

PAYROLL TECHNOLOGY UPDATE

TRENDS & PREDICTIONS

Payroll technology continues to advance and impact how payroll professionals perform their jobs. To help keep members informed, the CPA offers its annual technology article, presenting upcoming challenges and opportunities, as predicted by key payroll service and software providers. The issues covered include future trends, economic outlook, business continuity planning, overtime and legislative developments.



What major changes do you foresee in payroll technology in the next five years, including enhancements in payroll, HR and/or accounting systems?

Laura Hills, Cybershift: Payroll technology will always focus on the processes associated with paying people accurately and on time. As companies adjust business practices and even physical workplace locations to address economic pressures, we see the rise of an increasingly mobile workforce, at-home workers and the use of contingent labor. Payroll technology needs to support the capture of payroll, time and attendance, and absence information from workers on the move or working remotely more than ever before.

Mark Nickson, Telliris: The trend towards Software as a Service (SaaS) will continue, with more organizations choosing SaaS over purchasing equipment and licensed technology. More companies will also implement absence management systems so that it is handled in a more systematic way.

Janice MacLellan, ADP: After years of cautious adoption, organizations will deploy self-service functions on a broader scale. Self-service will be seen as a means to improving their payroll and HR efficiencies while reducing costs in a “green” context (e.g., reductions in paper consumption, delivery costs and emissions). Enhanced solutions will become available to administer group benefits plans, eliminating duplicate efforts in maintaining employee data and premiums across payroll and benefits systems. We also expect a continued drive to improve the overall integration between payroll, HR and time and attendance management applications.

Marnie Larson, StarGardenSoftware: Organizations with high labour costs struggle to stick to budgets while still serving customer needs. Payroll technology will be developed to link to scheduling and budgeting to enable managers to make smarter decisions about overtime, staffing needs and service levels.

Shelley Ng, Ceridian: Business software cannot help but be influenced by mobile solutions and the savvy users operating them. We may see applications for payroll, HR and time and attendance that allow employees to input their time from anywhere, using their laptop or Smartphone. Online, easy-to-use analytical tools, which are prevalent in other industries, will be developed for organizations to perform trending-over-time analysis and exception reporting. These tools will enable businesses to make more informed business decisions about their human capital management and workforce.

How will these new developments affect the payroll professional's role?

May Lee, ACTatek Technology: More interactive payroll technology will be put into place. Employees will have immediate access to data where security access rights are granted. The payroll professional's role will become more focused on business-oriented concerns, such as cost control, valuation and other financial aspects of their human assets.

Marnie: Payroll reporting will become an even more important strategic function. The payroll department will be seen as an important resource to help the CFO and department managers make better decisions. More of the payroll team's time will be spent in strategic discussions rather than doing manual calculations.

Laura: New developments will bring more opportunities and increased responsibilities for the payroll professional. Technology should ease the administration of information capture through devices and features that allow payroll-related data to be captured electronically and in real time. The payroll professional will also need to be attuned to new legislation related to a changing workforce. Recent changes in the tax treaty between the U.S. and Canada, for example, will have an impact in a variety of areas, including taxpayers' abilities to move across borders.

Janice: Self-service will change the nature of interaction between payroll professionals and employees, as change management skills will be required to encourage and reinforce employees' use of new systems in order to achieve desired organizational benefits. An increasing rate of change with respect to the tools available means that payroll professionals will need to be more flexible to utilize improved systems and adopt new processes. These are positive developments for practitioners because they will greatly simplify administrative tasks; however, they will require significant learning to fully reap the benefits.

After a period of economic uncertainty, many organizations are now focused on cost containment and reducing budgets. How do you think these advancements will help them?

Chantal Desjardins, ATS: Companies that are focused on cost containment but are still manually calculating timesheets would be wise to automate their time collection process. The inherent benefits are huge! One of the advantages of such advancements in technology is that managers, supervisors and/or payroll practitioners can now access information via the Internet from any computer.

Amy Brar, Kronos: The impact of new technology is significant. Automating workforce management in general, and payroll in particular, has been shown to help organizations of all sizes maintain or reduce budgets while improving employee service. Mobile technology and guided decisions are just two ways that payroll professionals will be able to do more with less.

