

# Payroll Profession Confidence Index

JULY 2025

**$\pi$ ayroll**  
Influences



# Preface

Welcome to the 2<sup>nd</sup> annual Payroll Profession Confidence Index report!

Together through the PPCI we are making real progress – reshaping the narrative on payroll’s strategic value and educating C-suites on what we all have known our entire careers: *Payroll leaders are business leaders* who happen to work in payroll, leading one of the most critical functions and curating one of the most powerful data sets in all the organization.

Yet payroll remains “less than”, last to know, and overlooked for its impact to the organization's strategic outcomes. Underestimating the severity of not getting payroll right can be catastrophic, and thankfully, more organizations and their executives are waking up to the reality that *payroll influences everything* the business does or plans to do.

I'm thrilled to report I'm encountering more ‘payroll executives’ in my research and work. Executives who are projecting their voices and influence upward, *no longer being led - now leading* their organizations through insights and influence. Im meeting payroll leaders with unique reporting structures (aligning under total rewards is rising). Some are reaching SVP roles and titles, and the possibility of a Chief Payroll Officer now seems imminent. I'm meeting Sr. executives who once ignored payroll, stepping forward to own payroll, as they now see the strategic value and potential in payroll as a Center of Excellence for their businesses.

The onset of AI and augmentation is exciting and overwhelming and there are still a lot of unknowns - *its early, but its also very late. Modernization can no longer wait.* Executives that continue to put off investments in payroll operations (people, process, and tech) are placing their organizations at serious risk, while conceding competitive advantage in the form of insights and agility and the ability to de-risk strategic plans with confidence.

The saying *“Progress is made where progress is measured”* sums up the spirit of this unique research – together, through the PPCI - we are raising our voice and making progress in elevating payroll to its well-earned position of eminence!



**Pete A. Tiliakos**  
Chief Payroll Champion



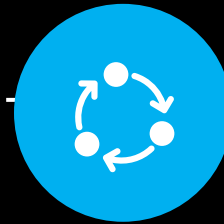
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## Report Methodology: About the PPCI

The Payroll Profession Confidence Index (PPCI) is the first-of-its-kind payroll research designed 'by payroll and for payroll' to amplify the collective voice of its professionals and raise awareness for the value and impact of the critical profession.

The PPCI takes the sentiment-based pulse of payroll professionals and measures the health and value-driven impact of their operations to better understand how to nurture the future of the payroll profession and raise the eminence and impact of every payroll professional worldwide.

The PPCI remains entirely **free of sponsorship or any monetization**, and **100% anonymous** with no personal information required to participate or to access the final report.

The 2024 PPCI Report is available for [DOWNLOAD](https://payrollinfluences.com) at [PayrollInfluences.com](https://payrollinfluences.com).

The PPCI survey is targeted to any/all stakeholders of payroll operations with participation commonly derived from: frontline payroll professionals, payroll managers and leaders, directors of shared services, controllers and CFOs, CHRO's, etc.

**This year, the PPCI reached and shares the voice of 638 payroll stakeholder respondents across 31 countries and five continents.** While this is slightly less than 2024's participation (>700), the survey expanded its presence to three additional countries.

The PPCI report is the product of this research. It is designed to educate the industry, marketplace, and C-suite executives worldwide about the critical impact of payroll professionals and their operations impact on business outcomes.



# Report Methodology: Scoring and data representation (cont.)

Mixed Method	NPS Scored	Scoring	Example
<p><b>Quantitative</b> questions (numeric/NPS)</p> <p>paired with</p> <p><b>Qualitative</b> feedback (open comments)</p>	<p><b>1 to 5 scale:</b></p> <ul style="list-style-type: none"><li>- 1 is lowest, 5 is highest:</li><li>• <b>1,2 = Detractors</b></li><li>• <b>3 = Passives</b></li><li>• <b>4, 5 = Promoters</b></li></ul>	<p>Unless noted (e.g. multi-choice rankings), each result represents the <b>total proportion of payroll ops. with 4 or 5 scoring</b> for each metric.</p> <p>*All appendix benchmarks are represented in this method to demonstrate the overall health and maturity of the profession.</p> <p>In some cases, the opposite has been used to illustrate a sizable gap in Detractors to Promoters.</p>	<p><b>Example 1:</b></p> <p>“40% of payroll professionals and their ops. are perceived as CoE’s.”</p> <p>(Derived from the % total of all 4,5 ratings.)</p> <p><b>Example 2:</b></p> <p>“69% of payroll professionals lack a high level of confidence that their organizations are doing enough to unlock the full strategy-impacting value from their payroll operating models.” (Derived from the total of 1,2 ratings).</p>

# Executive Summary



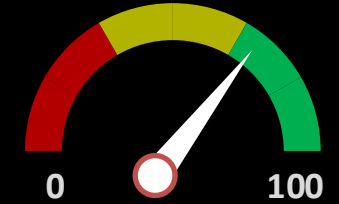
# 2025

## Payroll Profession Confidence Index

### The state of payroll operations



### Payroll Profession Confidence



'Cautious Optimism'

### Respect & Perception

54% of payroll professionals feel respected by their org's.

40% of payroll ops are perceived as a CoE.

