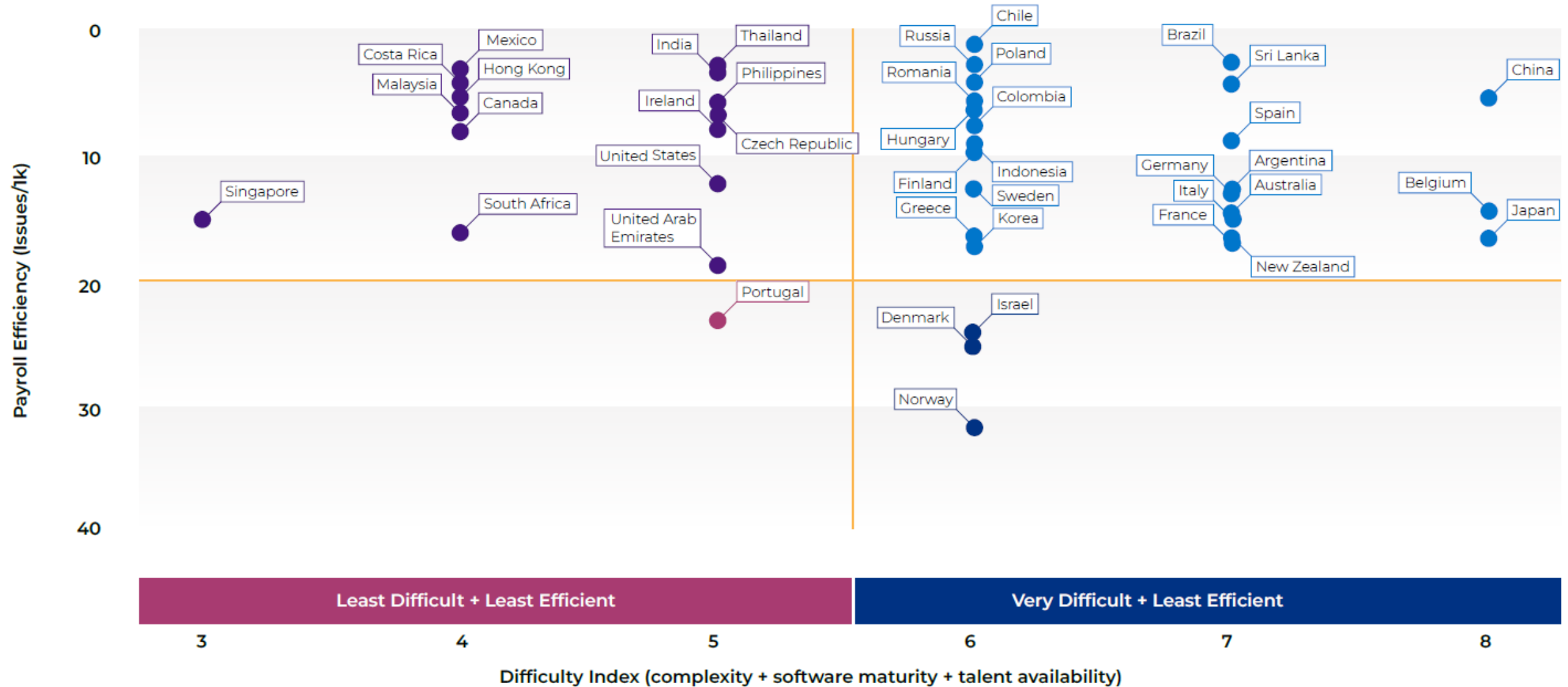
FTA

Least Difficult + Very Efficient

Very Difficult + Very Efficient



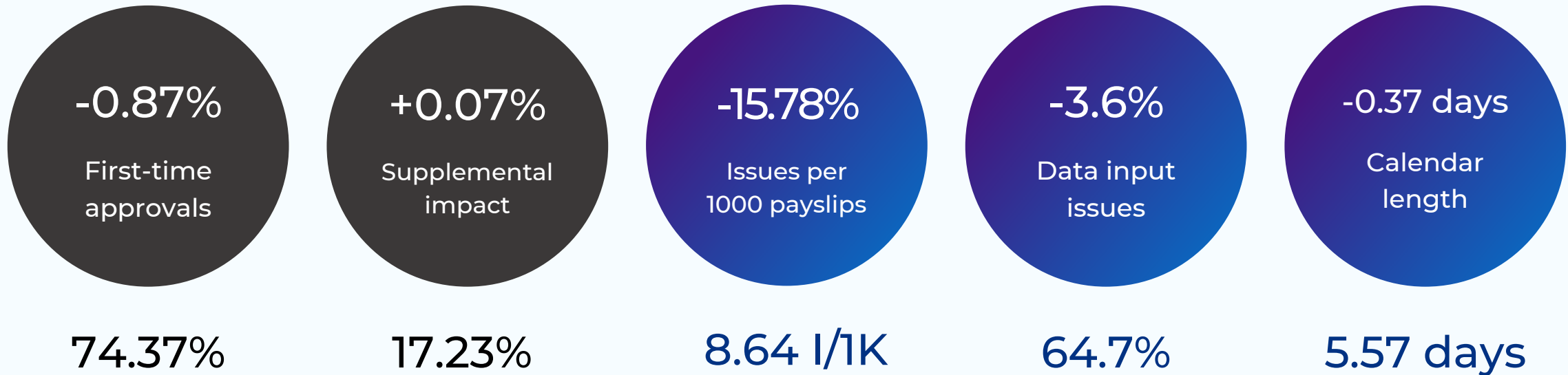
ISSUES/1K



WHICH OF THE 5 KPIs
DO YOU THINK IS THE
MOST IMPORTANT?

2021 VS. 2022 GLOBAL ANALYSIS

2022's data paints a similarly positive picture of payroll performance in 2021 with improvements made in most areas except for FTA...



KPI ANALYSIS: AMER

OVERALL

Stand-out
reduction in DII –
10.2%

But overall worst-
performing
region

FTA: Down 0.21% to 82.47%



DATA INPUT ISSUES: Down 10.20% to 58.50%



ISSUES PER 1K PAYSLIPS: Up 1.22 to 9.97



CALENDAR LENGTH: Up 0.2 to 4.1 days



SUPPLEMENTAL IMPACT: Up 0.13% to 36.43%



COMMENTS

Supplemental
impact rate more
than double EMEA
& APAC

Shorter payroll
frequencies in
many countries

KPI ANALYSIS: EMEA

OVERALL

Seen the biggest improvement in issues per 1k payslips

FTA rate continues to fall

FTA: Down 0.20% to 69.11%



DATA INPUT ISSUES: Down 1.80% to 63.40%