Cindy Karow, InComm:

Technological developments will benefit companies by saving them time and money. For example, by implementing new payment methods such as Paycards, employers will have fewer cheques that could get lost and need to be reissued, and employees will have an innovative budgeting tool.

Shelley: Adoption of time and attendance solutions will enable organizations to minimize payroll errors and automate time-consuming workforce management processes, such as time tracking and scheduling. These solutions can save organizations significantly. New HR and payroll solutions will be much more integrated and user friendly, leveraging web technology to enable organizations to more efficiently process transactions and save time, money and resources. Analytics will enable organizations to understand workforce metrics and trends within their divisions and against peers within their industries.

May: Web-based payroll solution technology platforms will help payroll professionals manage finances. They can look at turnover, for instance, not only by region or locality but also from a global perspective, across the entire company and in real time.

As a service provider, how do you think this will impact your relationship with them?

Cindy: Positively. New technology will enable us to identify and provide more opportunities for organizations.

Amy: We expect the relationship to evolve from that of being purely a solution-technology vendor to more of a partnership based on best practices.

Janice: As the trend towards outsourcing continues, organizations will look toward service providers to not only supply technology solutions but also help them manage operating costs. Through outsourcing service offers and improved integration in technology delivery models, providers will need to clearly articulate how they can streamline administrative processes and consistently keep operating costs at a minimum. Relationships will be built on trust and confidence in a provider's ability to help reduce a client's cost of doing business, while still providing a high degree of service.

Shelley: Service providers who focus their efforts on understanding their clients' strategic goals today are better able to anticipate future requirements. As a result, they can make better decisions about future products and services to bring to market. Providers will need to help their customers quantify how solutions can help

them support their business objectives, whether it is through cost containment, employee engagement or workforce optimization.

Recent events have demonstrated how pandemics can significantly impact mission-critical functions, like payroll, and many organizations now realize the importance of undertaking business continuity and pandemic planning to prepare for such situations. What is your perspective as a service provider?

Mark: The need to broadcast messages and communicate with employees will become more and more evident. Certain industries already realize this and are deploying outbound message delivery systems to better communicate with their workforce in the event of a pandemic. The messages can be sent via phone, text, email and pager, and employees can respond immediately.

Shelley: With pandemics and similar disasters being more frequent and having larger impact, continuity planning has become an urgent business priority. Service providers are expected to minimize the negative business impact for their organizations, their customers and their employees. Not only should there be plans in place but they must also be reviewed and updated on a regular basis. Appropriate planning brings peace of mind to employees and management, as they know their business will be able to overcome unexpected events with minimal disruption.

Amy: Planning is paramount, and when coupled with high-quality data and workforce management, organizations will be prepared for even the direst of emergencies. An intuitive system allows organizations to cross-train payroll professionals, meaning the absence of one or several people can be absorbed.

Marnie: Scenario planning is one of the most effective tools. If you have the right HR/payroll system, you can collaborate across the organization to determine required staffing levels and develop plans to deal with crises before they hit. Decision-makers will see the impact on budgets and how they will be able to deliver services.

There has been an increase in class action claim regarding unpaid overtime. In addition, with portable electronic devices, time worked outside the office is getting difficult to track. What recommendations would you give in this area?

Shelley: There is a growing concern within Canadian businesses regarding the financial risks associated with wrongful dismissal, individual or class action claims regarding employee attendance issues, chronic overtime expectations for salaried employees, and the like. Suitable workforce management solutions can help businesses make effective use of their human resources, and collect data that will allow them to better detect and manage attendance issues, and address chronic overtime

concerns before they become an issue. In the event of wrongful claims, these systems can prove to be invaluable in disproving the allegations. Workforce management technologies can also assist businesses in managing employees that use mobile devices to work from home beyond normal work hours.

Chantal: Set expectations at the time of hiring. If both sides are aware of the expectations and it is documented, chances are greater that there will be no problems. This issue should also be revised regularly, as things change.

