

Employee self-service: Are we realising its true value?

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Many companies fail to realise the true value of employee self-service systems due to low rates of staff uptake. Most have done a great job of making the functionality available, but even top performing companies see less than 60% of payroll transactions that could be entered by employees actually being entered by them. The figure is 31% lower for the average multinational company.

Why it's important?

As we strive to make payroll processes more efficient and effective, creating an environment where employee self-service (ESS) is the norm is very important. Common ESS transactions here include tax withholding, providing banking data and undertaking miscellaneous voluntary deductions.

The goal of enabling ESS is to increase the accuracy of employees' personal data and the speed with which it is updated. It is also to free payroll staff up to work on more value-added activities.

Most employers have learned that the only way to increase the effectiveness of their ESS system is to work with the HR department, which generally drives such initiatives anyway, in order to ensure self-service becomes the norm for all employee transactions. The starting point is usually when employees are hired for the first time, with ESS integrated into onboarding processes.

In a payroll context, if employees use ESS to input their personal data, it is possible to reduce the number of staff undertaking data entry, which enables them to focus more on analytical and process improvement activities.

But if there are no policies in place to encourage ESS take up, employers will only be able to realise a portion of the potential benefits. Unfortunately, it is this situation that many companies are in today.

What can payroll leaders do?

Here are some suggestions to help you exploit ESS to the full:

1. Partner with HR in order to create policies and procedures to underpin a broader self-service culture
2. Encourage the deployment of mobile technology to make it easier for the entire employee population to use ESS functionality
3. Introduce ESS at the point of hire and

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encourage workers to use it to complete required payroll paperwork

4. Encourage the use of self-service for all employee-related transactions rather than simply limiting it to payroll
5. Ensure workflow or other automated communication tools are in place so that proper notifications take place during the course of any given ESS process

6. Make certain workers are aware of when any changes will take effect
7. Prepare payroll staff to take on other more challenging roles as the rate of ESS adoption increases.

Finally, and importantly pause for a moment to think about what just might be possible if you really were able to exploit the potential of ESS to the full. ■

ESS Adaption Rate

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