

How payroll professionals can surge to become superheroes



Reaching new heights with payroll

How do payroll departments shake off their underdog image and surge their way to superhero status? It's a tough task – but Jonathan Legdon, Commercial Director at NorthgateArinso, offers his advice.

Life isn't easy for today's payroll professionals and their hard work is rarely commended. In corporate eyes, they're often less like Superman and more The Invisible Man – that is, until something goes wrong, and they're labeled the Villain.

After the inevitable pain of Year End, organisations will now be considering what can be improved and where money can be saved in future years. It's important for payroll to remain on the company radar, as a fully functional, highly skilled team able to provide an efficient and reliable service.

When it comes to improving the payroll function, top of any payroll professional's list should be decisions regarding providers. Is now really a good time to review and change software? Or should you stick with what you know? During the recession, cost cutting will be a high priority. But there's no reason why old technologies can't be replaced with new ones that provide accuracy, flexibility and strategic benefit for the organisation.

The power of questions

Organisations considering a change in supplier need to prioritise their long-term objectives.

Software selection needs to align with these requirements, if it's to bring maximum benefits. Payroll is often regarded as a cost to the organisation, so it's essential to get it right and avoid any problems that may arise further down the line.

At NorthgateArinso, we've seen a clear demand from mid to large sized organisations (of around 500 employees and up) to integrate payroll and HR software packages. Although they have very separate functions, managing processes from one overarching system works extremely well and unites the HR and finance departments, creating effective efficiencies across the two areas.

So whether the mission is to find an integrated service, update an old system or simply shop around for a better deal – it's always best to determine what the organisation wants as a whole.

The main problems to look out for when considering change:

1. Often, payroll professionals simply replace old systems with newer ones that effectively do the same thing. Such replication can be more problematic, increasing costs to the organisation without any significant benefits. Again, payroll departments need to ensure they are selecting the right technology for the right reasons. Reviewing existing processes or previous restrictions and thinking about any improvements is essential, rather than repeating past mistakes.

2. Flexibility is also a key factor when making decisions about payroll. It's important to watch out for the options that are going to lock the organisation into a specific way of working.

Far better are those that allow for change and fit in well with objectives, to get what's really needed. Whether it be selecting a hosted service, or integrating payroll with other HR services, it's essential to make sure payroll professionals have the freedom to use the system the way they want to reap the benefits.

3. Finally, it's no good just selecting those that have accreditations. Many organisations have used this as a short cut to choosing a supplier, but often find themselves taking the wrong route and quickly reversing back to the beginning, after finding that the solution doesn't meet their needs. This wastes time and money.

Payroll decisions are crucial and there's no substitute for thorough research to help organisations remain on the straight and narrow.

Triumphs and tribulations

As with any important decision, it's not a good idea to go straight for the cheapest option. Maximizing your return on investment can often mean spending more money initially but returning a much higher yield over the term of your relationship.

Quite often the benefits of more efficient solutions are overlooked, simply because they cost a bit more. Many also fail to understand the true cost of ownership when purchasing technology systems. Software providers can be sneaky, happily bumping up the prices from the initial offer once the solution has been sold – but don't be fooled. Simply selecting a system on price can be much more costly in the long run. Ensure that the work can be delivered for the prices provided and protect yourself from these escalating.



"Key points"

- Payroll professionals need to determine whether the new system will improve efficiency, accuracy and flexibility, whilst also offering strategic benefits to the organisation as a whole.
- Building good relationships with new and existing employees is a great way to get the recognition, whilst positioning payroll as a strong unit.
- Allowing people to access data via self-service technology saves time and money, whilst easing the burden of individual disputes.

How to maximise the benefits:

1. Most importantly, payroll professionals need to determine whether the new system will improve efficiency, accuracy and flexibility, whilst also offering strategic benefits to the organisation as a whole.

2. To help gain that superhero quality, payroll professionals need to make their department shine. After all, payroll is an integral part of any organisation and it needs to be seen that way. Building good relationships with new and existing employees is a great way to get the recognition they deserve, whilst positioning payroll as a strong unit.

3. Allowing people to access data via self-service technology saves time and money, whilst easing the burden of individual disputes. If employees can connect to payroll systems and update personal details such as expenses, absence and holidays themselves, there is less chance for inaccuracies. Payroll departments often bare the brunt of angry staff, who haven't been paid correctly due to poor data quality. Integration also helps the smooth running of the company as a whole.

Less time is wasted on administration and everyone can get on with more important tasks.

Is now really a good time to change?

The decision to change will depend on the organisation's circumstances. I'd definitely recommend reviewing and monitoring your current payroll software packages to determine whether you are really getting what you want from it. It's essential to look at the wider picture. Consider the objectives of the company and where it wants to be heading, particularly when the economic storm dies down and strategies start to change direction.

If improvements can be made, then it's time to do some research and find the best package to meet your requirements both now and in the future. Compiling a clear brief and thoroughly evaluating each option will certainly go down well in the boardroom. It's time for payroll departments to raise the benchmark. To be regarded as heroes within the organisation requires a powerful, dynamic team to rise to the challenge.

For more information

With the skills, experience and market knowledge of NorthgateArinso behind you, you too can be well placed to translate the HR challenges your organisation is facing into powerful opportunities.

For an initial discussion about your requirements, call us on 0800 035 0545. Email: hrsolutions@northgatearinso.com or visit www.northgatearinso.com/uk.

