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# Executive summary

## Overview

The Deloitte Global Payroll Benchmarking Survey was open to Deloitte clients, American Payroll Association (APA) members, Global Payroll Management Institute (GPMI) subscribers, APA Congress attendees, and other Deloitte alliance partners. The survey was taken through the lens of three geographic levels with three distinct sections offered. Respondents could choose any combination of global, region, and country. For each grouping selected, respondents were given the opportunity to answer all questions for each individual grouping where they had employees, unless specified otherwise. Respondents could also choose to just take the demographic section or could include one or both of the other two sections. This year's survey focused on questions associated with payroll across seven categories.

Survey could have been taken through the lens of **3 levels**



Three sections could have been taken **Individually**



**Demographics** (Organization, Geography, Industry, Employee Population Size and Technology),



**Benchmarking** (Operations, Outsourcing, Accuracy, efficiency, and metrics)



**Innovation** (Service Delivery, Next-gen Technology and Employee experience).

Within the 3 distinct sections, data points were captured across **7 categories**



**Demographics**



**Operations**



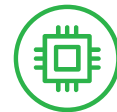
**Outsourcing**



**Accuracy, efficiency, and metrics**



**Service delivery**



**Next-gen technologies**



**Employee experience**

**Note:** All percentages in graphs are shown relative to the respondents per the given question. Percentages may not always sum to 100 due to rounding.

# Executive summary

(continued)

## Overview

This year's survey captured responses from more than 750 distinct organizations across 55 countries spanning several different industries, ranging in employee size from a few hundred to several hundred thousand, and included over 100 questions. Explore the results of the Deloitte Global Payroll Benchmarking Survey. Where logical, we've broken down the responses by industry, geography, employee population size and organizational structure to make the data relevant for different companies, providing insights into the similarities and differences among them. One key theme from the survey from a global payroll perspective is the growing importance of developing a global payroll strategy (e.g. 88 percent of respondents either have a payroll strategy or have plans to develop a strategy).

## Crucial takeaways from the Global Payroll Survey

Seventy three percent of organizations outsource some aspect of payroll and while organizations are generally satisfied with their current third-party payroll providers, they believe there are many areas for improvements from compliance to technology capabilities:

### The top five areas for improvement:



**Compliance**



**Accuracy**



**Self-Service Capabilities**



**Reporting Capabilities**



**Next-gen Technology Adoption**

And although many organizations outsource, the need to retain payroll expertise in-house remains high. Thirty percent of respondents who outsource report manual entry / loading payroll inputs and entering manual adjustments as two of the most time-consuming aspects of payroll processing. The good news is manual loading inputs and improving accuracy limiting the need for adjustments are two of the areas ripe for next-generation technology. Leveraging next-generation technology can free up payroll resources to focus on more strategic activities and process improvement.

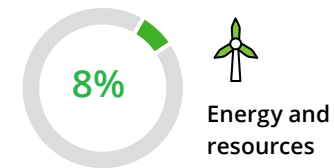
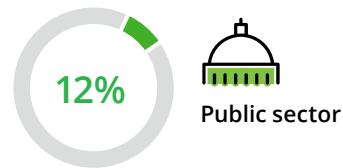
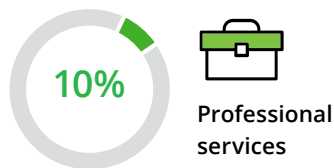
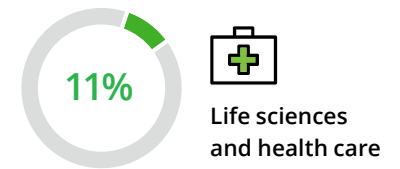
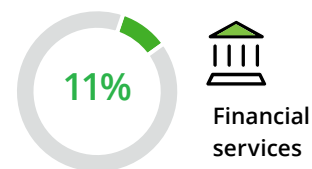
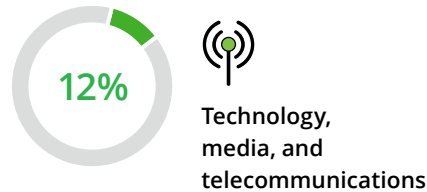
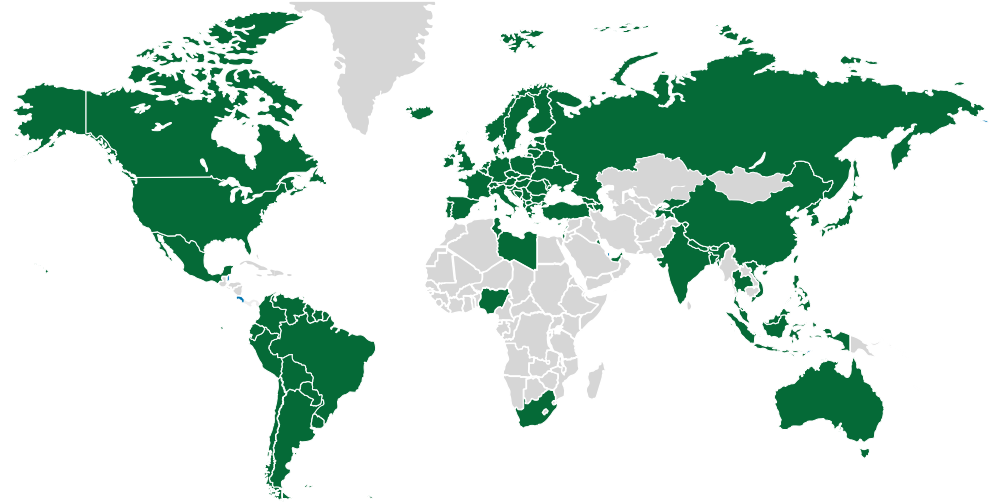
## The bottom line

Organizations understand the importance of having a global payroll strategy that includes sourcing (e.g. consolidated 3rd party payroll providers), an internal service delivery model regardless of their sourcing strategy, and robust technologies, including next-generation technologies such as robotic process automation (RPA). Although many organizations still don't yet have complete visibility into their global payroll operations, they are starting to see a path and are getting closer.

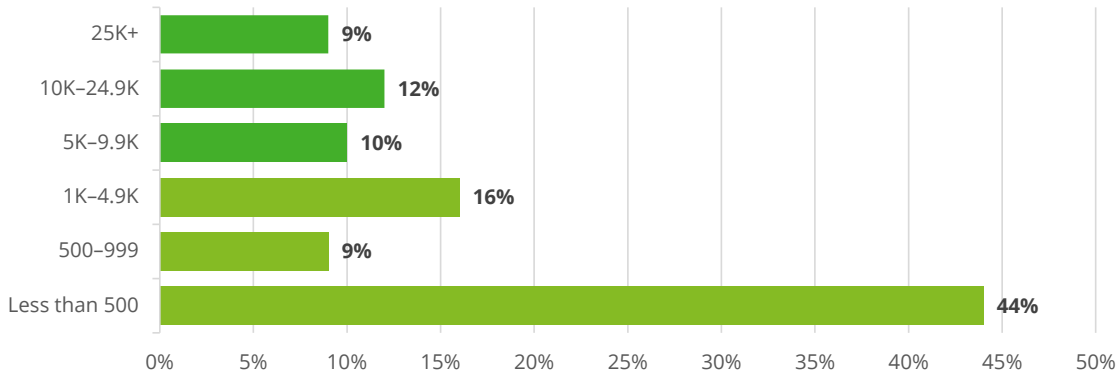
# Section 1 Demographics

## Overview

This section provides an overview of the organizations that participated and allows us to analyze the responses across four dimensions (industry, employee population size, geography, and organizational structure). This section sets the foundation for the types of organizations that participated and how they are structured and staffed.



**How many active employees do you have?**

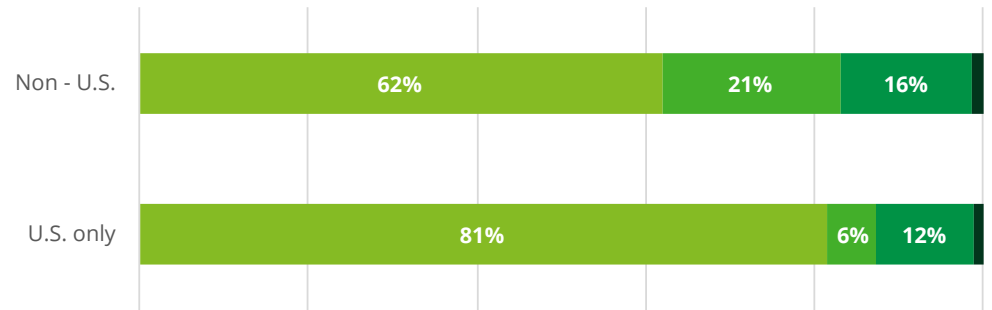


The employee population of respondents ranged between a couple hundred employees to a couple hundred thousand employees, with an average of about 6,700 employees.

**How many active workers (e.g. regular active employees, retirees, contingent/temporary, and inpats/expats) do you have?**

Deloitte is seeing a growth in the contingent workforce across geographies. When managed well, a contingent workforce allows for agile responses to changing market conditions, lower overall labor costs, and more organizational flexibility.

**U.S. vs. Non-U.S.**

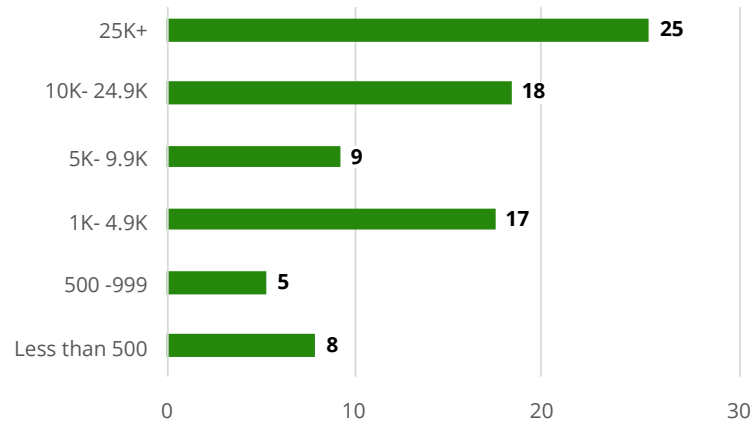


■ Regular active (FT and PT)
 ■ Retirees
 ■ Contingent/temporary/contractors/consultants
 ■ Inpats/expats

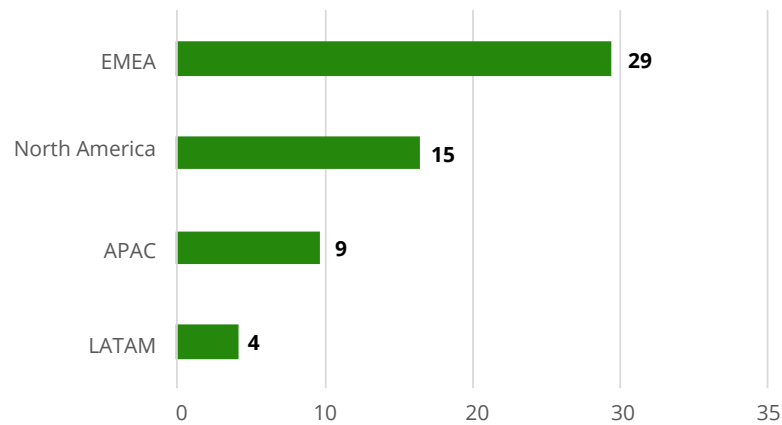
How many full-time equivalent (FTE) resources support payroll-related activities?

Typically, the larger the employee population size, the greater the number of employees payroll resources can support through economies of scale. The respondents with an employee population size between **1K** and **4.9K** are operating at a low efficiency rate.

### By employee population



### By region

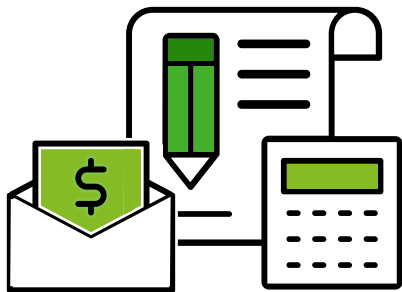
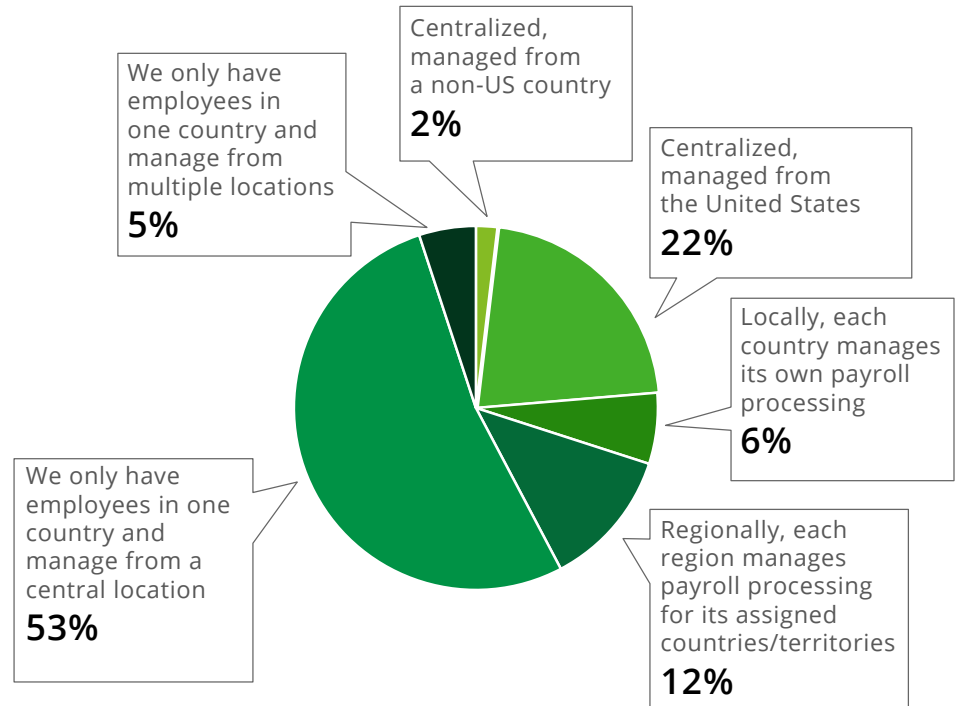


**How do you manage responsibility for payroll processing?**

For those respondents who have employees in one country and manage payroll from multiple locations, there is an opportunity to centralize.

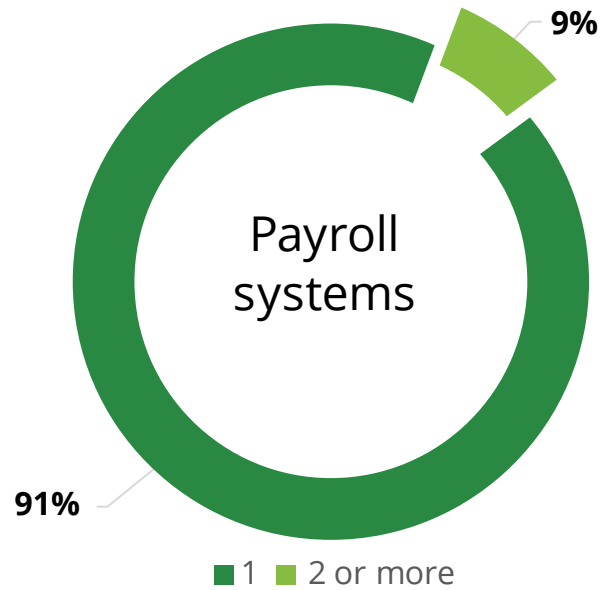
For those respondents who manage payroll locally by country, there is an opportunity to consolidate vendors, technologies, and/or processing locations.

While each country has country-specific regulations, as long as they are on the same vendor and/or technology, the differences are not substantial enough to warrant in-country processing any longer.

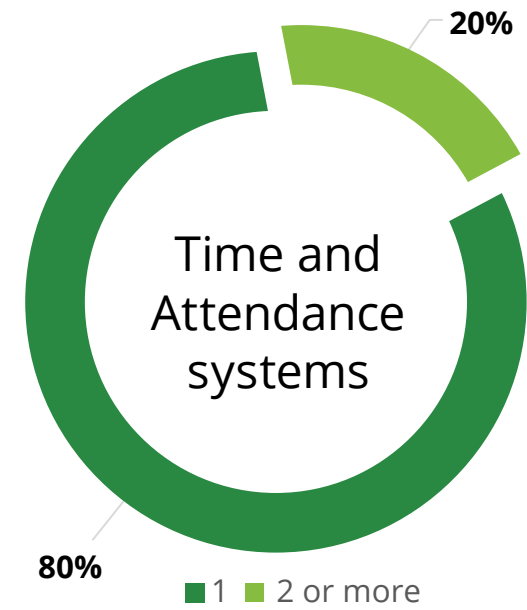




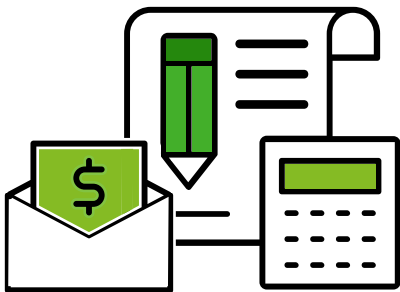
How many of each type of system does your organization have?



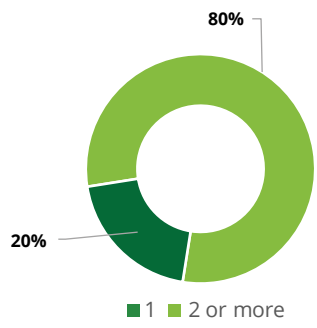
**Ninety-one percent of respondents** utilize only one type of payroll system, while **9 percent** utilize two or more systems. This trend is consistent globally; however, in **LATAM**, about **17 percent** of respondents use two or more systems.



**Eighty percent of respondents** utilize only one type of Time and Attendance system, while **20 percent** utilize two or more systems. The **financial services** industry has the fewest number of time and attendance systems, with only **9 percent of respondents** using two or more systems.

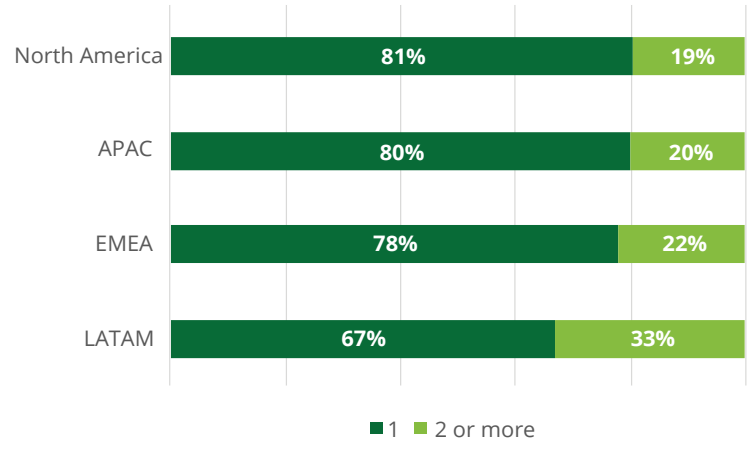


How many insourced payroll technologies do you have?

