

21st century payroll

Yvette Lamidey, director and founder of Paris and Parks, explains that the contribution made by payroll and HR departments to the company as a whole should not be underestimated.

When was the last time you considered any of the following questions?

- Is your payroll and HR administration in the 21st century?
- Do you get added value from these functions?
- Is strategy part of the consideration for these functions?
- Do you include payroll as part of project initiation?
- What untapped knowledge and data is there within this function?

Back office departments are often given less time and thought than functions that obviously add to the bottom line, unless there are cost cutting initiatives or it's clear that the function is not performing (due to the type or level of errors that start to gain visibility). And yet these functions can add value and are a wealth of information about the organisation and its people that, coupled with other information, can become a very powerful tool.

Payroll and HR administration is deemed to be transactional and a necessary evil. However, the information available within the systems is crucial to the human capital management of any organisation.

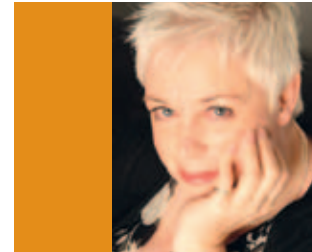
Often the vagaries of systems and the deficiencies of report-writing tools will make reporting a difficult task. Experience shows that where data is not stored in a way that all information about the people and their pay can be extracted and reporting tool limitations require a range of reports to be run and the data manipulated, then the system is very likely to be deficient in other areas.

This usually results in tasks being added because it is not likely to have manager and employee self-service, business rules that reduce the amount of manual calculations and data input or good interfaces with other systems, and it's quite likely that HR and payroll are running separate systems. The upshot of this is that:

- the function is less efficient
- data is not owned by the right people
- quantities of paper are submitted for each pay period, which have to be worked and input
- tasks take longer to achieve
- information for pay reviews and budget planning may not be readily accessible
- comparison of data such as overtime and absence patterns can only be achieved through running a range of reports and manipulating the data outside of the system
- managers cannot access information about their staff easily and so don't have the best tools available to manage the teams
- time is not available to spend on projects within the organisation or developing strategy and moving the function forward.

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Replacing or upgrading payroll and HR systems is rarely high on the agenda, unless the system is at risk or a supplier contract is due to expire. Yet the investment to move to a newer version of a system or a new system supplier can deliver returns. These can be tangible savings from a reduction in tasks and risk and increased compliance to being able to monitor absence, staff costs,



expenses payments and overtime against budget and manage and support people more effectively.

Working with clients over the last few years it is also clear that insufficient time is given to reviewing existing processes, challenging what has always been done and working with the payroll provider to get the best possible use from the system.

Paris and Parks has been able to quickly identify where efficiencies can be achieved that not only improve the service given and free time to spend on more value added tasks but also make a difference to the payroll and HR administration team, which in turn improves the service provided. ■

Paris and Parks

Paris and Parks is an established HCM consultancy working with a range of organisations, predominantly in compliance, process and organisational review, systems procurement and implementation. Yvette Lamidey is director and founder and a former non-executive director and chair of the Institute of Payroll Professionals, where she worked closely with HMRC on a range of initiatives.

Further information

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