Excel in Payroll by
Thinking Beyond Regular Management

By Lubaina Galely, CPM, MBA

Payroll management requires an extensive array of competencies beyond typical people and process management skills. Several trends, including a growth in global payroll, technology advances, and the expansion of flexible and remote work options, are providing greater opportunities for payroll managers to improve their processes and take their departments to the next level. Here are some considerations that payroll mangers should make in order to excel.

Leadership and project management contribute to payroll accuracy

Every organization's employees rely on payroll to be paid accurately and on time. Payroll professionals support employees' financial requirements (mortgage payments, car payments, family responsibilities) which are intimately connected to their pay cheques. Ensuring timely and accurate payroll every pay period, dealing with legislative and organizational changes, and handling the periodic system changes that support payroll, all require advanced leadership and project management skills. It goes without saying that payroll managers' organization skills must be superior to ensure payroll is accurate. Yet the sheer volume of Canadian legislative and regulatory requirements that payroll managers must adhere to can make one's head spin. Accuracy in the face of regulatory complexity demands leadership, project management and a keen eye for handling ambiguity. Considering also the global payroll intricacies that are seeping into many organizations and are expected to grow, it is clear why compliance remains a top priority.

Payroll complexity (multi-country, mobile workforce) is a reality for organizations of all sizes

As Generation Y begins to dominate the workplace, and Generation Z starts working, the workforce is becoming increasingly mobile and transient. This can be beneficial to payroll managers, in view of increasing pressures to deliver with accuracy while continuously cutting costs. The option of reducing location overheads, recruiting nationally and even internationally, while pro-

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viding location and time flexibility to team members can be attractive. At the end of the day, as long as the payroll is delivered on time and accurately, team members can exercise flexibility to balance their personal lives with the demands of their role. Processes must be established to leverage this flexibility, and performance goals must align with the organization's required deliverables. Whether you are ready or not, the future of payroll at many organizations will be multi-country payroll management. The number and type of countries that need to be processed by the payroll department will change so fast, that it will force a relook at all of the payroll processes and team skills, even if you contract with a consultancy for foreign tax calculations.

Payroll leadership must be included in overall strategy planning – from the very beginning.

We see many organizations 'offshoring' to save costs. However, total lifecycle payroll and administrative costs are often overlooked or not calculated fully when entering foreign markets. When payroll is represented at initial planning discussions, as soon as new global markets are being considered, payroll and administration impacts, options and costs will more likely be factored into decision-making. For example, a payroll impact analysis may result in an organization realizing that franchising may be more effective than setting up a network of local offices in multiple countries.

Simplify, Standardize, Automate

The focus of payroll leadership must be on continuously simplifying, standardizing and automating processes. Here are some tips for payroll managers:

▶ Ensure payroll representation is at all levels of strategic decision-making in the organization and be actively involved from planning to solution development. Plan for annual gap analyses: start with a picture of the 'ideal' and compare it to the current state. This can help you identify and research innovative solutions that could be disruptive initially but beneficial overall. Your gap analysis must cover all areas, including payroll processes, policies, other relevant business processes and people management.

▶ Utilize the pooled varied experiences of your team to review and identify processes to:

- **Simplify:** look to eliminate tasks and action items that do not add value; for complex and sensitive processes and tasks, consider developing a project plan that enables easier monitoring of multiple variables. Project templates can then be utilized or customized for all recurring and similar items;

- **Standardize:** classify tasks based on similarities, and then classify based on differences; this will visually highlight the changes that can be made to save time and effort;

- **Automate:** review tasks that involve large volumes and intensive efforts – if the volume were to increase ten-fold, would the team be able to cope? This needs to be the focus for automation.

▶ Identify people development opportunities. This should include assigning select process

improvement projects to the appropriate team member (based on skill set, development plan and interests). In addition, plan and train for team members, possibly on a rotation basis, to take on all or part of the payroll leadership role for a set period of time. You can mitigate potential risks to payroll accuracy and processing by building in non-intrusive reporting that supports the identification of coaching opportunities, yet allows the team member to be in charge. If you do need to step in to ensure that the payroll is not negatively impacted, effective feedback and support, through an open communication policy, will ensure this does not negatively impact confidence. ■

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