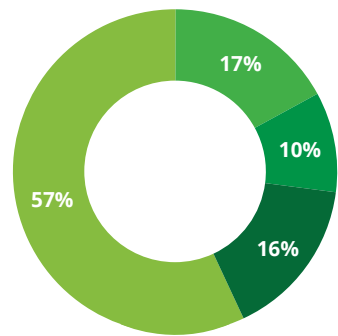


**Eighty percent of respondents** have only one insourced payroll technology, while about **20 percent** utilize 2 or more insourced payroll technologies.

**By region**

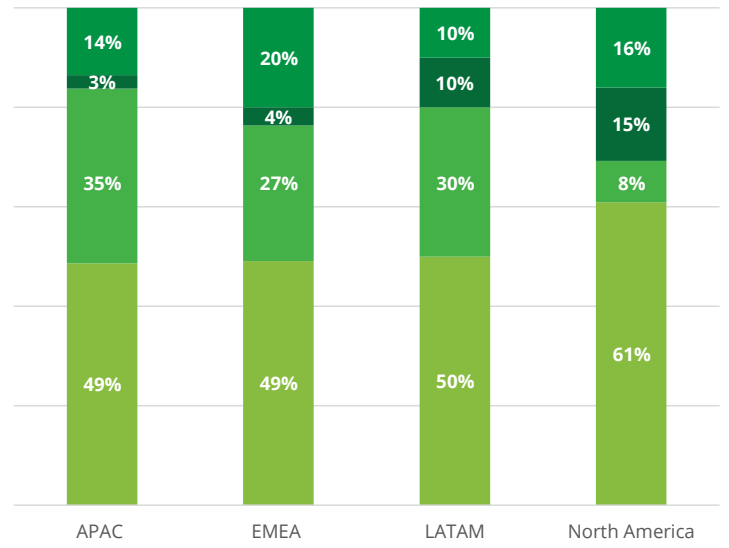


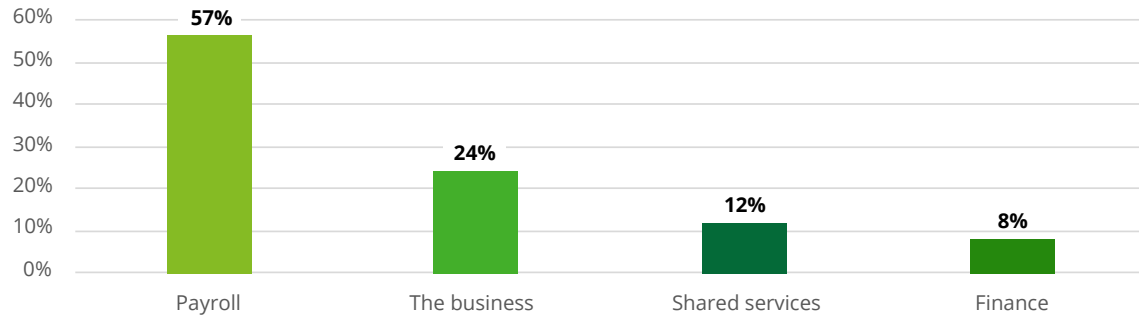
Is your organization currently using or considering the use of cloud-based technology to support payroll functions?



**Seventy-four percent of respondents** are already using or are implementing a cloud-based technology.

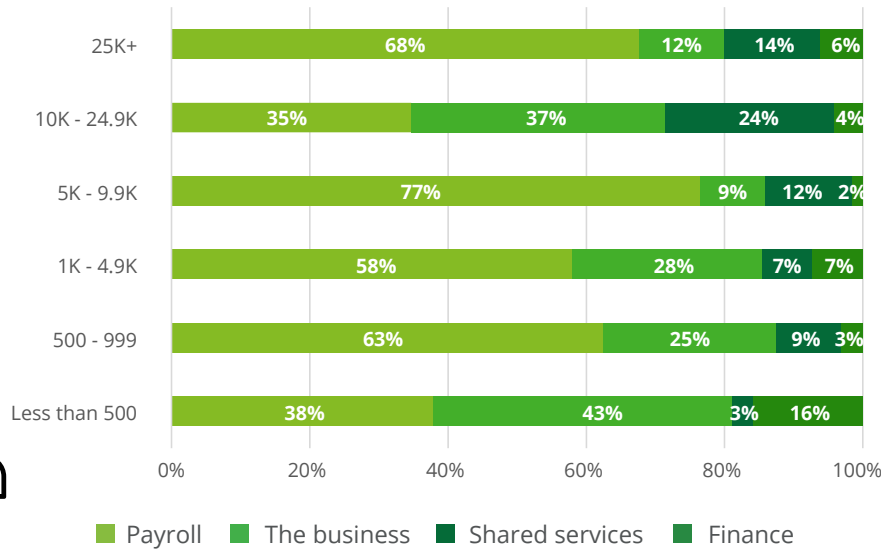
**By region**



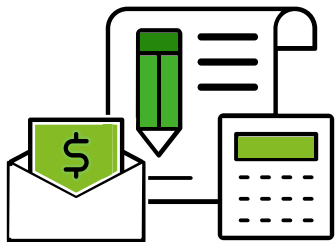
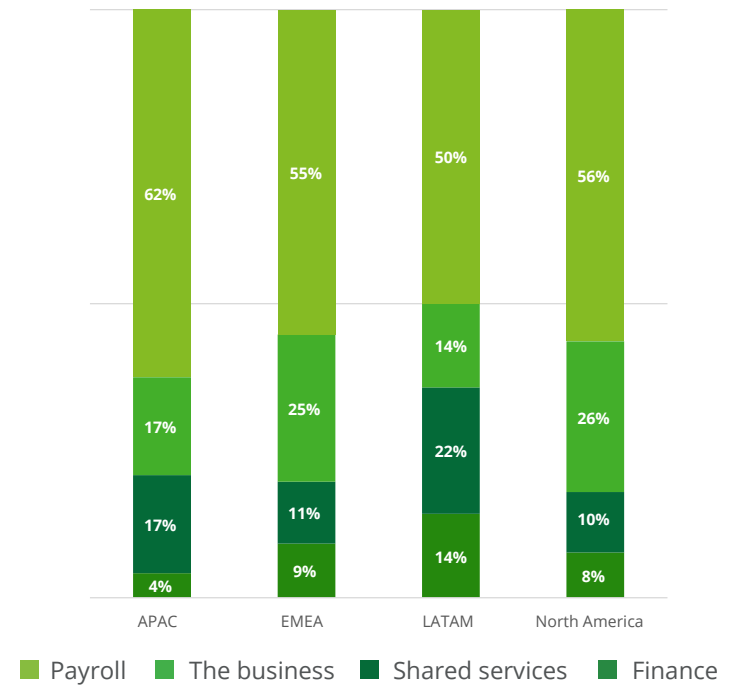


Timekeeping is largely owned by payroll, the second most popular owner is the business. This trend is fairly consistent and distributed across the regions.

### By employee population



### By region



## Section 2

# Operations

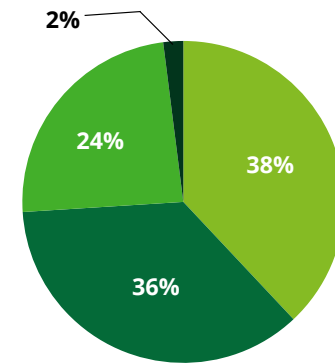
### Overview

- There has been a shift in the market on where Payroll reports. Organizations are moving Payroll from reporting to Finance to either reporting to HR or reporting to a shared service where a shared service could report to either HR or Finance.
- Accuracy and efficiency metrics continue to be largely tracked by Payroll.
- While late or inaccurate employee, manager, and HR transactions are typically the number one reason for payroll errors, payroll organizations continue to struggle with measuring and monitoring.
- A typical payroll organization employee has 12 years of experience, seven and a half years at their current organization, more than three years of advanced payroll system experience, and about five years of post-secondary education, and typically works 25 hours of overtime per month.
- Resources supporting payroll spends the most amount of time running payroll and the least amount of time on process improvement.

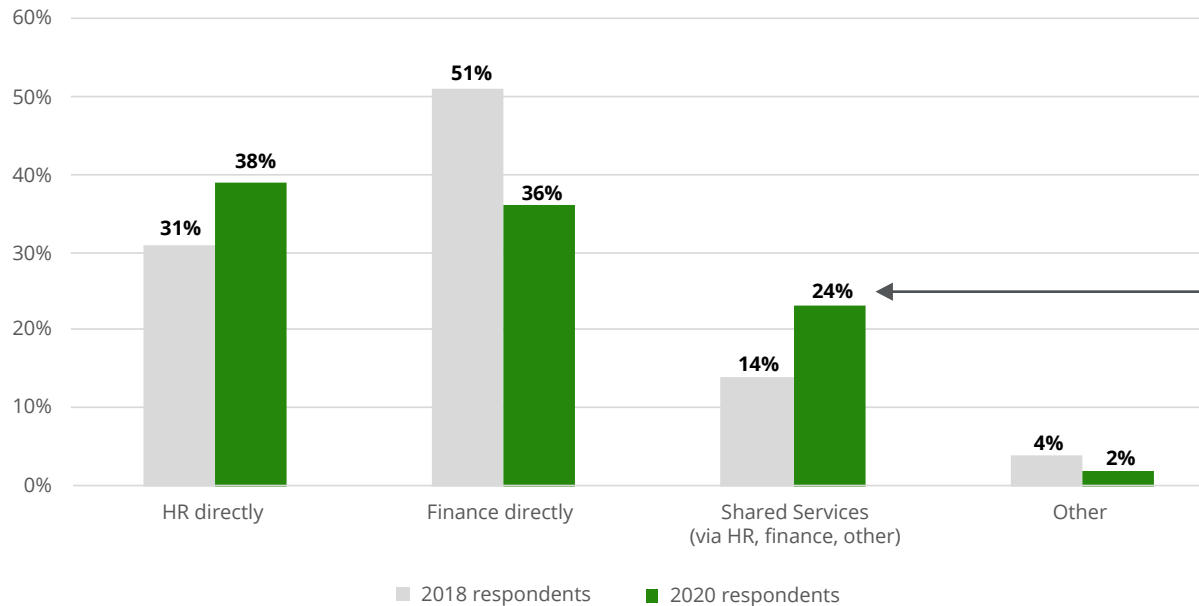




While Payroll has traditionally been evenly split between reporting to Finance and reporting to HR, we are seeing a trend in the market where organizations are moving Payroll from reporting to Finance to either reporting to HR or reporting to a shared service, where a shared service could report to either HR or Finance. Organizations today are focusing more on end-to-end employee digital experience over operational efficiency, and Payroll is an area closely linked to HR, and the employee experience.



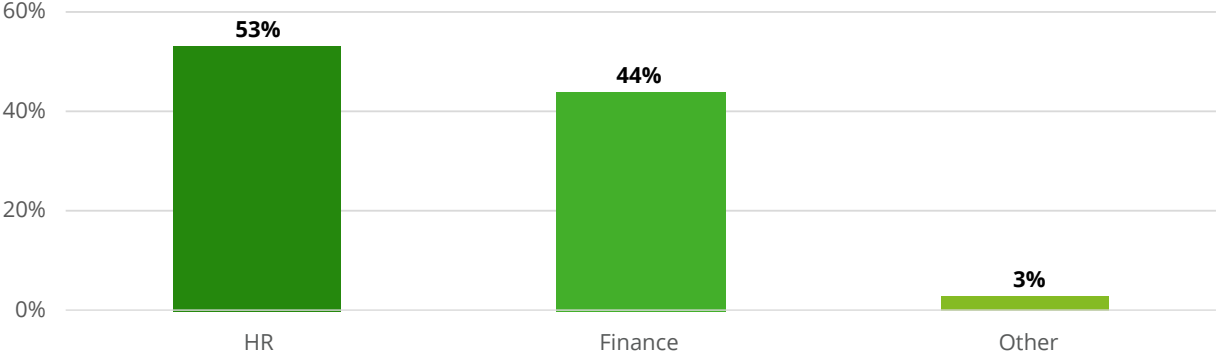
■ HR ■ Finance ■ Shared services ■ Other



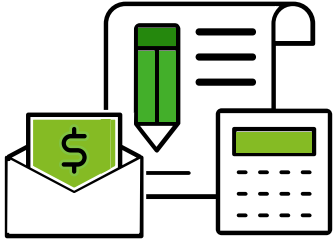
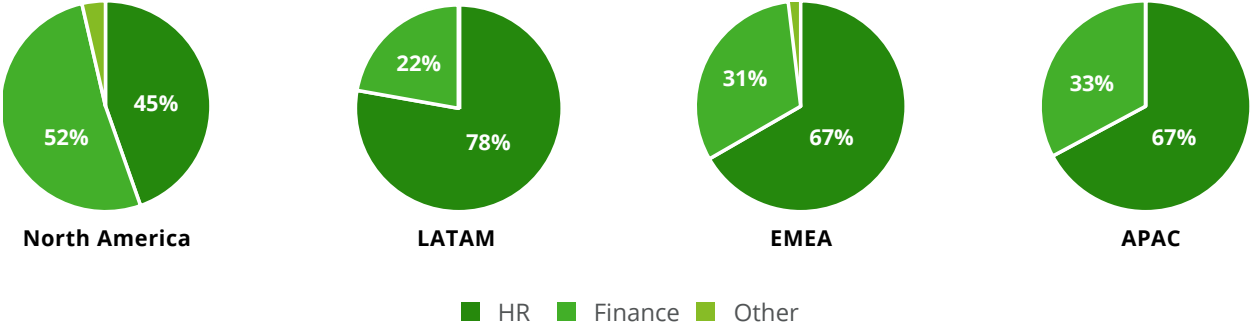
Regardless of where Payroll reports, there is a continued shift in the market to a shared-service model.

Reporting to shared services has **increased 64 percent** since 2018.

Where does the payroll function report in your organization?



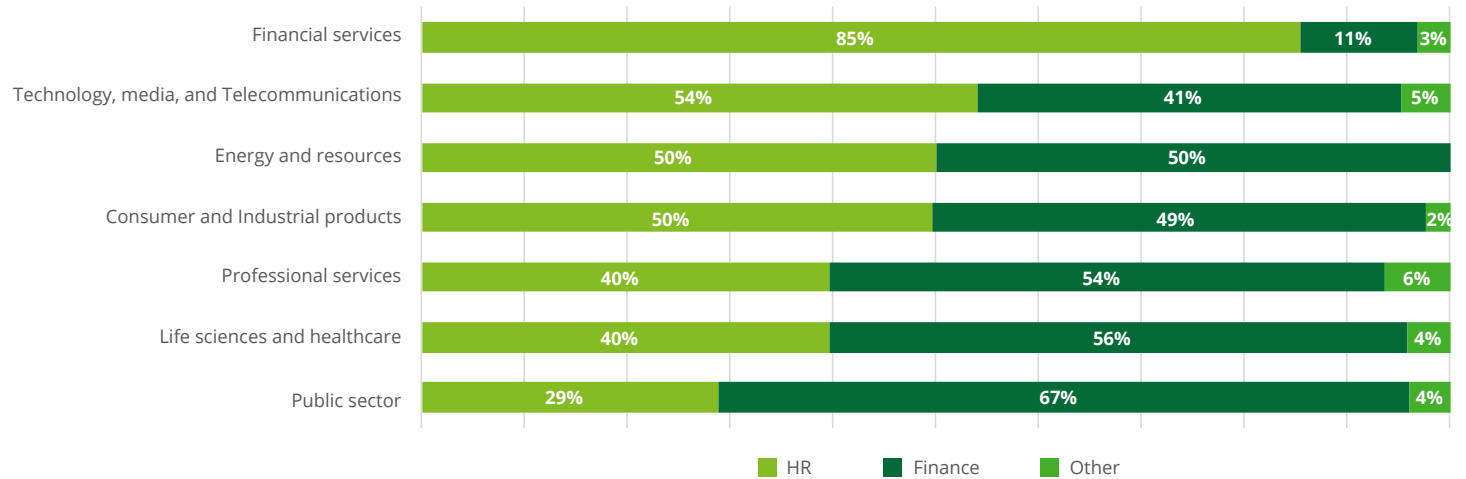
By region





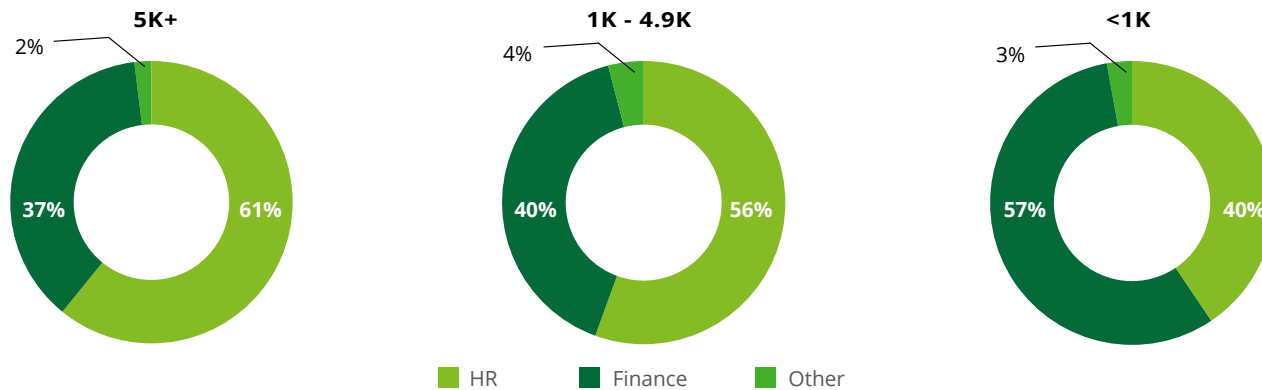
**North America** still has Payroll reporting to Finance in greater than **50 percent** of organizations overall.