ISSUES PER 1K PAYSLIPS: Down 3.44 to 8.99



CALENDAR LENGTH: Down 0.1 to 6.5 days



SUPPLEMENTAL IMPACT: Up 0.10% to 13.81%



COMMENTS

Disappointing results but take them with a pinch of salt given region's extenuating circumstances

KPI ANALYSIS: APAC

OVERALL

Generally, the best-performing region

Only region to record an increased in FTA rates

FTA: Up 0.08% to 77.81%



DATA INPUT ISSUES: Down 2.50% to 71.50%



ISSUES PER 1K PAYSLIPS: Down 0.83 to 7.43



CALENDAR LENGTH: Down 0.2 to 6 days



SUPPLEMENTAL IMPACT: Down 0.04% to 10.77%

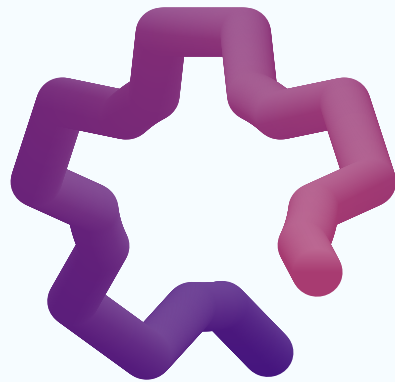


COMMENTS

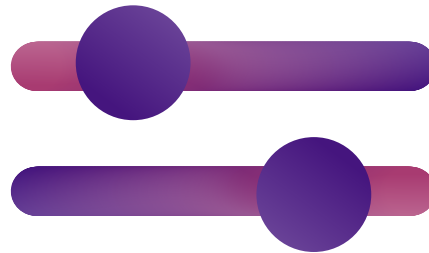
Overall performance is actually worse than it was in 2021 despite improvements across most KPIs

ACHIEVE A MODERN PAY EXPERIENCE

INTEGRATE



AUTOMATE



INNOVATE



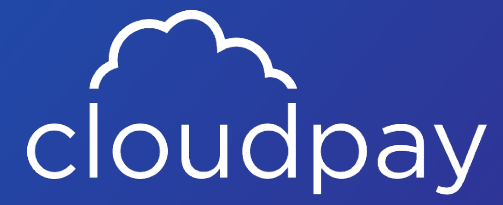


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PEI Report now >>

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Thank you