Laura: Whether scheduled or unscheduled, employee absences undoubtedly cost money and impact customer satisfaction, sales, production, employee morale, safety and compliance. With an integrated absence management system in place to automate time-off reporting, companies can account for authorized absences when work is being scheduled and provide visibility into unauthorized absences. The best systems manage, analyze and report absenteeism according to organizational policies, enabling a proactive approach to workload balancing.

Legislative compliance is a significant and crucial part of a payroll professional's job, and the legislation is constantly changing. How is payroll technology affected?

Shelley: Payroll technology has always been impacted by legislative compliance. As systems become more sophisticated, it is important to ensure a thorough understanding of the change and then accommodate the change in the most efficient manner. Organizations like the CPA work with companies of all sizes work to influence government bodies to implement legislative change in a fair and responsible manner without creating undue hardship for any one party. This collaboration is critical to using technology to create efficiency.

Janice: Legislative compliance is a crucial component of payroll technology, as products and services are designed to effectively enable compliance and reduce payroll administrative burden for employers. Service providers are most impacted by the lead time surrounding legislative announcements and the cumulative effect of the various jurisdictions announcing changes during the same period. Our ability to respond to these legislative changes requires significant investment in system development, testing and implementation, client applications and training for service associates and clients. Therefore, sufficient lead time from government agencies for major legislative changes is critical for ensuring a smooth implementation for our clients.

Speaking as a service provider, what can payroll professionals do to ensure they are prepared for these changes?

Amy: Understand the needs of the employee communities and try to introduce changes well in advance, testing them thoroughly with the community before going “live.”

Janice: As a service provider, we need to stress the importance for payroll professionals to educate themselves on upcoming legislative changes and conduct impact assessments for their organizations. Not all legislation affects all employers equally, so they need to ensure that they review all pertinent communications from their service provider and respond to any requests for information in a timely manner to ensure a quality implementation.

May: Payroll professional need to have the skills, knowledge and ability to work effectively and act responsibly with changing needs and the latest technologies.

Mark: Most importantly, you must strive to continually learn. Read as much as possible, collaborate with your colleagues, be a good listener, and plan in advance the changes necessary to operate professionally and safely. The CPA is a great resource when it comes to learning, collaborating and planning.

Finally, what one piece of advice would you like payroll professionals to take away?

Laura: We've said it before and it bears repeating: Think strategically! Payroll is a strategic business partner in a company's efforts to support its most valuable asset—its people. Payroll has the ability and responsibility to provide the organization with accurate and timely payroll information, as well as valuable information for workforce cost and trend analysis.



Janice: Payroll professionals are fortunate to have industry providers dedicated to developing leading-edge technology designed to enable compliance and reduce or eliminate administrative burden in the execution of their roles. However, we continue to see situations where professionals have not fully leveraged the tools available. They continue to handle a number of tasks manually or through legacy spreadsheet technology, essentially reducing the level of their roles to a data entry clerk. In doing so, they may be undermining the value that their compliance knowledge and business expertise can bring to their employer.

Cindy: It's critical that payroll professionals keep up to date with new products, processes, providers and technologies in the industry. This will ensure they have the best tools to fulfill their business needs—benefiting both the company and employees. ■



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To learn more, and to register as a representative, go to: www.cra.gc.ca/representatives

DIALOGUE would like to thank the following companies for participating. Their responses are based on their payroll expertise and experience.

May Lee
Operations Manager
ACTatek Technology, Inc.
www.actatek.com

Janice MacLellan
Director, Industry Relations
ADP Canada
www.adp.ca

Chantal Desjardins
Assistant Manager, Software
Quality Assurance
Apex Time Solutions – ATS
www.atimesolutions.com

Shelley Ng
Vice-President, Product
Management
Ceridian Canada Ltd.
www.ceridian.ca

Laura Hills
Vice-President, Marketing
CyberShift, Inc.
www.cybershift.com

Cindy Karow
Business Development Manager
InComm
www.incomm.com

Amy Brar
Senior Director, HR/
Payroll Line of Business
Kronos
www.kronos.com

Marnie Larson
Chief Operating Officer
StarGarden Software
www.stargarden.com

Mark Nickson
President & CEO
Telliris
www.telliris.com