**By industry**

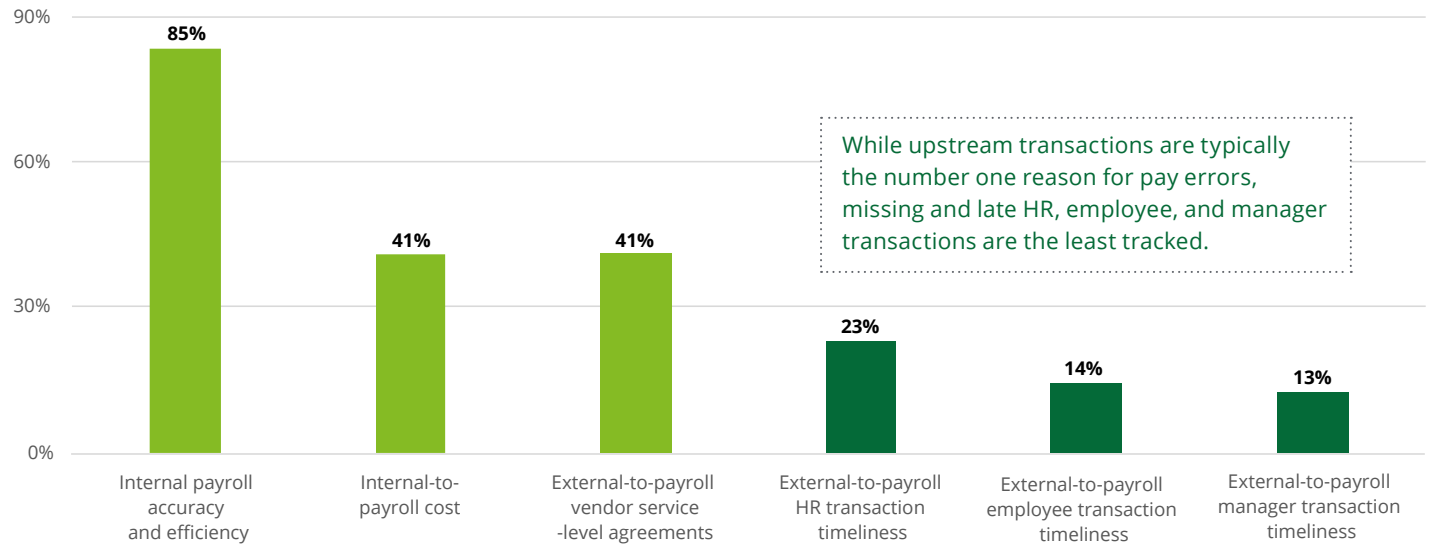


**By employee population**

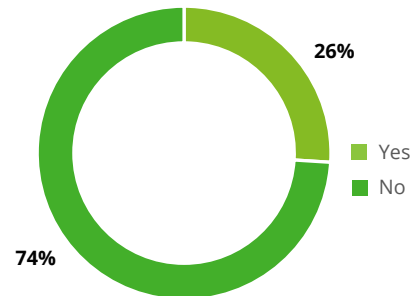
As organizations increase in size, Payroll reports to HR.



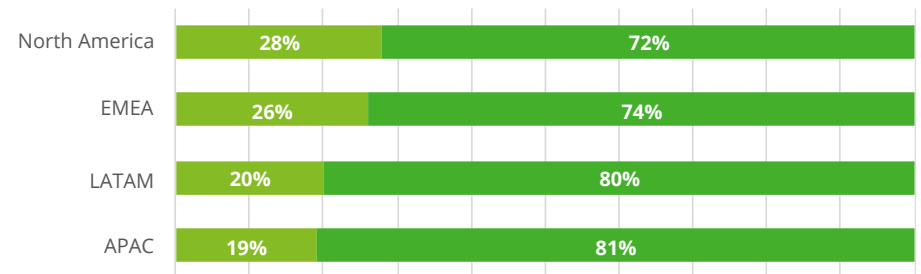
What metrics do you track internally and externally?



Do you charge the cost of payroll back to the business who owns the labor?



By region



**Twenty six percent of respondents** charge the cost of payroll back to the business including added cost for exception processing. **North America** had the highest percentage of respondents who charge payroll back to the business at **28 percent**.



Who is the typical payroll organization employee?

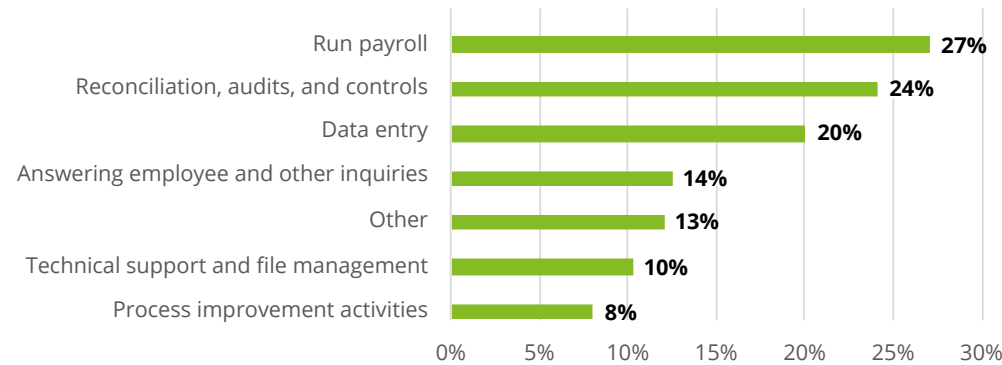


-  **12**  
Years of experience
-  **7.5**  
Years at current organization
-  **3+**  
Years of advanced payroll system experience
-  **~4**  
Years of post secondary education
-  **25**  
Overtime hours worked per month
-  **~20**  
Hours of training per year

**How do payroll organizations acquire and onboard the right talent?**

- Typically requires about four to six months to onboard credentialed payroll talent
- Talent shortages can be mitigated with next-gen technologies and targeted outsourcing
- Growing payroll talent through training is critical, especially for entry-level positions

On average, what percent of time does your payroll staff spend on the following activities each month?

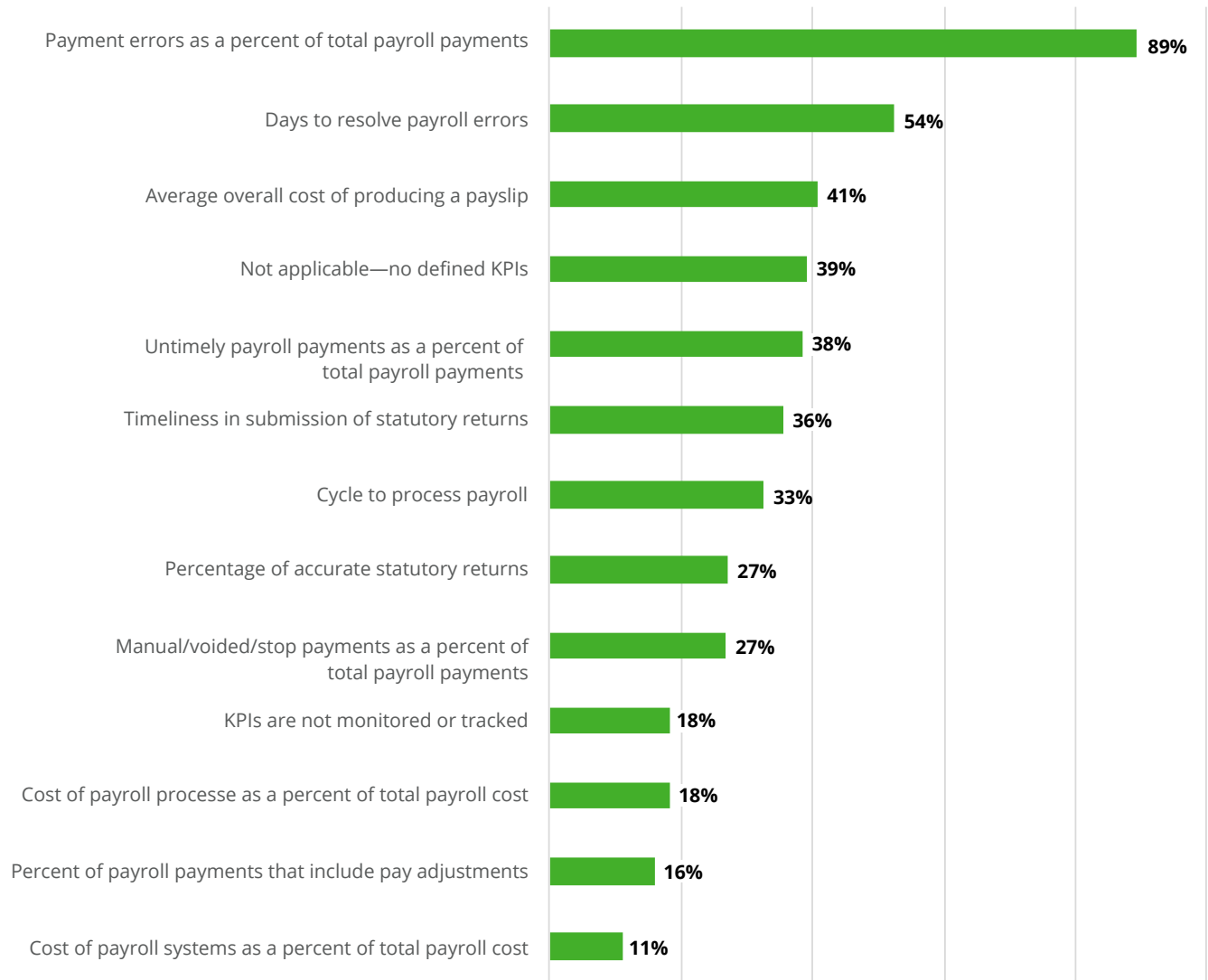


More than **25 percent** of respondents indicated that their payroll staff spends the most time on running payroll (with reconciliation, audits, controls, and data entry not far behind) and are largely manual. Payroll is an area ripe for RPA given the amount of time spent largely on manual work freeing up payroll resources to spend more time on more strategic activities, including process improvement activities.



In our 2018 Payroll Operations Survey, **56 percent** of respondents indicated they either did not define any KPIs or they defined them, but did not monitor or track. With this survey, the percentage is **basically the same**, but we've seen a significant increase in tracking KPIs related to accuracy and timeliness.

Respondents from both our 2018 Payroll Operations Survey and our Deloitte Global Payroll Benchmarking Survey listed payment errors as a percentage of total payroll payments and days to resolve payroll errors in their top three KPIs tracked and monitored.



## Section 3

# Outsourcing

### Overview

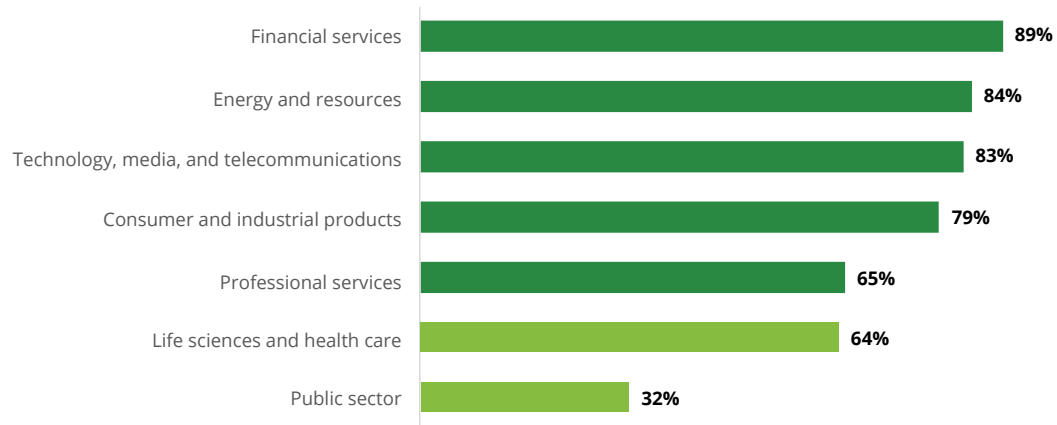
- **Seventy three percent** of organizations outsource some aspect of payroll.
- Organizations leveraging a payroll provider for managed services are using an **average of six payroll providers**, with the highest concentration in regions outside of **North America**.
- Organizations are generally satisfied with their current third-party payroll providers, with **21 percent** of respondents indicating they are very satisfied.
- The most-cited improvement areas for vendors are related to compliance, accuracy, and self-service capabilities.
- Larger organizations (more than **5K** employees) are largely using SLAs to track and monitor third-party payroll provider performance (**81 percent**)—but smaller organizations (fewer than 1K employees) are largely not (**59 percent** do not).
- **Fifty eight percent** of respondents have been with their payroll provider for more than five years.



Do you outsource any aspect of payroll?

**Seventy three percent** of organizations outsource some aspect of payroll, with **financial services, energy and resources, and technology, media, and telecommunications** organizations being the most likely to outsource.

**By industry**

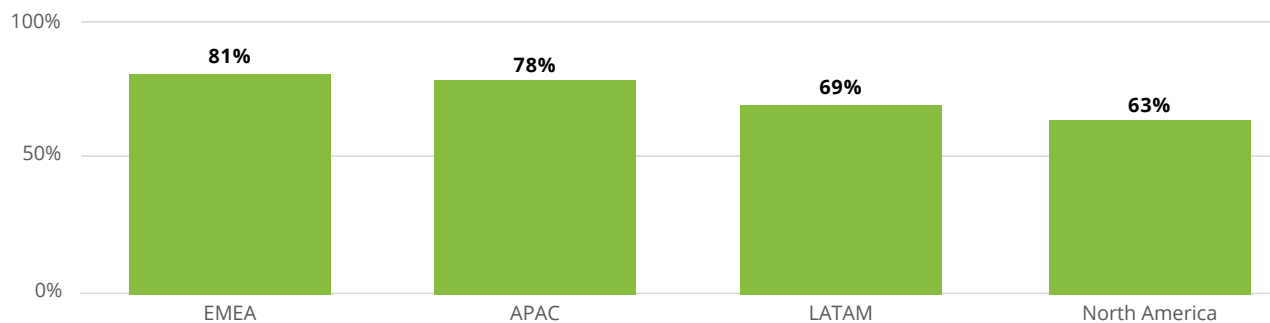


**The life sciences and health care industry and the public sector** are the least likely to outsource due to the specialized nature of payroll for each industry—complex timekeeping for life sciences and health care, and a high level of contingent labor and complex retirement plans for the public sector.

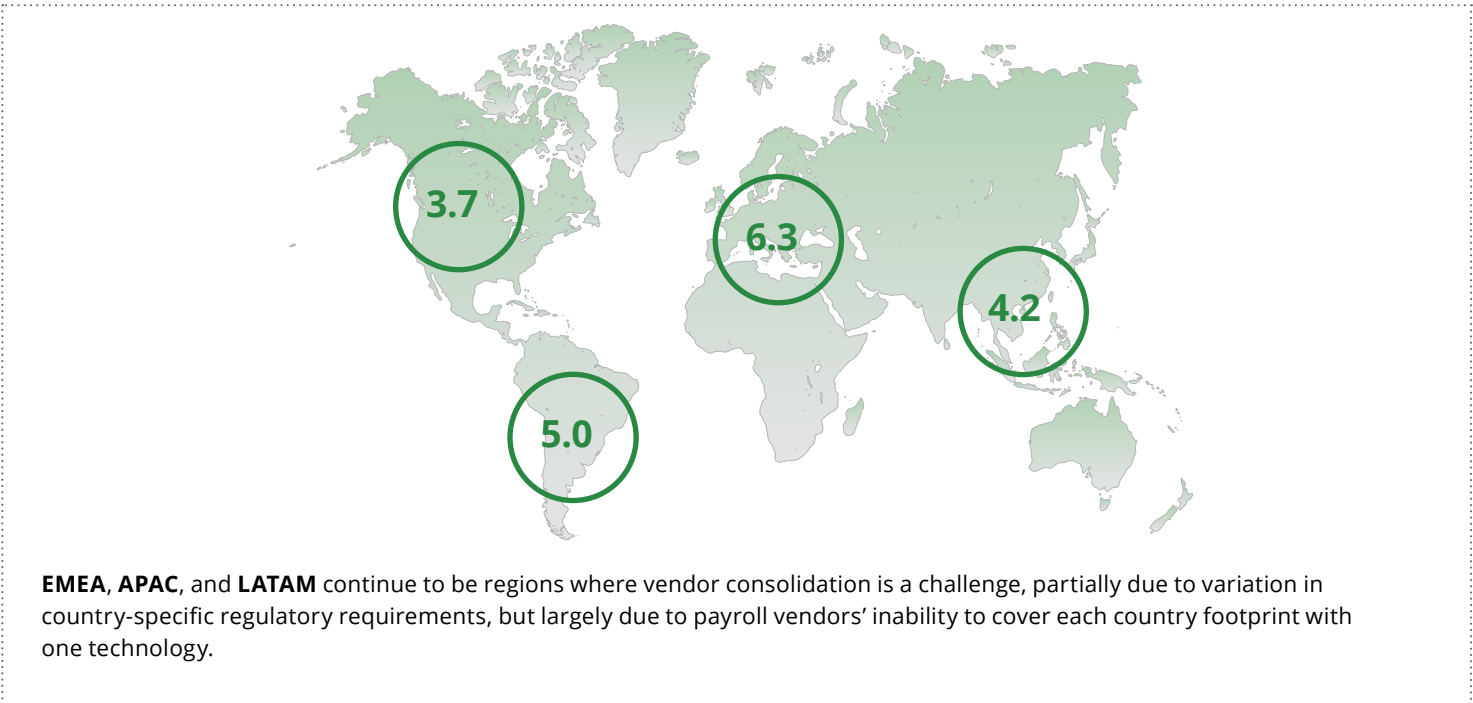
Which geographies do you outsource payroll?

Although **73 percent** of organizations outsource some aspect of payroll, the need to retain payroll expertise in-house remains high. Outsourcing can reduce the administrative and transactional components of payroll administration, but payroll specialists are still needed to drive policy and decision-making.

**By region**



How many managed service payroll providers do you use per region?



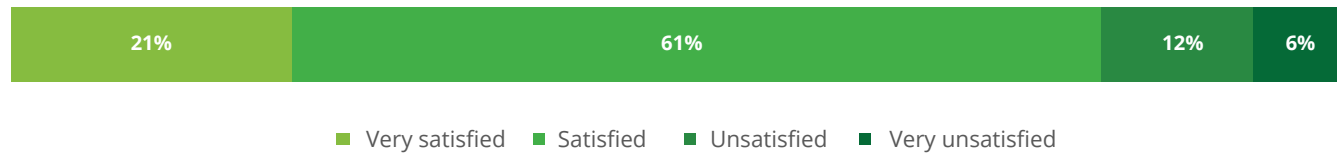
**EMEA, APAC, and LATAM** continue to be regions where vendor consolidation is a challenge, partially due to variation in country-specific regulatory requirements, but largely due to payroll vendors' inability to cover each country footprint with one technology.

How many third-party payroll provider technologies do you have?

On average, respondents use almost **four third-party payroll technologies**.

Organizations are managing a portfolio of strategically selected vendors with regional expertise. Many have accepted that there is not a single global vendor and technology that can support their entire footprint.

