

Payroll still profession in demand

Industry reports show employers face challenges when it comes to hiring and keeping payroll professionals with the right skills mix

BY SHEILA BRAWN

DESPITE SOME of the gloomy economic headlines recently showing employers cutting positions, new staffing reports show the job market for payroll professionals with the right experience and skill set is strong.

A report from staffing firm Robert Half, called *Special Report: The Demand for Skilled Talent*, says the unemployment rate for payroll professionals in Canada is about 3.4 per cent, well below the national rate of 6.8 per cent.

"Payroll has been probably one of the most difficult skill sets for us to find consistently," says Raffi Toughlouian, vice-president - branch manager at Robert Half International in Toronto.

"On the temporary, contract, side of things, it's just one of those skill sets that's always been in high demand, so when you are dealing with a population of candidates who happen to be in between jobs and readily available, unfortunately, it's just a sliver of those that fall under payroll," he says.

"And on the full-time side of things, we're in a situation now where we're at almost full employment nationally and in this particular space, we're hovering around half of what the national (general) unemployment figure is, so there are a lot more jobs out there for candidates and they're just not readily available."

Toughlouian adds that the demand for payroll applies across the spectrum from entry-level positions to payroll managers.

Staffing firm Hays Canada found that 73 per cent of employers surveyed have experienced moderate to extreme levels of difficulty finding the right payroll candidate. Hays prepared its *2015 Payroll Salary Guide* in collaboration with The Canadian Payroll Association (CPA).

Antony McElwee, a senior manager with Hays in Calgary, says even with the slowdown in the oil and gas industry, the hiring market for payroll is still robust.

"Even some of these large oil and gas companies that are letting 500 to 1,000 people go, from a payroll perspective you are only talking maybe two people, three at the most, of a company that is letting a thousand people go, so you are not talking about a massive influx of candidates into the market that weren't previously looking," he says.

"There are plenty of other industries that are being successful and thriving in Canada at the moment and that's going to mean that you are still going to have to compete pretty hard to get quality payroll staff."

Retention

Toughlouian says employers need to understand the payroll job market and be ready to adjust their approach to recruiting and retaining staff in the market.

"From an employer perspective, there are probably a few things that we do, the first being educating them on the scarcity of the payroll skill set in the marketplace... ensuring that they are aware of what the unemployment situation is out there and how strong employment really is so that they are ahead of the curve with respect to potential hiring for payroll professionals."

He adds that, "Beyond that, through our research, we try to educate with respect to annual changes in salary to ensure that employers are paying their people in the range of what the market determines that a payroll professional should be receiving."

Toughlouian says this approach can also help employers value their existing employees and take steps to ensure "they are constantly in tune with their existing payroll staff to make sure that they are happy with their roles, that they are being paid competitively and that they are being enriched on the job in whatever way they need so that they can hang on to their staff."

McElwee says employers may have to boost salaries if they want to attract good quality candidates and, just as important, retain current payroll staff.

"When you look at the predicted increases, (employers surveyed) are really predicting inflationary increases over the next 12 months and I think that's a key disconnect.

"Almost half of employers are saying that salary is a retention issue and very close to three quarters are saying we have real difficulty in hiring the type of payroll person that (we are) looking for and then you look at the average salary increase and it's basically only inflation. I think there is a real disconnect there."

Beyond salary, McElwee says employers

should make sure they offer the types of benefits that are important to payroll employees. In the Hays survey, payroll professionals ranked pension and RRSP contribution and matching, health and dental plans, flexible work hours and the ability to work from home as the top benefits.

The survey found that although close to 90 per cent of employers offer health and dental benefits and about two-thirds offer pension and RRSP contribution and matching, only about 50 per cent offer flexible work hours and just over 40 per cent allow people to work from home.

McElwee says more employers should consider implementing flexible work hours. "Almost half of employers could fix something that is clearly quite important to payrollers pretty quickly. It's about 10th on the list in terms of benefits that are offered, whereas it's number three on the list of what payrollers are actually looking for," he notes.

"One of the things that is pretty challenging to offer is work from home, particularly when you've got the amount of sensitive information that payrollers deal with, so often that's not possible, but the flexible work hours is usually a pretty painless and often a free solution."

Career development

Another important way to retain staff is to develop a succession plan to show how a payroll professional's career can advance within an organization, says McElwee. Yet, the Hays survey showed 80 per cent of employers had no succession plan and of the 20 per cent who did, 70 per cent said they had not shared the plan with more than one-quarter of their staff.

Even if an employer cannot offer succession, McElwee recommends they try to involve payroll staff in as many value-added activities as possible.

"Get them involved in implementations or process improvement or if you've got a big enough team, shift them around the team so that they are doing something a little bit different rather than the same thing day in, day out. There are all sorts of things like that that employers could get a little savvy about and that may improve their retention," he says.

For payroll professionals looking for a job,

Toughlouian says they need to make sure their skills match employers' needs, even in a good job market.

"Typically, the most in-demand skill sets as it relates to payroll are candidates who are actively enrolled or have completed their PCP (Payroll Compliance Practitioner) and CPM (Certified Payroll Manager) designations. And to add to that, certainly the most common software that we see will be some form of ADP or some form of Ceridian product," he says.

"Then, of course, it's candidates that have dealt with scale, so multijurisdictional, numerous provinces, been through year ends, have done the payroll reconciliation piece, so the more involved and the more progressive in their careers, the better."

The Hays survey showed that the biggest challenges in hiring payroll staff were finding the candidate with the personality fit (34 per

cent), credentials (18 per cent), specific payroll system knowledge (17 per cent) and compliance knowledge (15 per cent) the employer needs.

McElwee says credentials are more important than ever for payroll.

"It's gone from being a nice to have to becoming more of a 'We would like to interview people who have got it first and then if we can't find them from that pool of people, we will look at people who are not certified.'"

He adds that certification can also mean more money for payroll professionals. The Hays survey found that payroll professionals with a PCP or CPM certificate from the CPA earned up to 20 per cent more than those who were not certified.

Steven Van Alstine, vice-president, education at the CPA, says the CPA has noticed an increasing number of employers asking for payroll certification or accreditation in job postings.

"When we do a search for 'payroll certification,' 'payroll designation,' 'payroll accreditation,' 'PCP,' 'CPM,' we are finding that more and more job postings are looking for some combination of those words."

McElwee says he expects certification to become even more commonplace in hiring as the payroll profession evolves.

"Payroll is evolving from what was very much seen as a back-office function, if you go back 10, 20 years ago, processing punch cards, very, very transactional through to people now truly understanding that payroll is a crucial part of your organization," he says.

"You are seeing people spending more time doing things like assessing compliance risk, communicating, managing staff. All of the things that are less transactional and more value-added in terms of what the payroll function actually does."

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