



Ask the expert



Rob Hill, vice president sales UK, enterprise, [NGA Human Resources](#) looks at how to measure the maturity of payroll

The decision to replace a single-country, regional or global payroll platform does not typically emerge from a sudden payroll ‘epiphany’ about compliance, data integration, analytics, business process standardisation or cost reduction. Rather, it usually develops over a long period (often many years) and a growing realisation that the current solution is failing and not adding value

But before embarking on the journey to a new payroll platform, it's critical to understand both the maturity of your current payroll service, as well as your desired future state. There are a few online tools and process frameworks that can be used to quickly and efficiently analyse the maturity of the payroll service in question, using both qualitative and quantitative elements. It is important to note that maturity models can be used as a basis to potentially replace the payroll service in question, but also to raise internal awareness that change is required.

One interesting outcome of the new generation online tools, versus the older consulting-led process frameworks, is the ability for a country-specific, regional or global payroll team to actually complete the survey together in real time. It is this shared, open experience that can be the collective trigger to embrace system change or process improvement. It creates your epiphany for you.

The maturity models tend to be startlingly straightforward, logical, and insightful, with a series of multiple choice questions across the following areas:

Payroll technology

The obvious starting point for a payroll maturity review must take into account the cost of maintaining the platform, scalability and suitability for current and future business requirements, the cost of processing the payroll, integration to key systems, automation of administrative tasks via self-service and critically, the employee experience. Can your employees actually use the tool you are using?

Payroll process

We often see no documented processes to support payroll and/or convoluted processes not based on any practical reasoning. Payroll processes should be aligned to best practices, documented per country and optimised for your business. Frankly, today's technology and processes should be so good that your employees intrinsically know what to do.

Payroll compliance

How compliant are your global payroll services? Do you have an annual global audit, haven't received any warning notices or fines from government or taxation authorities for years and all of your payroll team are fully trained?

Payroll business value

Is payroll simply a service, or does it actually deliver strategic advantage to your business? Do you know what it costs to run payroll and if so, how does this compare to established benchmarks or an outsourced provider? Does payroll add to employee engagement and satisfaction, or is it a barrier to improving this key measure of success? And finally, would you realise more benefits if some of your payroll resources were redirected to strategic initiatives such as advanced reporting and analytics rather than payroll administration?

Determining the current cost to operate the payroll service and the subsequent cost savings that a new solution will deliver is critical and required to support the business case for change. However, it is not the first step. Many people rush head long into a payroll project after their payroll epiphany rather than investing the time up front to review the maturity of their payroll service.

Rob Hill has 16 years of experience in global HR and payroll transformation, consulting, system design and technology selection. He specialises in global workforce administration, talent management and payroll solutions supported by payroll and HR outsourcing services and shared services. He has spent the past 12 years working with NGA Human Resources across the world and recently moved to the UK. He writes about global HR and payroll issues and can be found on at www.linkedin.com/robahill or on Twitter at @robHill18.