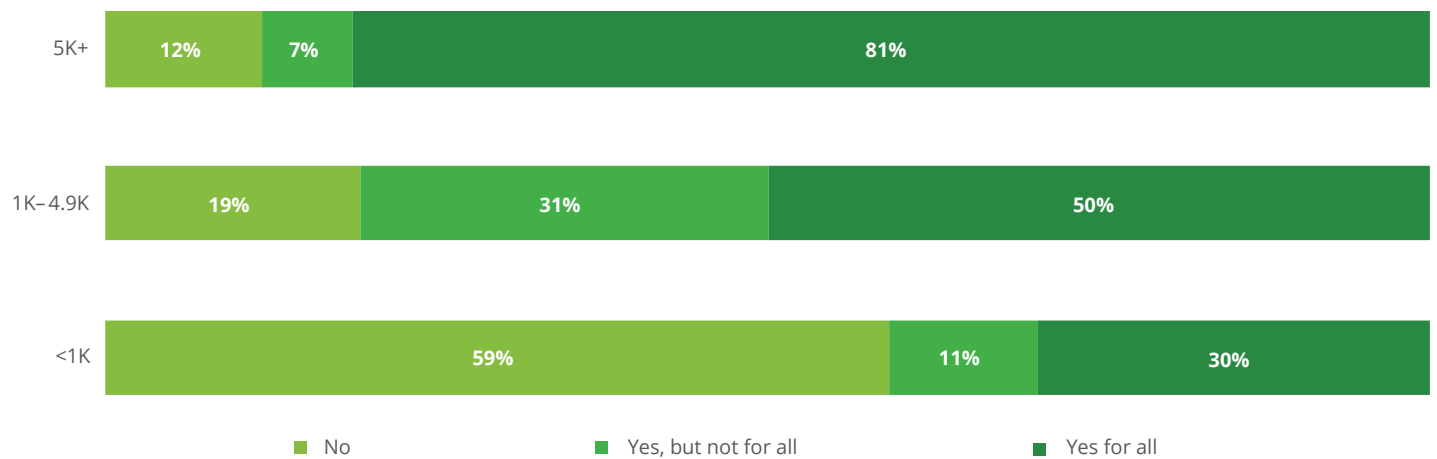
What is your overall level of satisfaction with your outsourced third-party payroll provider?



While **82 percent** of respondents are **very satisfied or satisfied** with their current third-party payroll provider, a significant portion of respondents (most notably those with fewer than **1K** employees) do not currently track SLAs. Not tracking SLAs makes it more difficult to assess vendor performance (for example, satisfaction).

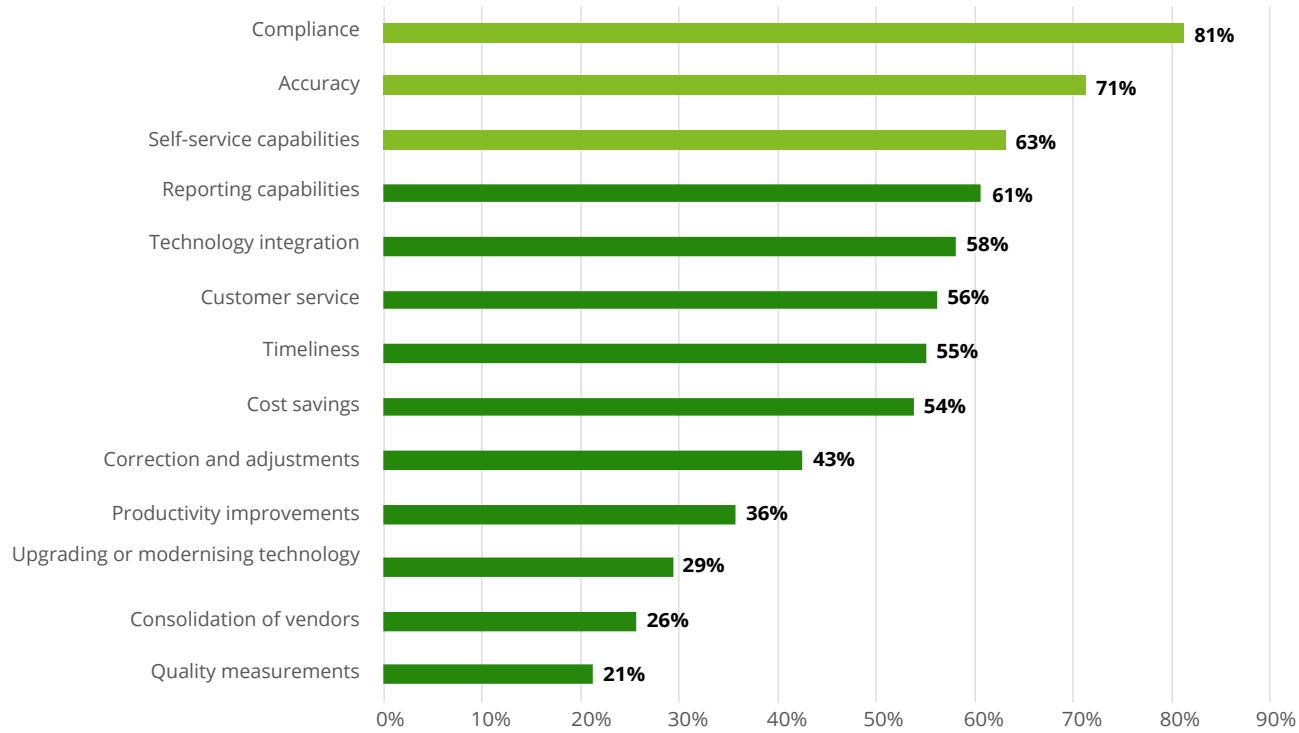


Are service-level agreements (SLAs) established and monitored with your third-party payroll providers?



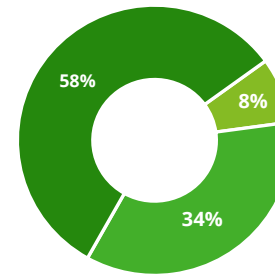
Which of the following do you consider the top areas of focus or improvement relating to payroll provider services?

While organizations are largely satisfied with their current third-party payroll provider, respondents believe there are many areas for improvement, from **quality measurements** to **compliance**.



On average, how many years have your current third-party payroll provider outsourcing services contracts been in place or in production?

**Fifty eight percent** of respondents have been with their third-party payroll provider for **more than five years**. By reevaluating contracts on a more frequent basis, organizations are more likely to ensure their vendor is continuing to meet their business needs and offering competitive rates.



■ 5+ years ■ 3-5 years ■ 2 years or less

## Section 4

# Accuracy, efficiency, metrics

### Overview

Processing payroll in-house is typically the lowest-cost solution. Organizations don't outsource to lower cost; it's typically to decrease risk, avoid building the capability in-house because it's hard to manage, or because of technology limitations.

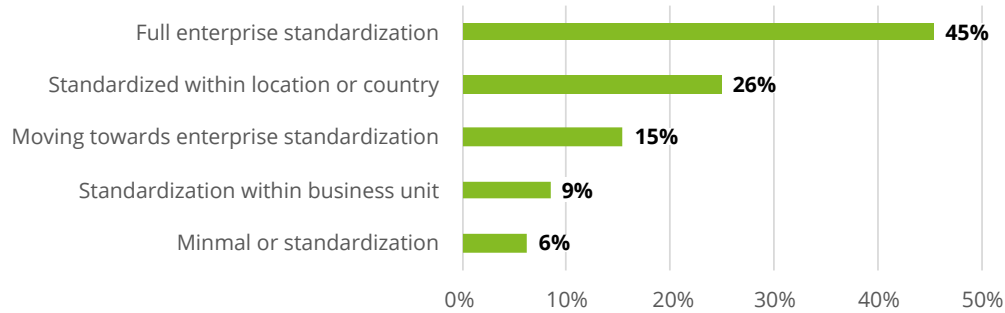
**Thirty eight percent** of off cycle payments are caused by upstream processes. Many payroll organizations struggle with resolving up stream issues.

Respondents indicated that manually entering or loading inputs is the most time-consuming aspect of processing each payroll. Organizations can consider implementing robotic process automation (RPA) to automate time-consuming, manual tasks to decrease overall processing time.

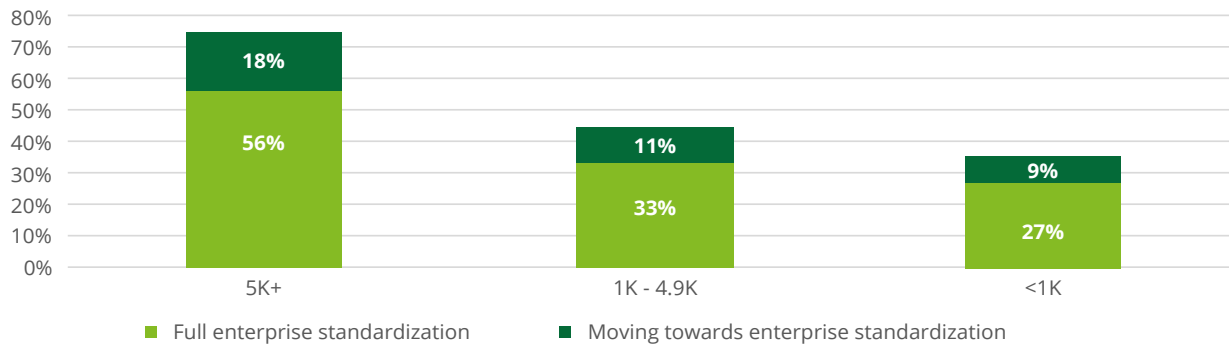




How standardized would you say your payroll business processes are?

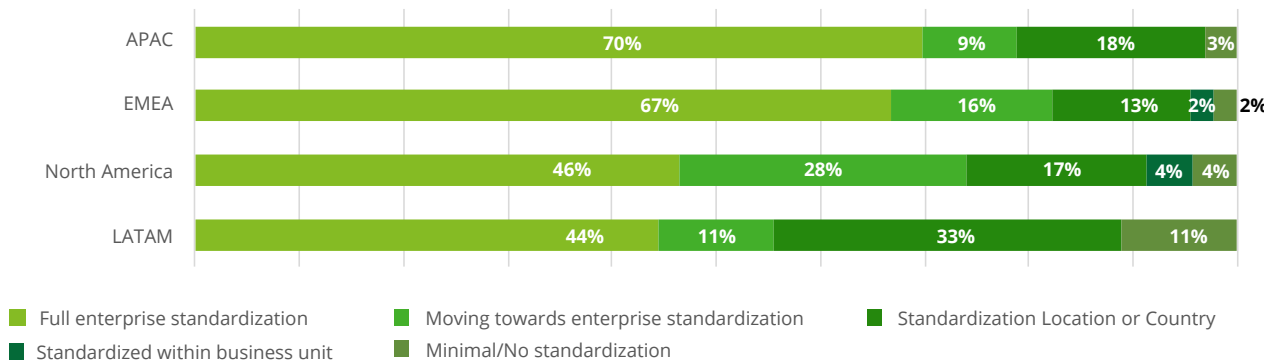


By employee population

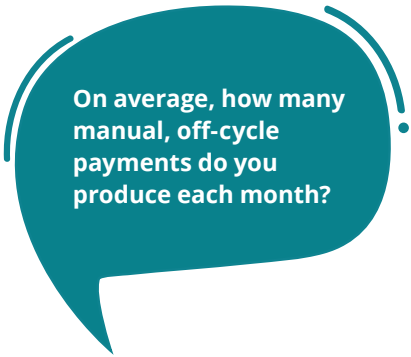


Enterprise standardization increases with employee population, as **56 percent** of respondents with **5K+ employees** indicate their payroll processes are **fully standardized across the enterprise**, as opposed to only **33 percent** of respondents with **1-4.9K employees**.

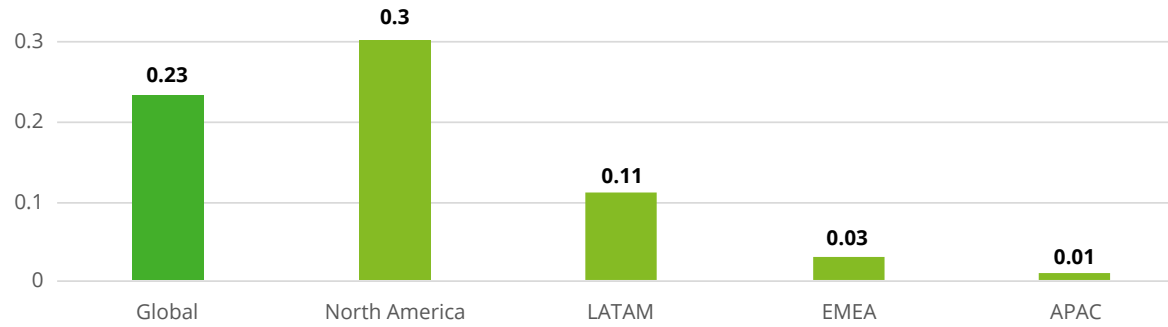
By region



**North America** has only **46 percent** enterprise standardization as compared with **APAC** with **70 percent**.

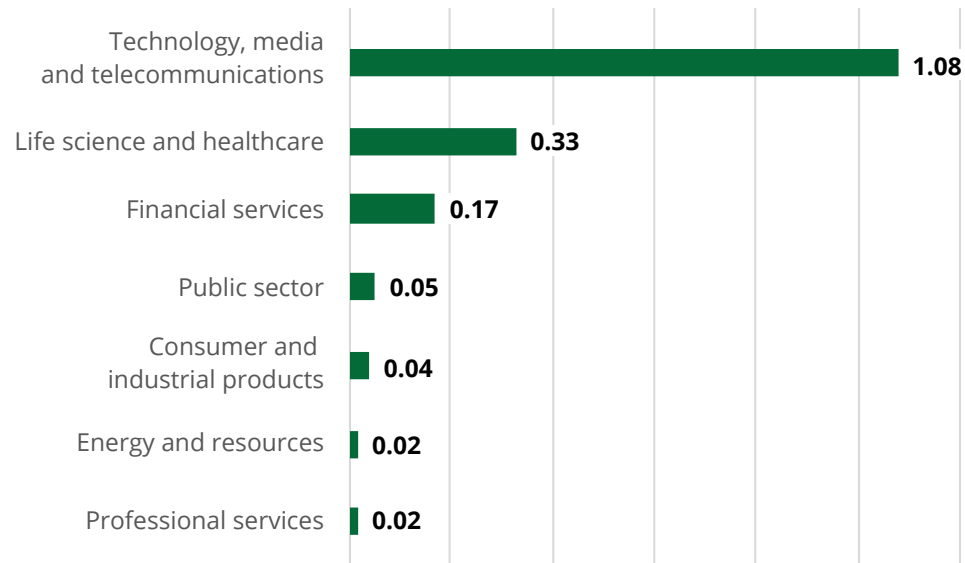


**Average number of off-cycle payments annually per employee**



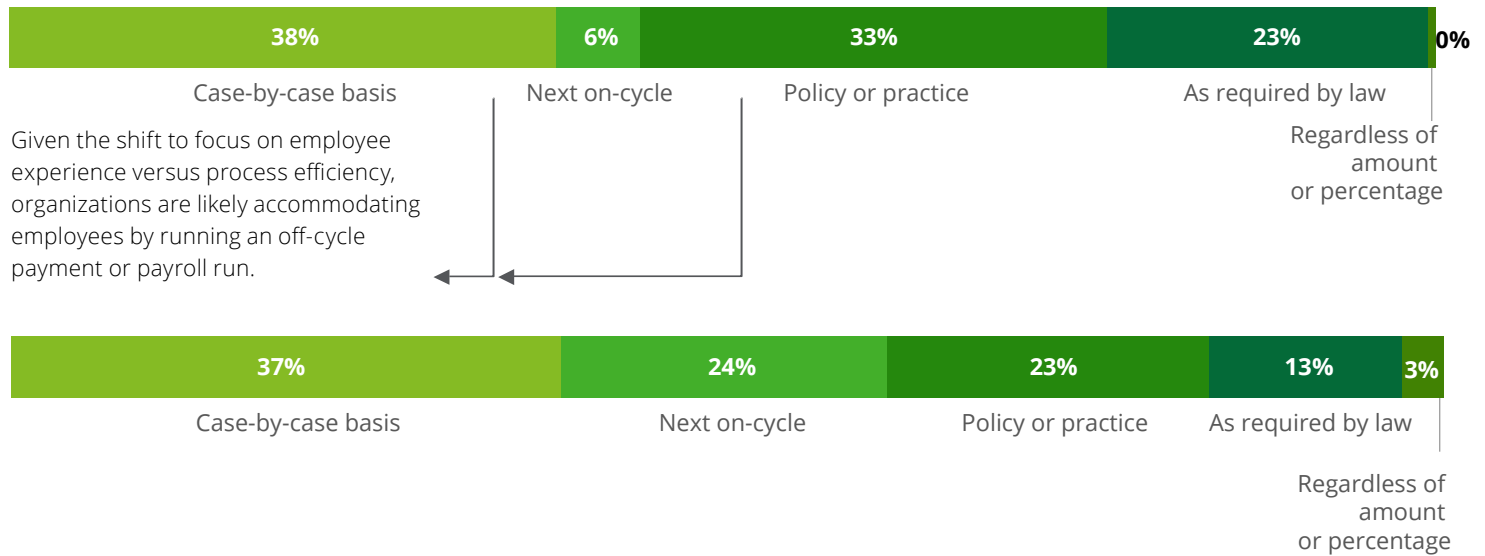
Respondents from **North America** processed the most **off-cycle payments annually per employee at 0.3** while respondents from **EMEA** processed about 1/10 of that. **Global** respondents averaged **.23 off-cycle payments annually per employee**.

**Average number of off-cycle payments annually per employee by industrial**



Recognizing there may be exceptions, in the majority of cases, how do you determine whether to process payroll corrections with an off-cycle payroll run rather than waiting until the next regularly scheduled on-cycle payroll?

There has been an **18 percent** decrease in waiting until **next on-cycle** for payroll corrections.



The descriptions of each method are included below:

**Case-by-case basis** are payment corrections that the payroll department plans to process after the issues are reviewed. No specific guidelines as to the amount or a particular company policy are followed. Instead, the issues are reviewed, and then a decision is made to process an off-cycle correction.

**Next on-cycle** are payment corrections that the payroll department plans to process with the next normally scheduled payroll. No off-cycle payrolls are processed for payment corrections.

**Policy or practice** are payment corrections that the payroll department plans to process based on the company's standard policy or practice for processing off-cycle payrolls.

