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Technology: Payroll - Self-service payback

Developments in technology are forcing closer co-operation between payroll and HR. Self-service, which has been slow to take off in HR, is gathering momentum in payroll. Peter Crush reports.

Frosty relations between HR and payroll departments are part of company lore. A quarter of HRDs want to avoid responsibility for payroll at all costs (as a recent survey by processing company ADP found), while, in a report by Webster Buchanan in March, it was payroll that was criticised the most as needing to improve its level of service.

Prominent in the arguments between these departments is the need for what is often referred to as a 'central source of truth' - a common repository of data that both can access, something that has not always been forthcoming. Only three years ago HR technology provider Snowdrop found 60% of payroll staff thought HR failed to give them accurate information, while 54% believed HR did not keep them in the loop. Yet today developments in payroll and HR technology are ensuring this situation is improving all the time.

The aligning of payroll and parts of the HR function is a reflection of the merging of the two technologies. And just as HR technology has gone down the employee self-service route, payroll self-service is now one of the hottest new developments to bring the two silos of data together.

Southampton City Council has just completed an 18-month programme with Capita to achieve just this. The new e-enabled HR and payroll system puts all HR policies into a single staff-accessible portal with a single HR customer helpdesk for a combined HR and payroll support service. 'A single point of contact for HR and payroll has gone live for the first time,' says Jackie Standen, head of organisational development at Southampton City Council. 'One of the early transformations - employee self-service - has been very well received. We expect this to bring significant efficiency savings and empowerment.'

According to Matt Carter, operations manager, Bond International Software, payroll self-service is 'the next step in software deployment'. He says: 'Staff can now maintain certain elements of their records.' These can include aspects such as payroll giving, which gives employees greater control about who/what they donate to.

But he warns that the choice of system should still be thorough. 'A solution that is able to reflect the nuances of both the HR and payroll department is ideal. Both the processes and operators within the different departments have different pressures. A system that can cater for all situations is clearly the preferred option. HMRC accreditation and flexible screen design are two key features of a suitable solution for payroll and HR respectively. The ability to enter the core-shared data only once is also another key pre-requisite.'

Browne Jacobson, one of the largest commercial law firms in England, has seen the improvements a combined HR and payroll solution can bring to both departments. 'Our existing HCM system meant we had to maintain separate spreadsheets and paper records to hold HR information,' says Kelly Tatton, HR systems adviser. It partnered with provider COA Solutions to join up HR and payroll processes. 'Previously pay reviews had to be manually processed and checked using a restrictive payroll module. New technology means this process can now be completed by one person in half a day rather than three people over three days,' she says.

Time has also been saved processing pay changes and adding new starters as this information is automatically calculated and generated from the system at the touch of a button. Tatton adds: 'This has reduced the time taken →

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to process pay changes from 30 minutes per change to just five minutes, relieving the burden on the HR department so they can concentrate on more value-adding activities.' A self-service module also exists so employees can book, cancel or amend holiday (which is updated to payroll). Later this year, it will be extended to give staff access to performance reviews and absence records.

Traditional employee self-service has been slow to take off - estimates from HR and payroll solutions provider Computers in Personnel reveals only about 50% of companies allow it. So will payroll self-service take off at a faster rate? The ball is in your court, but by allowing the tripartite of staff, HR and payroll to all work harmoniously together, it is a win-win (and extra win) situation.

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