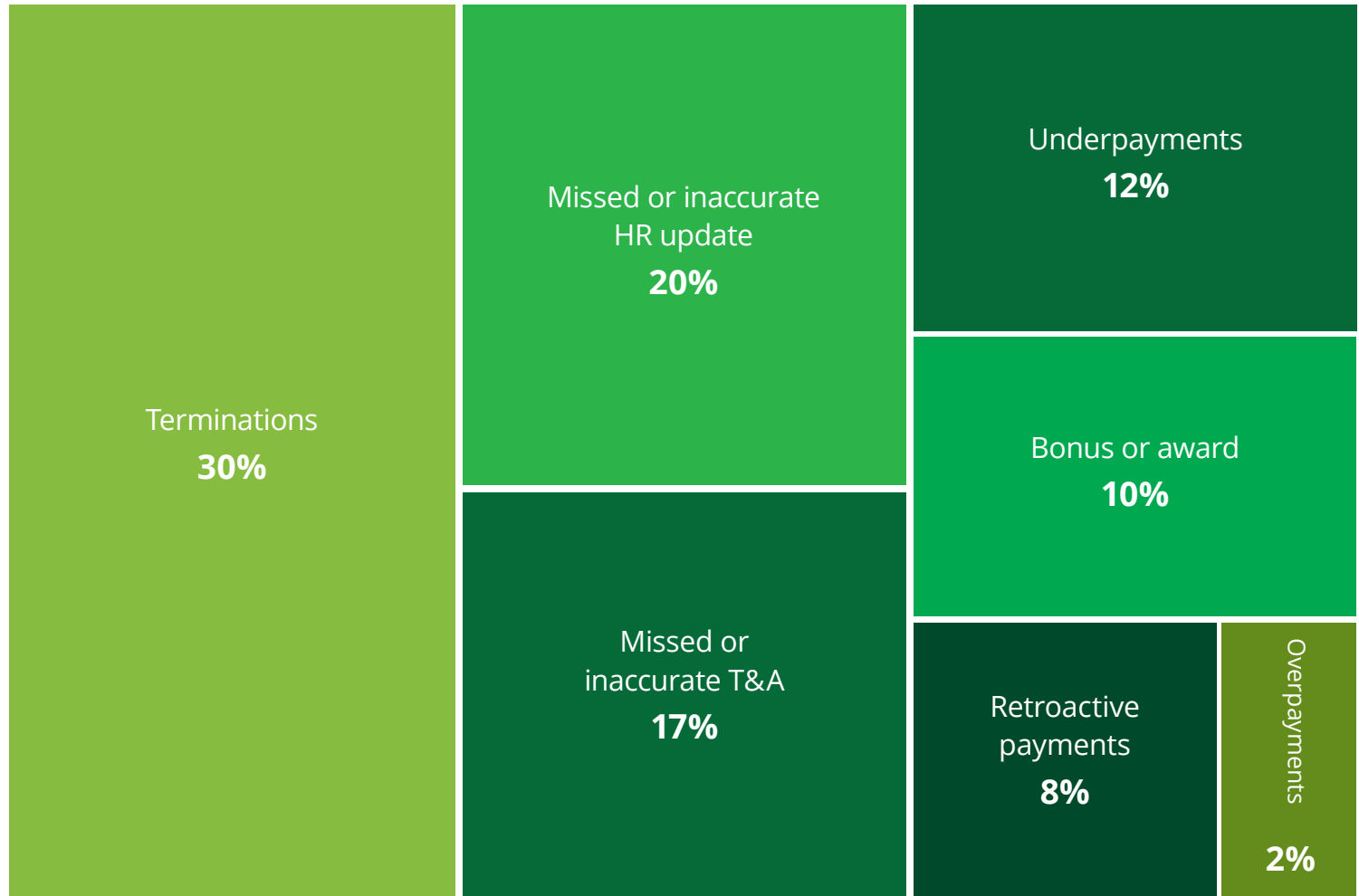
**As required by law** are payment corrections that the payroll department plans to process only if it is required by law. An example would be a termination in the state or province that requires final payment to an employee to be paid by a certain time.

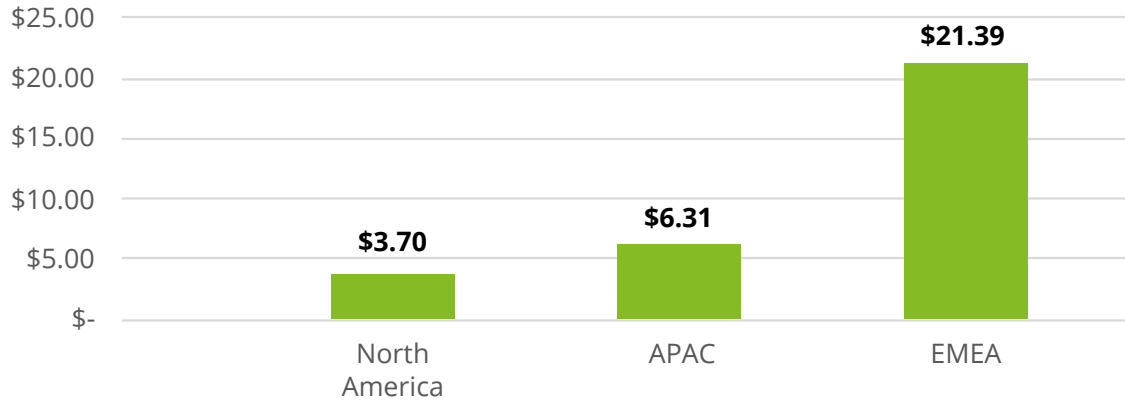


What are the most common reasons for processing off-cycle payments?

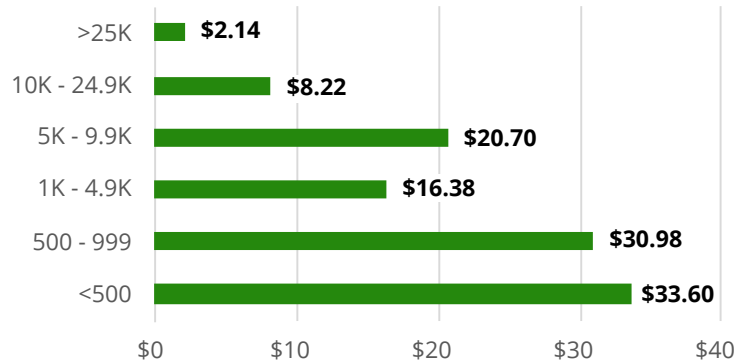
**Terminations**, as expected, are the leading cause of off-cycle payments, as they are required by law in some states (such as California).

**Thirty eight percent** of off cycle payments are caused by upstream processes. Many payroll organizations struggle with resolving up stream issues.

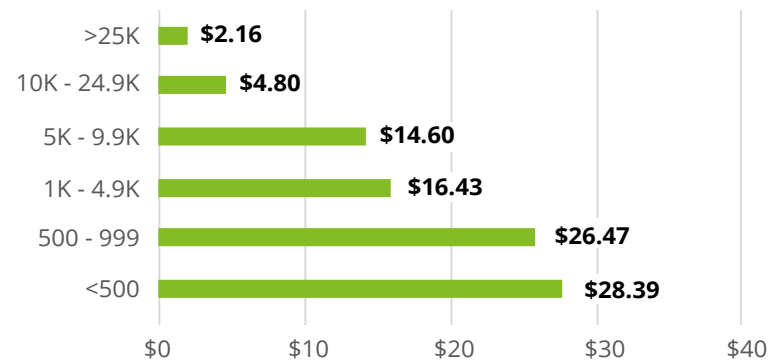




**Overall**

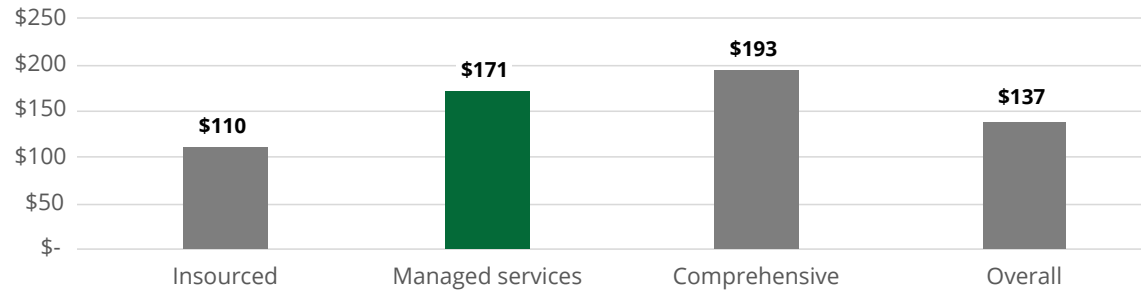


**United States**



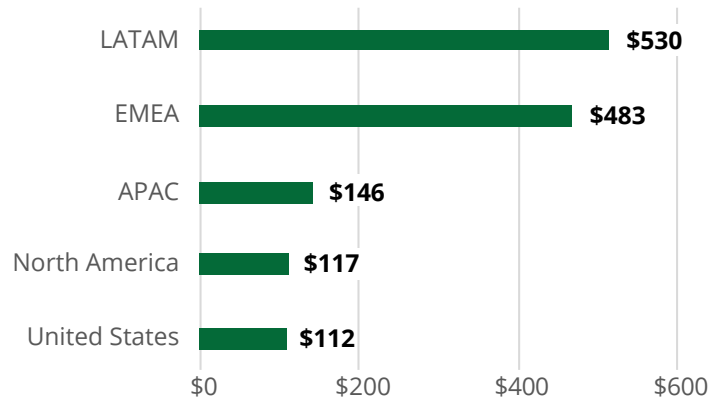
As employee population sizes increases, the cost per pay slip decreases, commonly due to economies of scale.

What is your cost per employee served for managed services?

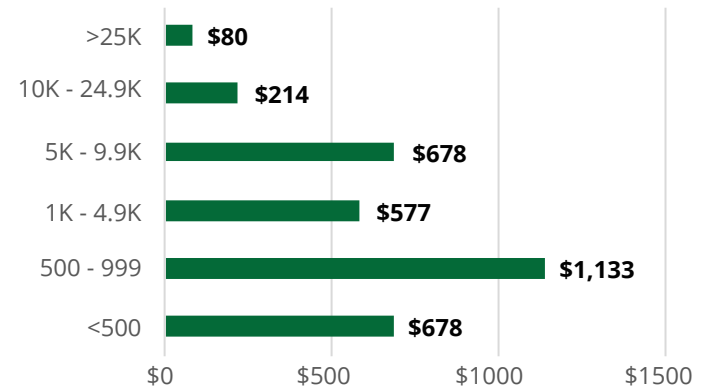


Many organizations believe they can reduce cost by outsourcing payroll. Processing payroll in-house is typically the lowest-cost solution. Organizations don't outsource to lower cost; it's typically to decrease risk, avoid building the capability in-house because it's hard to manage, or because of technology limitations.

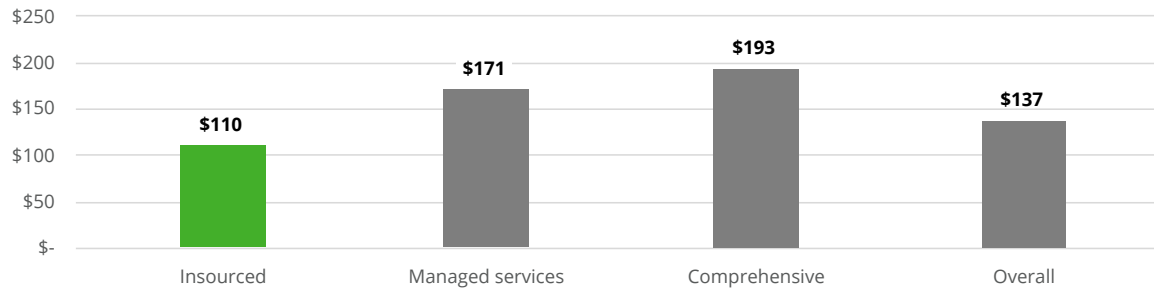
Managed services by geography



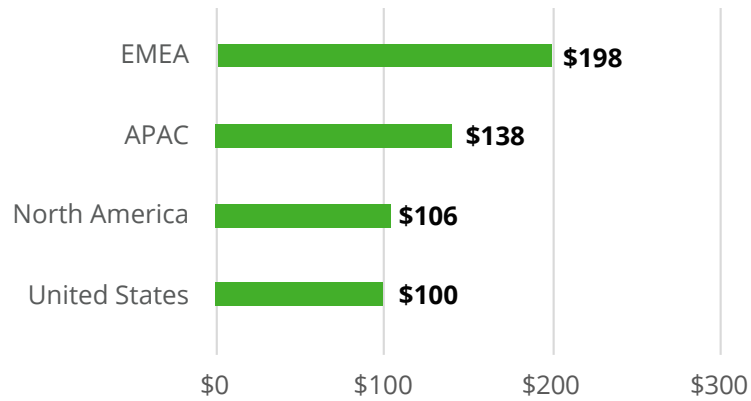
Managed services by employee population



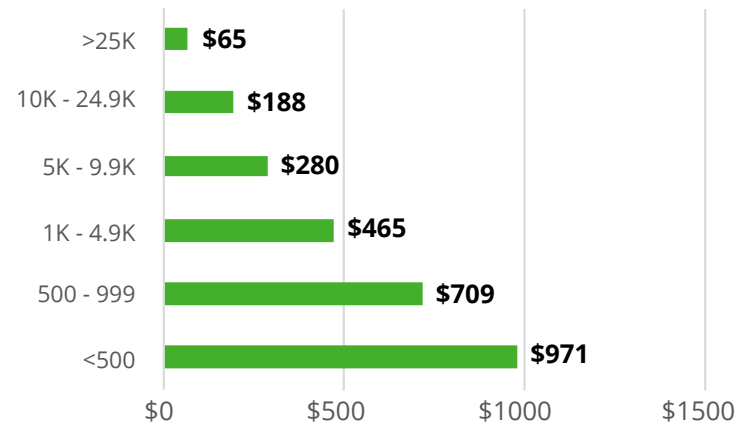
What is your cost per employee served when insourced?



**Insourced by geography**

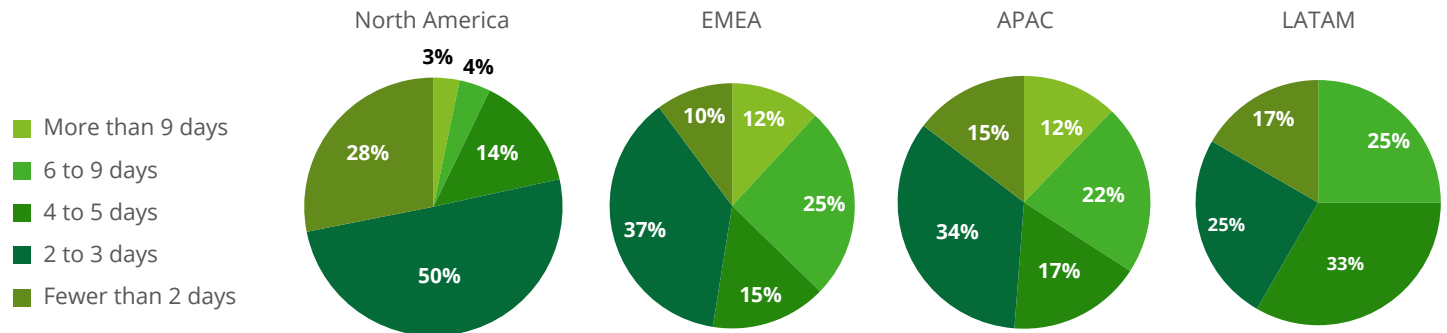


**Insourced by employee population**



\* Regions not included did not provide a statistically significant sample

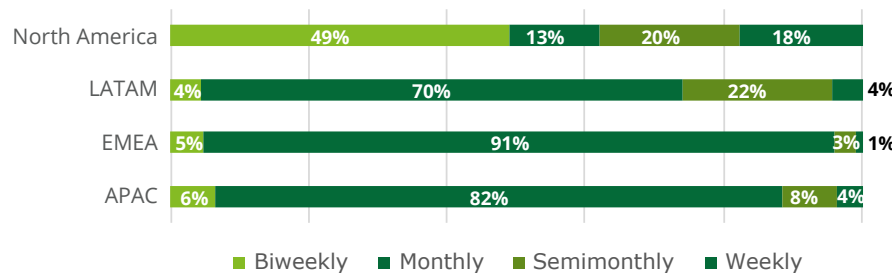
From the time you begin working on a regular payroll to the time it is confirmed, how many days does it typically take to complete the process?



Overall, more than 30 percent report it takes more than four days to complete payroll processing. More than **30 percent** report it takes **more than four days** to complete payroll processing. Respondents in **North America** have the shortest duration, with less than **8 percent** responding more than six days, where **EMEA** and **APAC** have more than **34 percent** going **more than six days**. This is likely because **EMEA** and **APAC** respondents largely outsource payroll using a managed or comprehensive service model, which typically requires an elongated processing time.

Oftentimes, the pay frequency factors into the duration, where monthly allows for a longer runway, as compared with biweekly.

Which pay frequencies do you currently process as part of your regularly scheduled payroll runs?

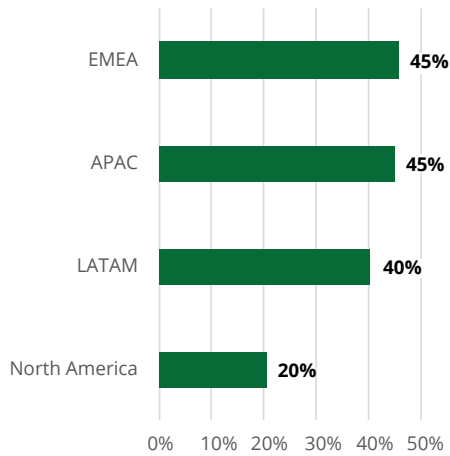


Regions outside of **North America** largely pay their employees **monthly**, which commonly aligns to an employee contract. Largely due to the complexity of the Fair Labor Standards Act (FLSA), the United States largely pays their employees biweekly to align with the definition of a work week and to simplify the calculation of overtime.

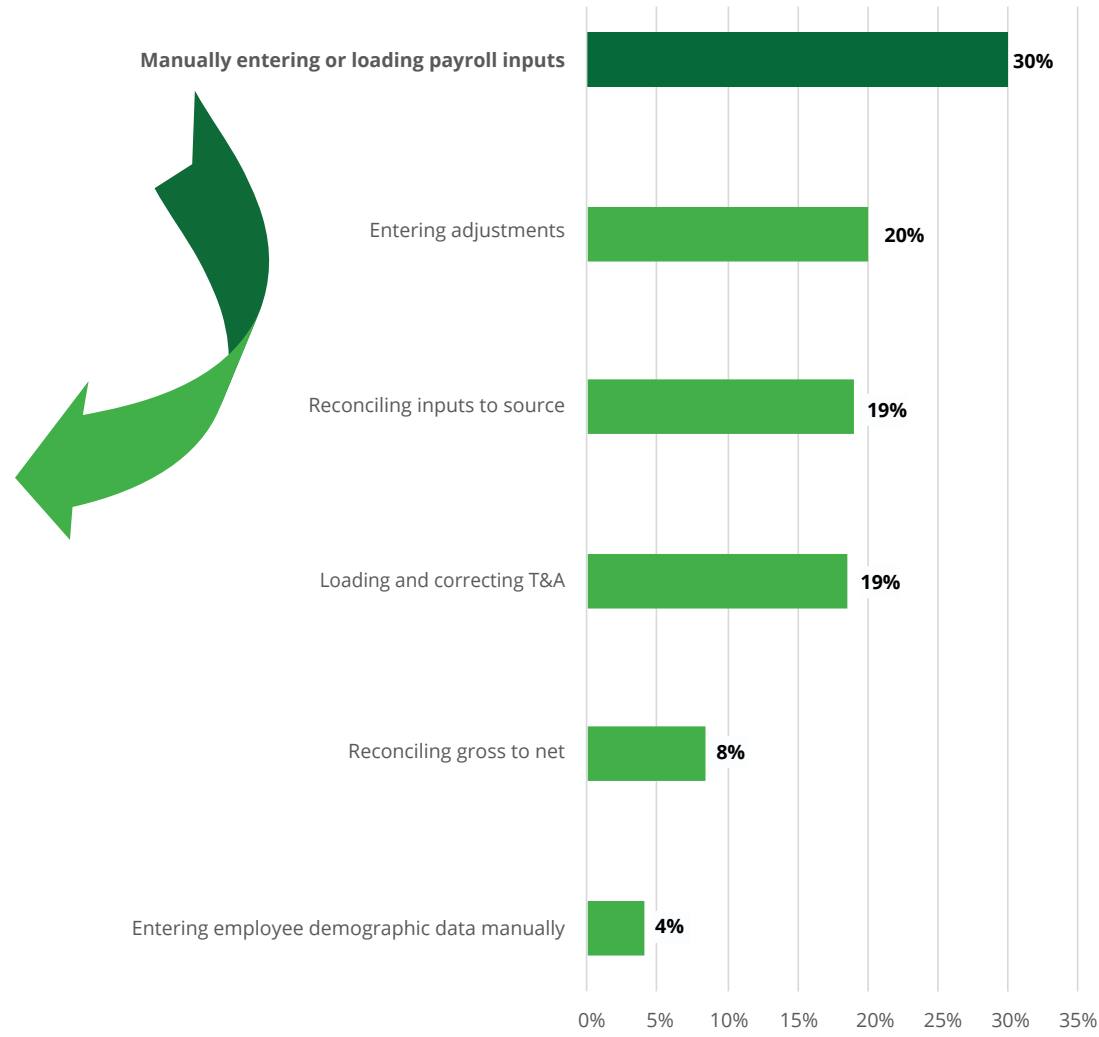


What is the most time-consuming aspect of processing each payroll?

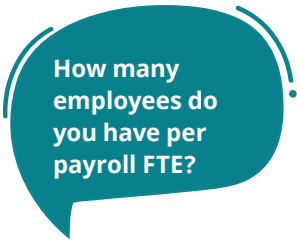
**Manually entering or loading payroll inputs**



**EMEA, APAC, and LATAM** respondents indicated they had more than **40 percent** of their effort tied to **manual data loads**. This is not unusual because these regions typically have a higher volume of payroll vendors with a lack of consolidation and standardization.



Respondents indicated that manually entering or loading inputs is the most time-consuming aspect of processing each payroll. Organizations can consider implementing robotic process automation (RPA) to automate time-consuming, manual tasks to decrease overall processing time.

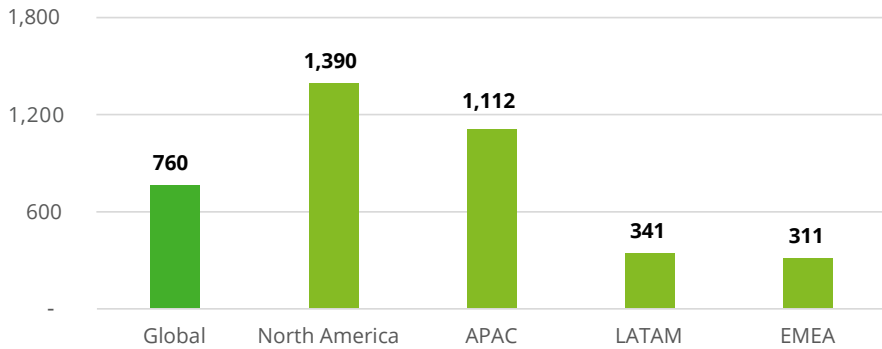


How many employees do you have per payroll FTE?

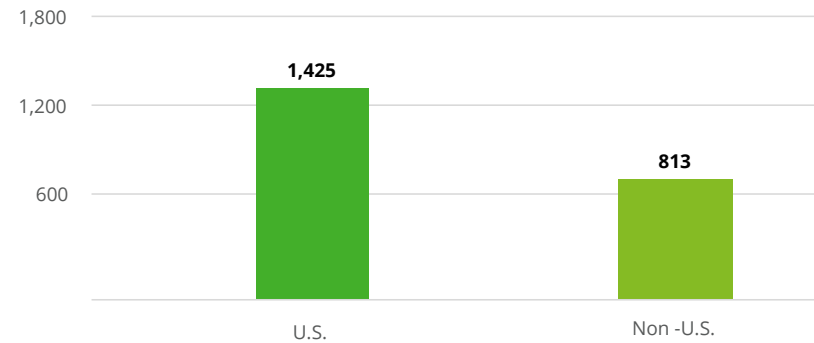
### Number of employees per payroll FTE

Respondents from **APAC** and **North America** average the highest number of employees served per payroll FTE at about **1,100:1**, while **LATAM** and **EMEA** lag behind significantly, averaging about **320:1**. Payroll operations within organizations in the **United States** outpace those across the **rest of the world** by almost **600 employees** per payroll FTE.

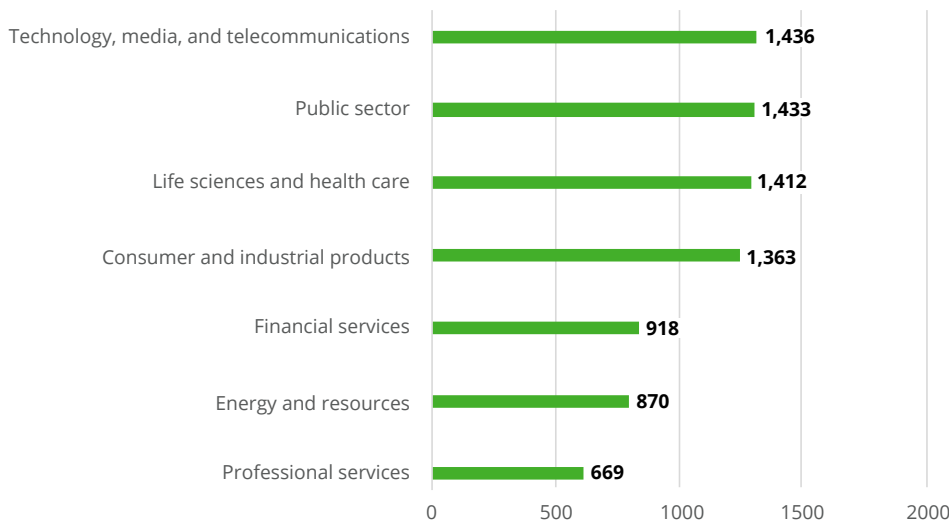
#### By region



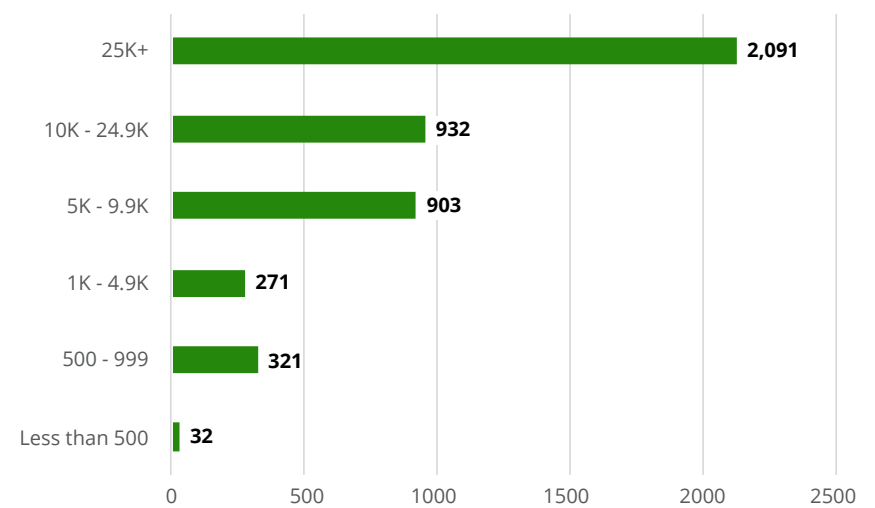
#### U.S. vs. Non-U.S.



#### By industry



#### By employee population



## Section 5

# Service delivery

### Overview

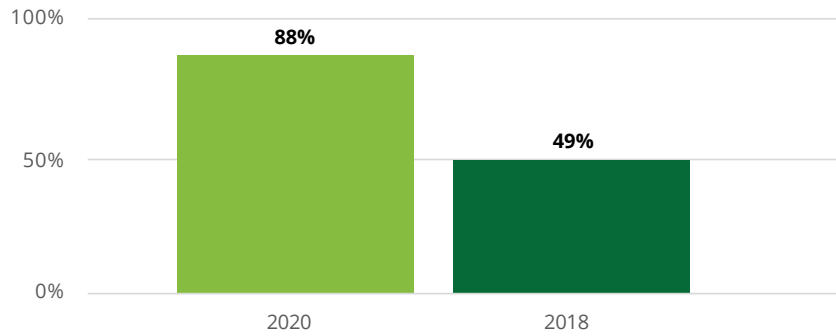
Survey respondents confirmed the growing importance of developing a global payroll strategy—**88 percent** of respondents either have a payroll strategy or have plans to develop a strategy. This is almost a **40 percent** increase from 2018 respondents.

Technology limitations are the most pressing service delivery issues which respondents face today. Organizations are working to alleviate these technology limitations through transforming their HR and payroll organizations.

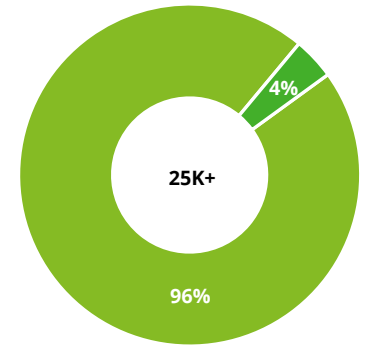
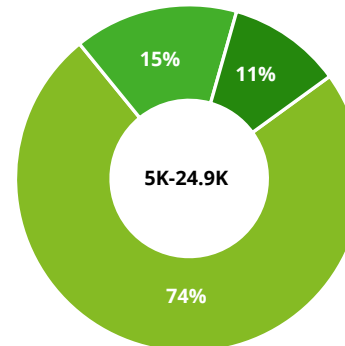
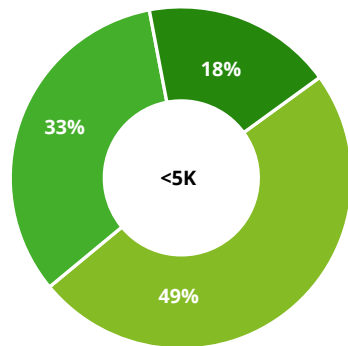
**Sixty eight percent** of respondents indicated that their organization is currently going through either an HR or payroll transformation.



Does your organization currently have a payroll strategy or have plans to develop a payroll strategy?



Since 2018, there has been almost a **40 percent** increase **in organizations who have or have plans to develop a payroll strategy**. Organizations are understanding the importance of putting such a strategy in place to not only reduce payroll costs, but also migrate towards a global HR and payroll strategy.



■ Yes ■ Yes, strategy in development ■ No



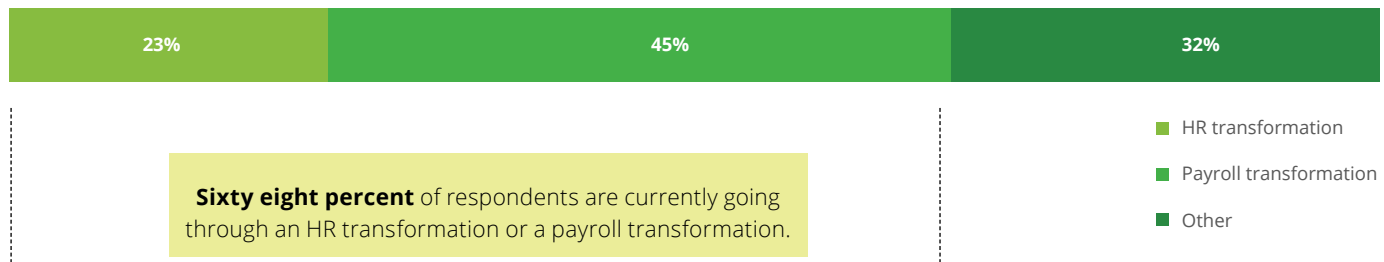
As organizations expand into several countries, it is necessary to have an overarching strategy for payroll governance and service delivery.



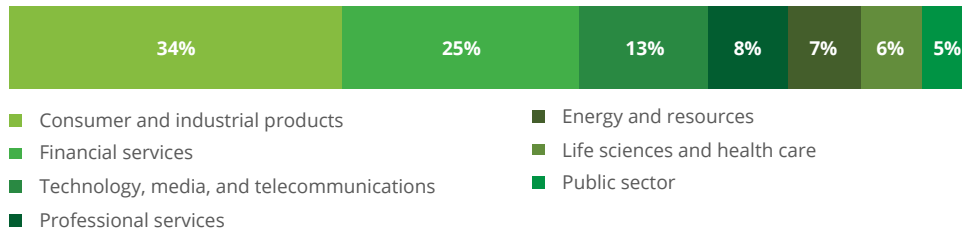
Of respondents with more than **25K employees**, all either have or have plans to develop a payroll strategy.

What are the major initiatives going on in your organization now that impact your payroll function?

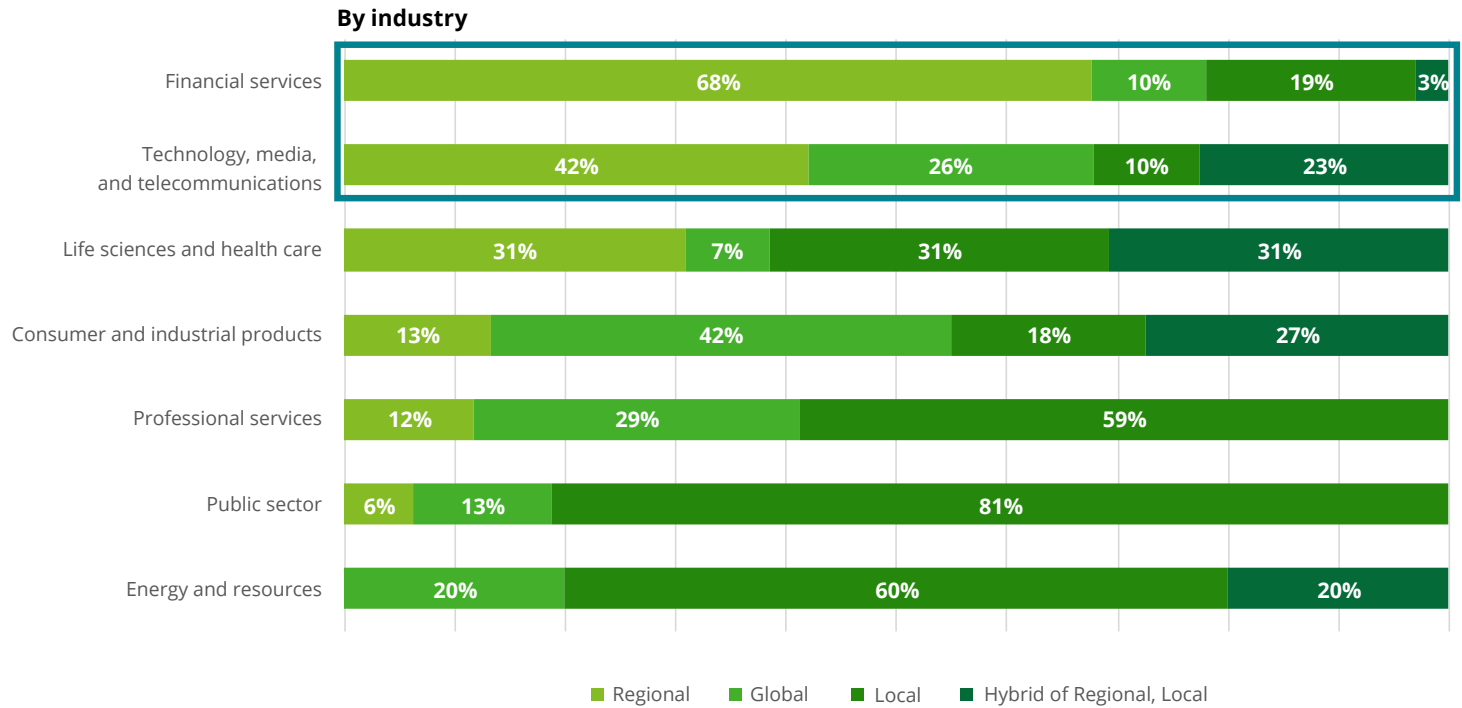
Organizations understand the value of transforming HR and payroll services. These transformations manifest through vendor consolidation, implementing new payroll workforce management solutions, or reevaluating outsourcing models.



**Organizations that are currently going through either an HR or Payroll transformation by industry**



HR and payroll transformations are most prevalent among respondents who operate in **consumer and industrial products; financial services; and technology, media, and telecommunications.**



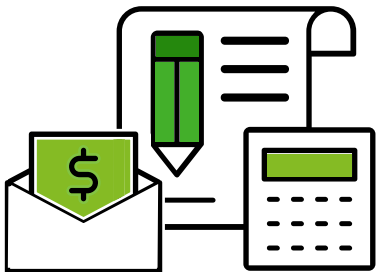
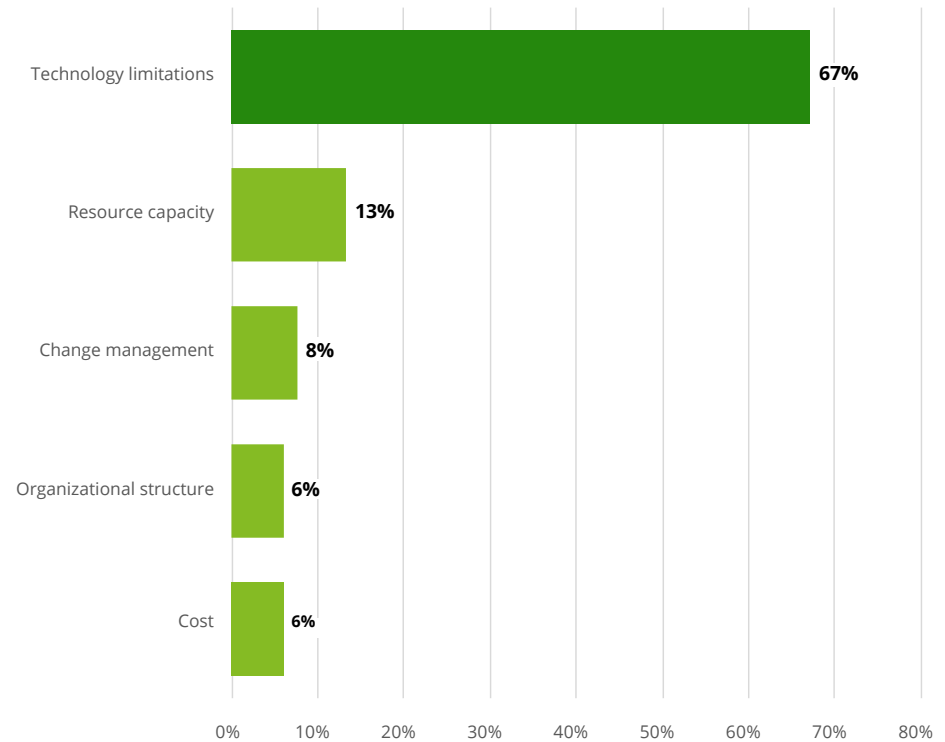
**Financial services and Technology, media, and telecommunications** are most commonly delivering payroll **regionally**. **Financial services** organizations have been moving away from **local support** and have been consolidating services in regional centers. As Technology, media, and telecommunication organizations expand, they are building shared service center payroll capabilities rather than relying on in-country support for payroll.

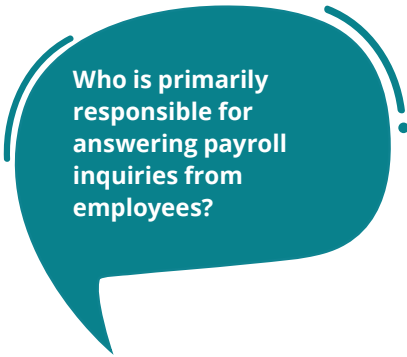
Currently, what are your biggest payroll service delivery and processing challenges?

**Technology limitations** are the most pressing service delivery issues which respondents face.

Respondents are working to alleviate these **technology limitations** through transforming their HR and payroll organizations.

Of those respondents who identified **technology limitations** as their biggest service delivery issue, **56 percent** of them are located in **North America**.





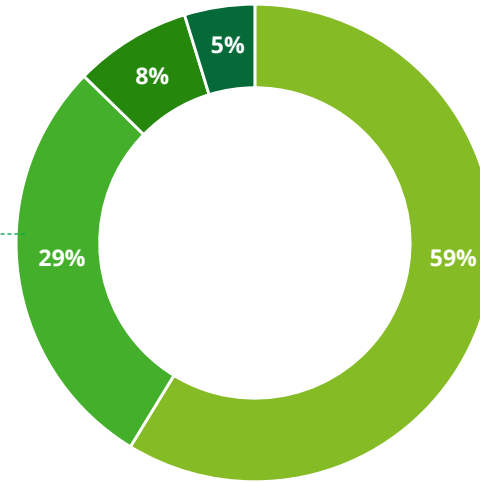
Who is primarily responsible for answering payroll inquiries from employees?

In the **United States**, **in-country** payroll resources handle payroll inquiries.

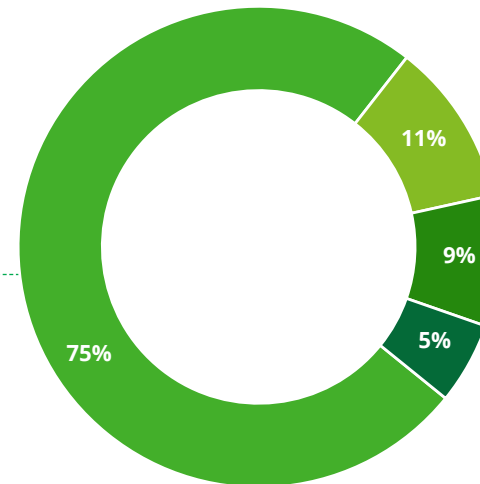
**Outside of the United States**, payroll inquiries are the responsibility of **a regional or global shared service center**.

The outsourcing of payroll to **third-party providers** is minimal. Organizations still view answering payroll inquiries as a value-added service.

United States only



Non -U.S



- Payroll in-country
- Regional or global shared services
- HR in-country
- Third-party provider



## Section 6

# Next-gen

### Overview

This section provides an overview of the organizations that are leveraging or considering leveraging next-gen technology for the 5 key areas below:



#### **Robotics and automation**

is an enterprise-scalable tool used for rule-based and end-to-end process automation.



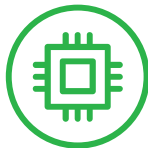
#### **Engagement platform**

uses metadata, tags, and catalogs to transform information into knowledge aligned to employee groupings.



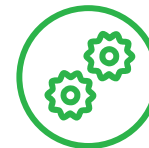
#### **Cognitive engagement**

utilizes predictive decision-making and natural-like engagement with humans to execute activities.



#### **Artificial intelligence**

is a platform that completely replicates human interactions and decision-making, leveraging human-like capabilities such as listening, reading, writing, and analyzing based on data.

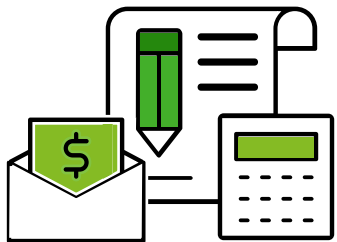
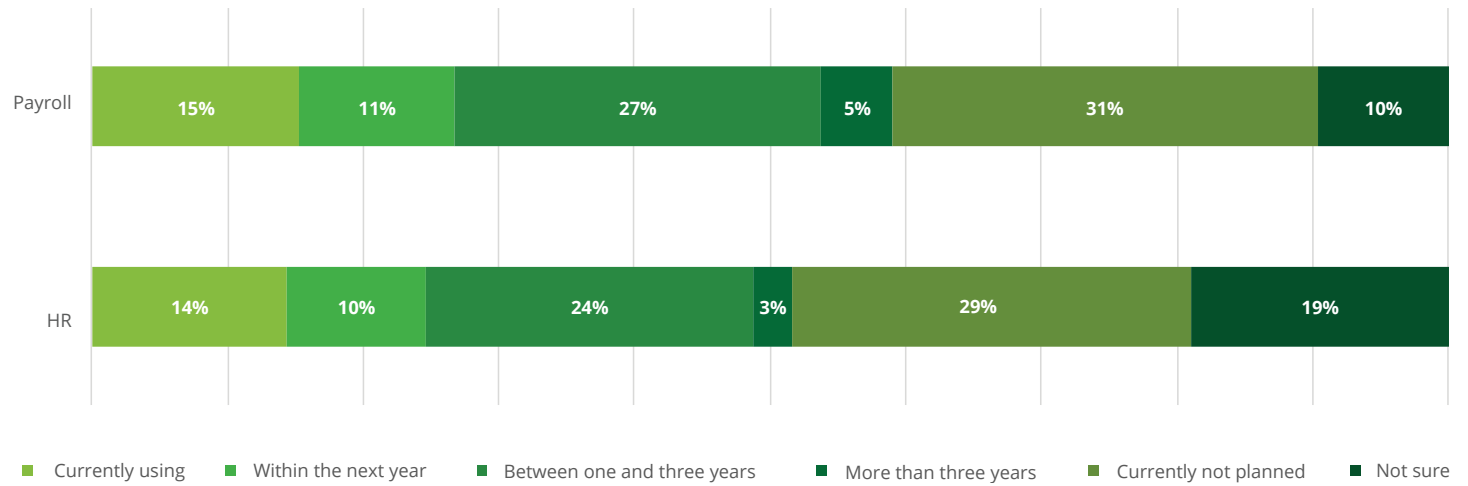


#### **Cognitive automation and insights**

executes processes with semistructured inputs and utilizes machine learning to enhance business rules over time.



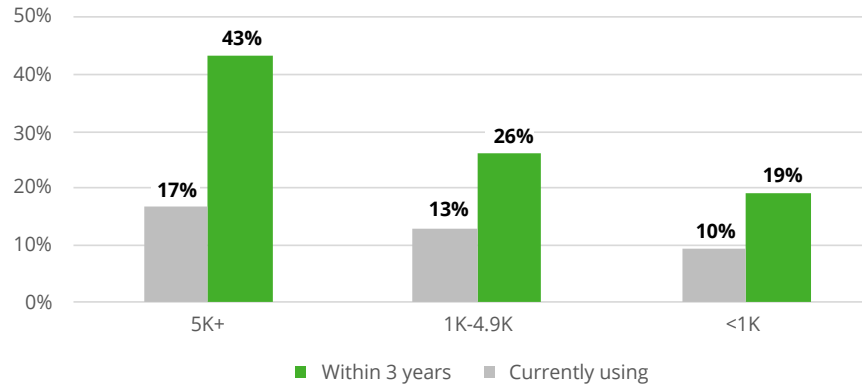
Respondents indicated that both their payroll and HR functions are using next-gen technologies the same amount, with **15 percent** indicating their payroll function is currently using them, compared with **14 percent** for their HR function. Responses also indicate that **48 percent** of respondents aren't sure or currently do not have plans to use next-gen technology in their HR function, as opposed to **41 percent** when responding for their payroll function.



Is your HR organization using or considering using next-gen technology?

While less than **20 percent** of organizations are currently using next-gen technology, over 40 percent are planning to use it within the next three years.

**By employee population**

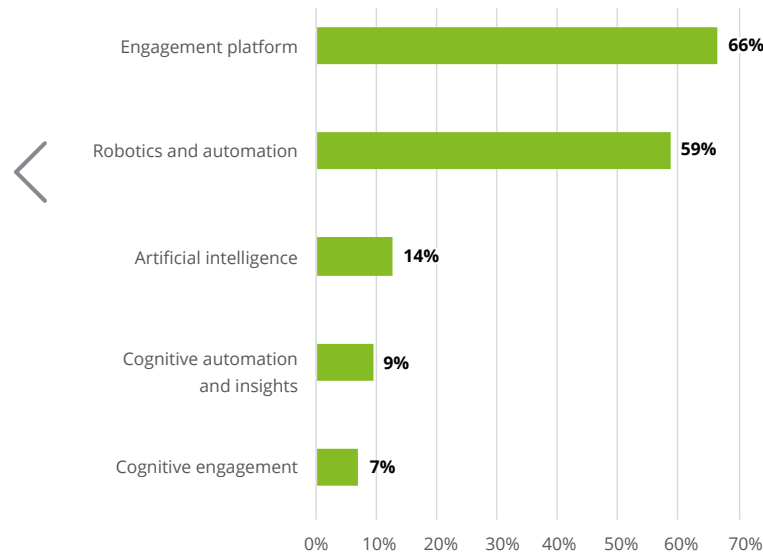


Organizations use next-gen technology to improve employee experience, compliance, and efficiency.

Larger organizations with higher transactional volumes can more easily quantify the cost benefits of next-gen technology, which is likely why they have double the percent using or planning to use.

Which next-gen technology is your HR organization considering?

**Fifty nine percent** are considering leveraging robotics and automation. Robotics and automation allow for organizations to increase the effectiveness of their back office through consistently executing processes.

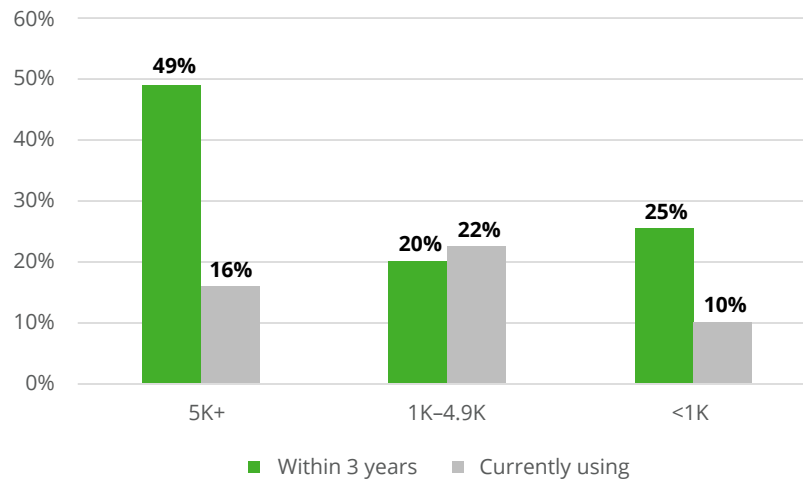


Of respondents that indicate their HR organization is considering using next-gen technology, **66 percent** leverage an **engagement platform**. Engagement platforms allow for organizations to increase quality, efficiency, and employee experience.

**Fourteen percent of the organizations** are considering using next-gen technology are utilizing artificial intelligence, many of which are leveraging artificial intelligence in tandem with engagement platforms, which allows organizations to transact and interact directly with information.

Is your payroll organization using or considering using next-gen technology?

By employee population



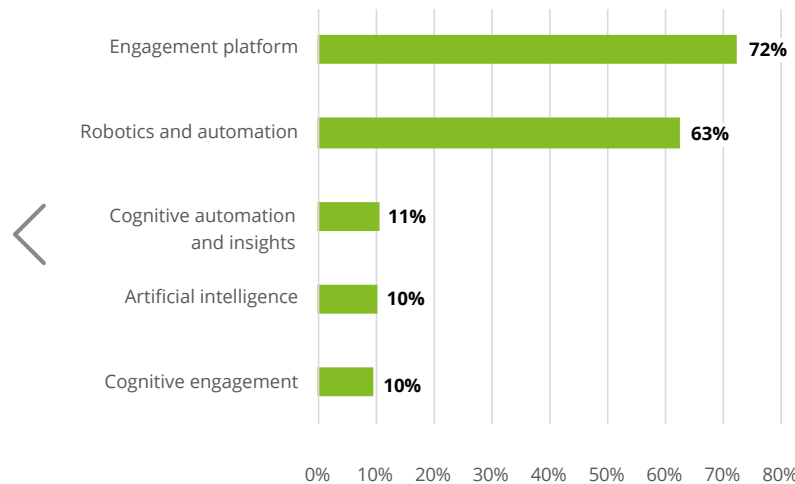
**Forty nine percent** of respondents with **more than 5K** employees indicate they are planning to use next-gen technology in their payroll organization within the next three years.

More organizations are currently using or planning to use next-gen technology to support payroll than before. However, payroll organizations are late adopters of next-gen technology.

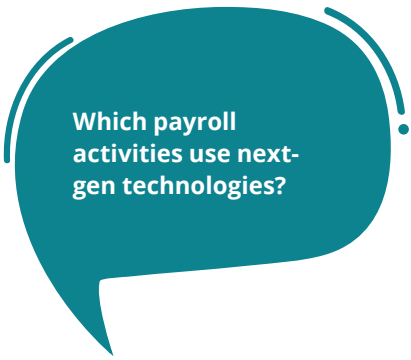
Which next-gen technology is your payroll organization considering?

**Seventy two percent** of respondents indicated they are considering an engagement platform, while **63 percent** are considering robotics and automation but have not defined a path for getting there.

Cognitive automation and insights allows for employees to be self-sufficient in resolving payroll-related inquiries.



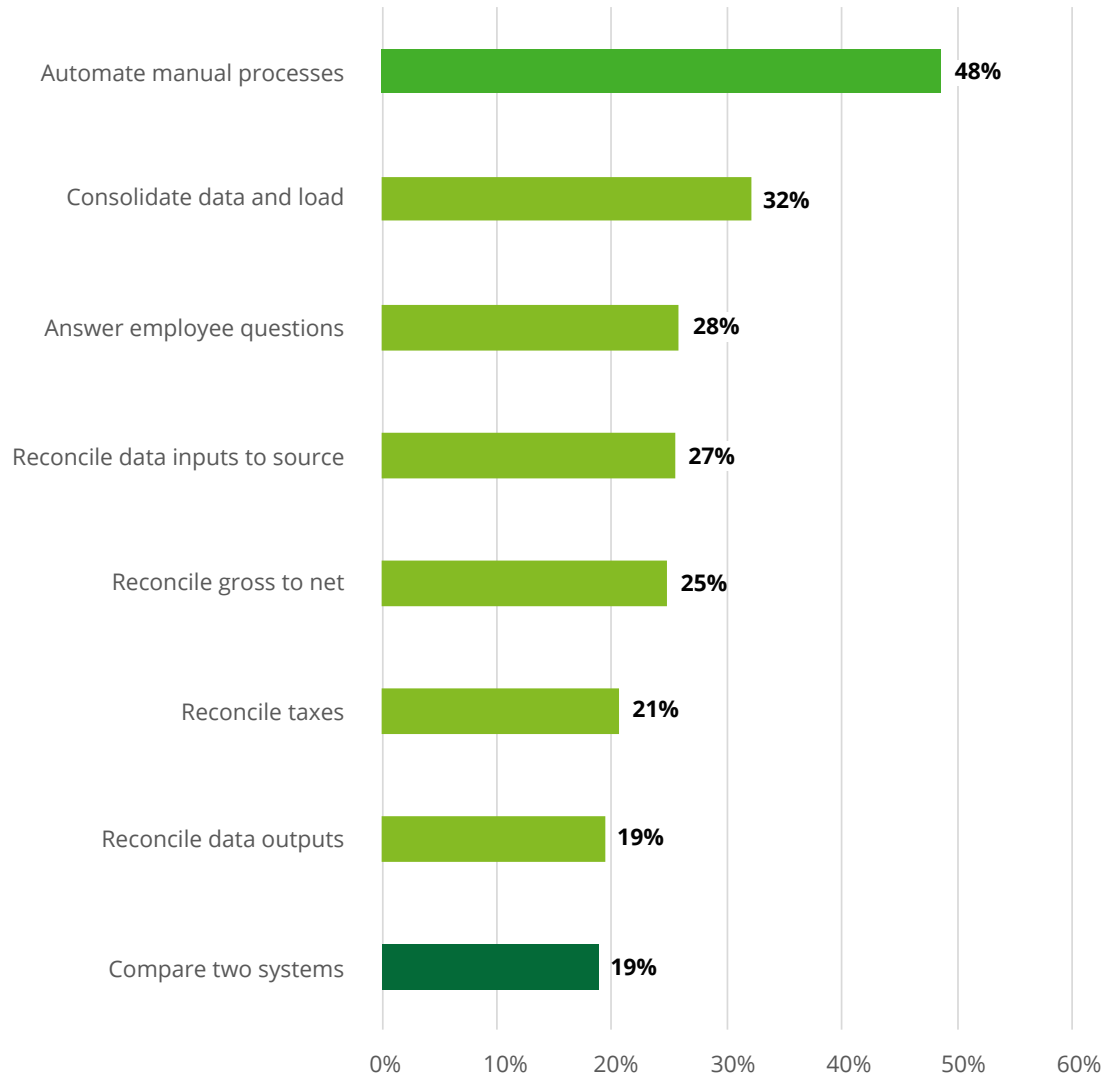
Next-gen technology allows for payroll organizations to become more efficient and effective from the front office to the back office. A common misconception is that organizations need “good data” to leverage next-gen technology. However, next-gen technology such as **robotics and automation** allow for the creation and maintenance of good data to leverage other next-gen technologies.



**Which payroll activities use next-gen technologies?**

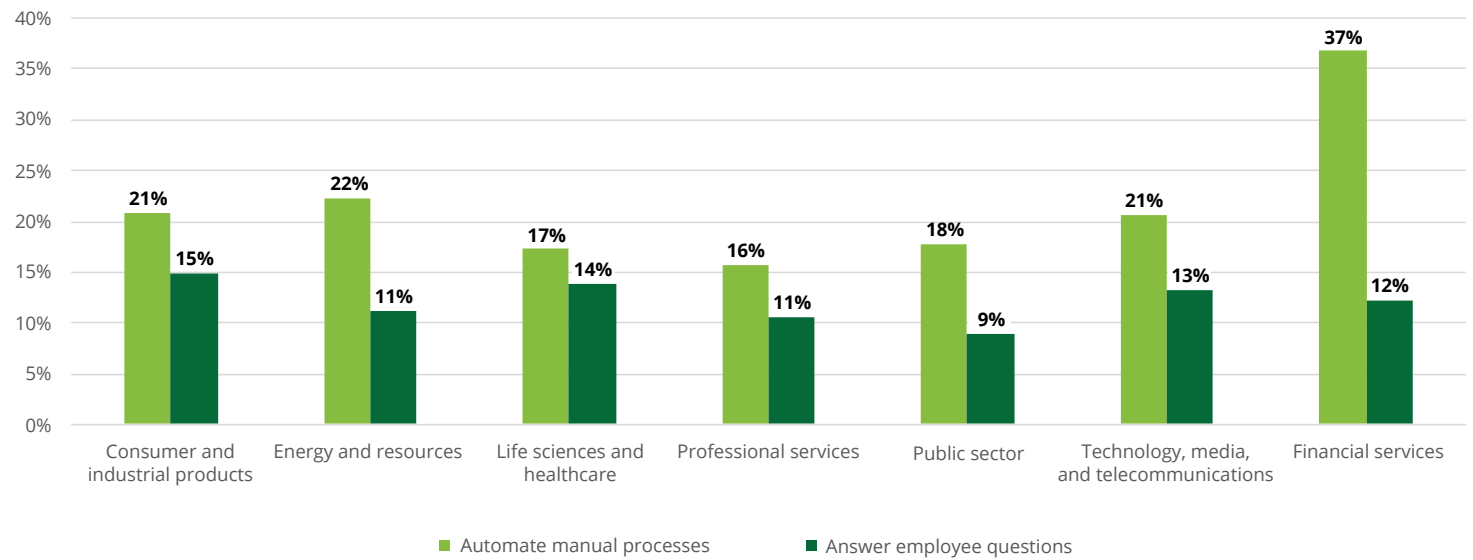
**Forty eight percent** of respondents that use next-gen technologies indicate they use it for automating manual processes. This allows for a significant increase in payroll compliance and efficiency.

While an integrated system would eliminate the need to leverage next-gen technology for automatically comparing two systems, there is still no single HR and payroll technology that can cover global organizations with a large country footprint, especially where the employee population size is small within some or all of the countries.





**By industry**



Respondents within **financial services** have a clear edge over other industries in using next-gen technologies to automate manual processes, with a **15 percent** lead over the industry with the next highest usage.

Respondents across the industries are fairly comparable in using next-gen technology in answering employee questions, with consumer and industrial products having a slight edge.

## Section 7

# Employee experience

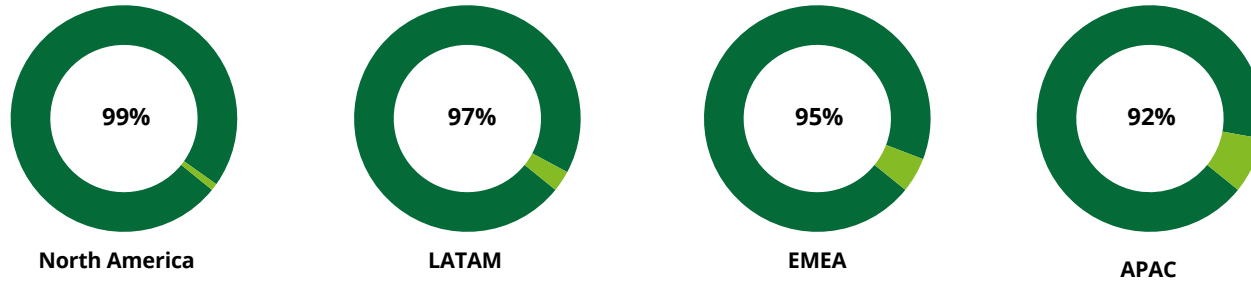
## Employee experience summary

- Respondents in **APAC** indicate they provide **99 percent** of their workforce electronic online pay slips, while respondents in **North America** indicate they provide only **92 percent** of their workforce electronic online pay slips.
- Respondents in **North America** offer the highest percent of mobile self-service at **62 percent**, while **LATAM** lags behind at **27 percent**.
- **Sixty seven percent** of respondents indicate they are utilizing contingent workers, while less than **6 percent** indicate they are paying contingent workers through payroll.
- Only **7 percent** of respondents indicate utilizing a daily pay group, **61 percent of this group pays their daily pay group through payroll**.



What percent of your workforce currently receives electronic, online pay slips?

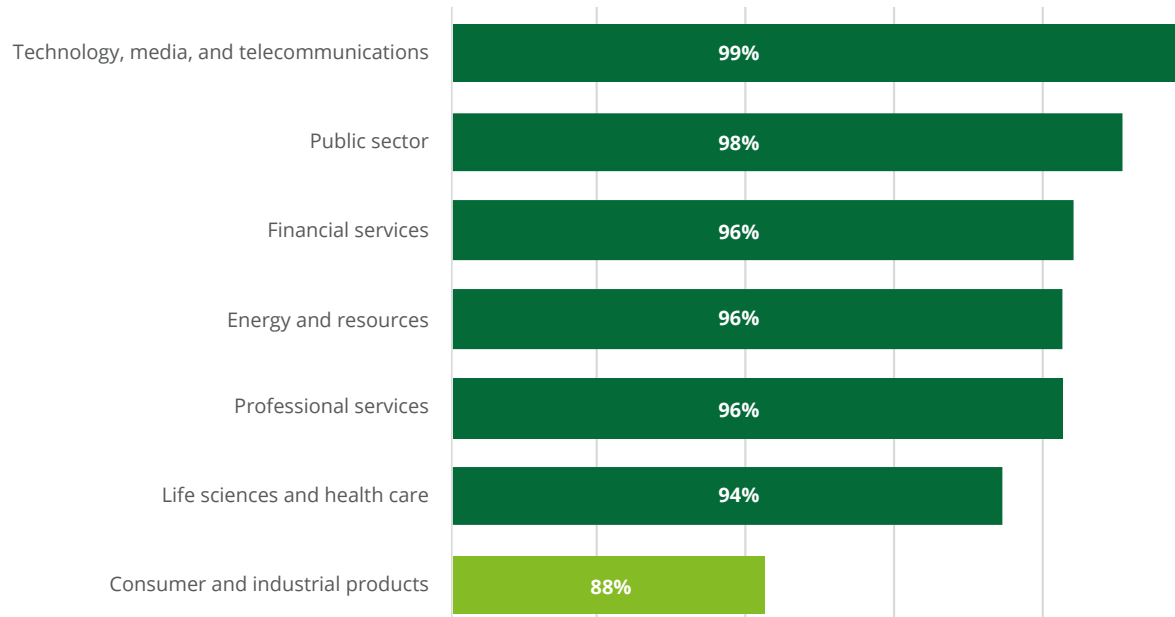
**By region**



Online pay slips are widely adopted globally across all regions, with respondents indicating that more than **95 percent** of their workforce currently receive electronic online pay slips.

Within **North America**, the **consumer and industrial products industry lags** behind other industries, with only **88 percent** of respondents employees receiving electronic pay slips. This is likely due to a large retail population where employees may not have access to a computer or mobile device.

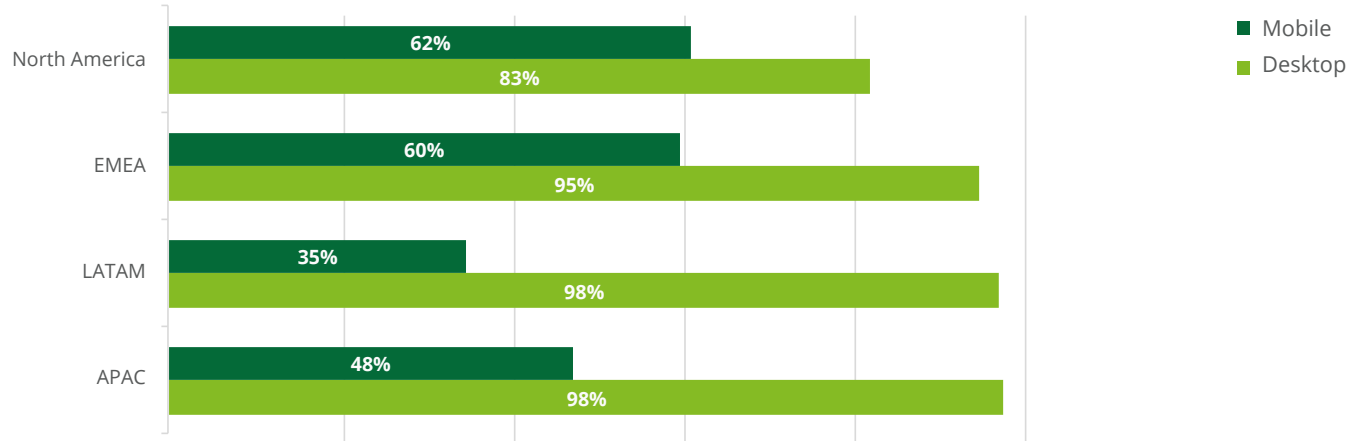
**By industry**





What percent of your workforce currently uses mobile self-service for payroll (such as time entry, time-off requests, and viewing pay slips)?

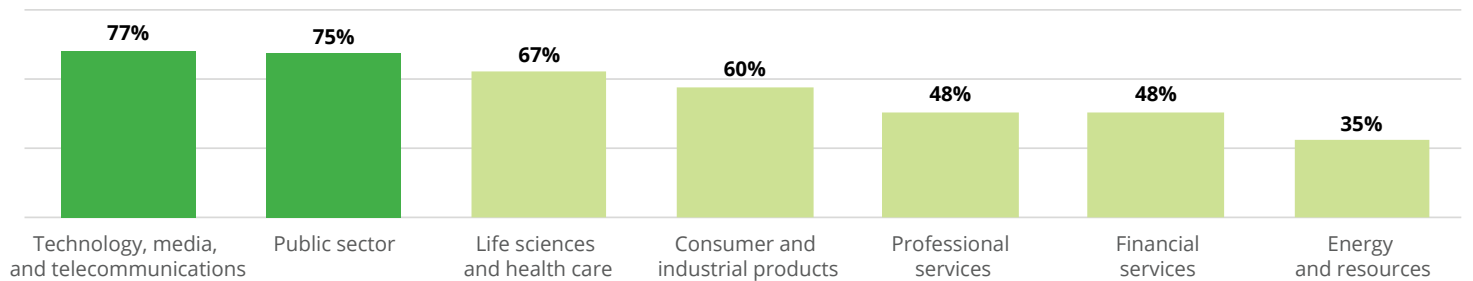
**By region**



The majority of employees are continuing to leverage desktops and laptops to manage or access payroll activities (such as time entry, time-off requests, and viewing pay slips, etc.). However, in **EMEA and North America, more than 60 percent of employees are leveraging mobile platforms.**

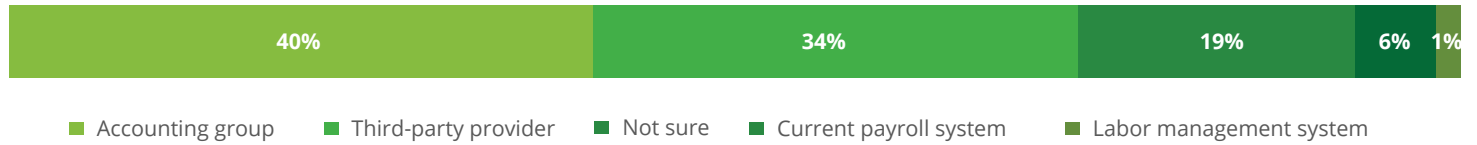
The industries utilizing mobile self-service for payroll activities are **technology, media, and telecommunications**, with at least **77 percent** employee adoption.

**By industry**



If you have a contingent worker group, how do you pay these workers?

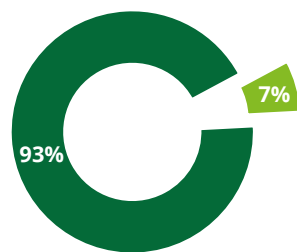
**Sixty seven percent** of respondents indicate they utilize contingent workers. There is not a current trend in leveraging a payroll system to pay contingent workers. **Forty percent** of respondents are using an **accounting group** and **34 percent** are using a **third-party provider** to pay contingent workers.



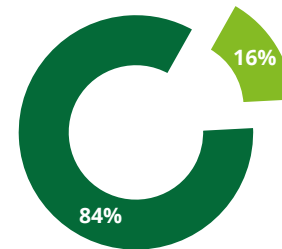
Although a majority of respondents are utilizing contingent workers, only **15 percent** are **anticipating engaging more contract workers or are currently analyzing their workforce** needs, indicating the **15 percent** are looking to expand their contingent workforce.

Will the gig economy, a labor market characterized by the prevalence of short-term contracts or freelance work, as opposed to permanent jobs, affect the way you engage workers in the future?

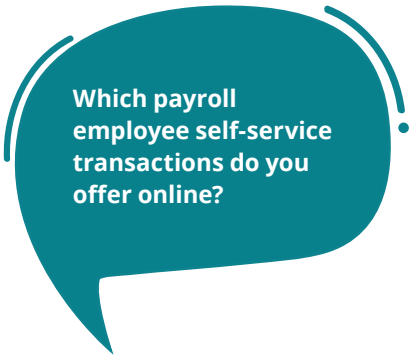
If you have a daily pay worker group, how do you pay these workers? What percentage use pay cards?



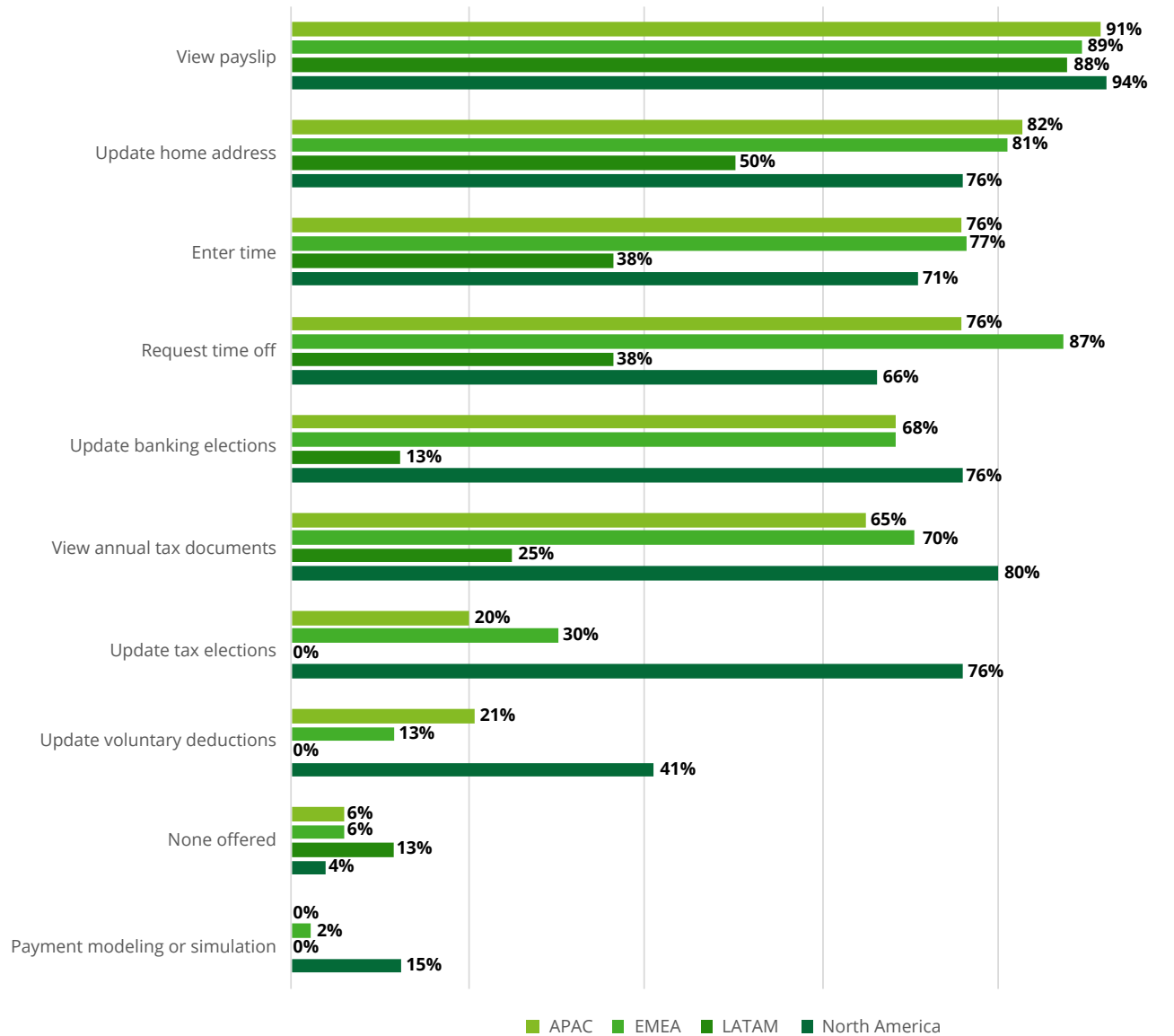
Only **7 percent** of respondents indicate they utilize a daily pay group. Of these respondents, **61 percent** handle these payrolls through their **current payroll systems**.



Respondents indicate only **16 percent** of their workforce currently utilizes daily pay cards. There is an opportunity to use alternative pay models to better address the pay needs of gig and contingent workers.



**APAC, EMEA, and North America** highly leverage employee self-service. **LATAM** has the greatest opportunity to improve their overall self-service capabilities. While **North America** offers the greatest amount of payment modeling, each region has the opportunity to increase this service to their employees.



# For further information

Deloitte Consulting LLP and Deloitte Tax LLP provide a broad range of human resources transformation and employment tax services. These services are designed to accommodate both large and small employers across an array of industries and geographical markets. Our services are tailored to our client's specific needs. Using established methodologies and strategies.

In addition, Deloitte provides services using a multidisciplinary coordinated approach with Human Capital including HR transformation and employee benefits; payroll tax and accounting; and risk management. This multifunctional approach allows us to provide a dynamic perspective to our clients' payroll issues through technical experience, thought leadership, and innovation around core business issues: financial management, risk management and compliance, operational excellence, and transaction effectiveness

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