### Most impactful digital enablers

1. Cloud platforms
2. Workflow Automation & RPA
3. Mobile ESS/MSS
4. Analytic reporting
5. Digital Payments.

### Top ways to champion payroll

1. Seat at the Table
2. Op. model modernization
3. Exec engagement
4. Adequate investments
5. CoE status.

### Outcomes of

#### Executive Engagement with Payroll

- ❖ 42% improvement in professional respect
- ❖ ~30% increase in cross-functional relationships
- ❖ 23% more likely to be perceived as a CoE
- ❖ 33% increase in strategy impacting value (ROI)
- ❖ 24% increase in organizational agility enablement
- ❖ 28% increase in confidence that payroll op model can support the strategic direction of the business.

### Progress Report: Achieving the 'Five Pillars of Modern Payroll'

- Compliance Center of Excellence: 3.8/5, 24% at peak maturity (5)
- Delivering the Modern Pay Experience: 3.7/5, 27% at peak maturity
- Facilitating compliant access to skills & talent: 3.6/5, 20% at peak maturity
- Advising on strategic initiatives: 3.5/5, 17% at peak maturity
- Enabling organizational agility: 3.5/5, 19% at peak maturity.

### Modern Payroll ROI

#### LEGACY

- ✗ Operational oriented
- ✗ Cost control/takeout
- ✗ Headcount reduction

#### MODERN

- ✓ Strategic impact focused
- ✓ Advisory & insights value
- ✓ Risk avoidance impact
- ✓ Agility enablement.

# Modern payroll operations require more than technology alone - payroll must also be engaged and prioritized as an investment in strategic enablement.

## Tech matters - engagement matters most.

Digital investments are crucial across the entire organization, and payroll must be powered by modern infrastructure. However, tech alone is not enough. The real ROI begins to flow when payroll is both tech-enabled, proactively engaged, and supported by executive leaders invested in payroll's success as a strategic partner.

## Vision & strategy lay the foundation.

Payroll ops. with a highly mature vision show significantly higher scores for maturity and ROI realization than peers lacking the same. A payroll vision and strategy supported by a roadmap and adequate investments lay the foundation for payroll to return strategic value to the business.

## Payroll is an investment, not a cost center.

Payroll is either a strategic enabler or a barrier to success. The days of payroll as a simple cost center are gone. The critical practice and its professionals hold the expertise, insights, and trust with the workforce powering their businesses – payroll must be championed and invested in as a CoE and org. agility enabler.



17%

...of payroll operations are functioning in a transformed state.



50%

...of payroll operations lack a vision, strategy and roadmap. Payroll ops. with a highly mature vision show significantly higher scores for maturity and ROI realization than peers lacking the same.



51%

...unfit to support the strategic direction of their businesses over the next 3 to 5 years.



Executives often underestimate the business risk of avoiding payroll transformation and are equally unaware of the strategic value that modern payroll ops provide.

32%

...of payroll operations delivering a high level of strategic value to their business

6%

...of payroll operations globally are performing at the highest maturity level for all five of the pillars of modern payroll for strategic enablement.

69%

...of payroll professionals lack confidence that their organizations are doing enough to unlock the full strategic value from payroll.

### Leaving value on the table.

Most organizations overlook the strategic value and ROI payroll offers beyond payroll administration, in the form of organizational agility, insights, strategic advisory, and risk avoidance.

### Payroll leaders *are* business leaders.

Payroll leaders manage one of the most complex, consequential, and kinetic processes in the org. Often undervalued, overlooked, underestimated and last to know about strategic plans that directly impact them. Oddly still begging for inclusion and an opportunity to demonstrate their expertise as strategic advisors through eminence expertise and insights.

### The Modern Payroll ROI paradigm shift.

Payroll ROI is so much more than a cost take out exercise. Now more than every, orgs. need to be doubling down on curating a modern payroll infrastructure of people and expertise, technology and innovation, and best fit practice design to support scalable, flexible, resilient payroll operations to de-risk their strategic path.

# Payroll's strategic value is derived through the Five Pillars of Modern Payroll.

## Delivering the modern 'Pay Experience'

- Pay & total rewards
- Transparency & Equity
- Choice of pay timing & method
- Financial wellness insights, education, & nudges.

## Advising the business on strategic initiatives

- Payroll aligned and integrated with the HR and business strategy
- Proactive engagement on strategic planning
- Insights and expertise guide and de-risk the organization along its growth path.

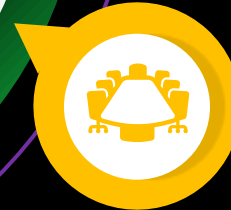


## Facilitating compliant access to skills and talent

- 'Any type, any time, anywhere'
- Risk management and avoidance
- Compliance expertise and advisory.

## Enabling organizational agility

- Scalable, adaptable, & resilient payroll operations able to flex with the organization along its growth path
- Leveraging data and insights to help the organization to 'see around the next corner.'



When nurtured and engaged, payroll operations provide ROI in the form of insights, agility, and risk avoidance, requiring a new measure of payroll's strategic value.

Payroll operations with highly mature executive relationships and engagement produce measurably higher ROI and strategic impact vs. organizations with a low executive engagement maturity.

**VISION**

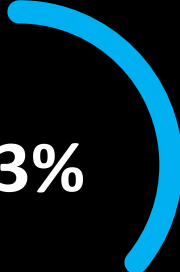
**35%**



...more likely to have a payroll vision, strategy and roadmap

**ROI**

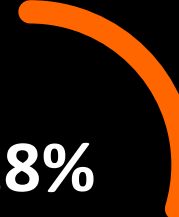
**33%**



...increase in strategy impacting value (ROI)

**CONFIDENCE**


**28%**



...increase in confidence that the payroll operating model can support the strategic direction of the business.

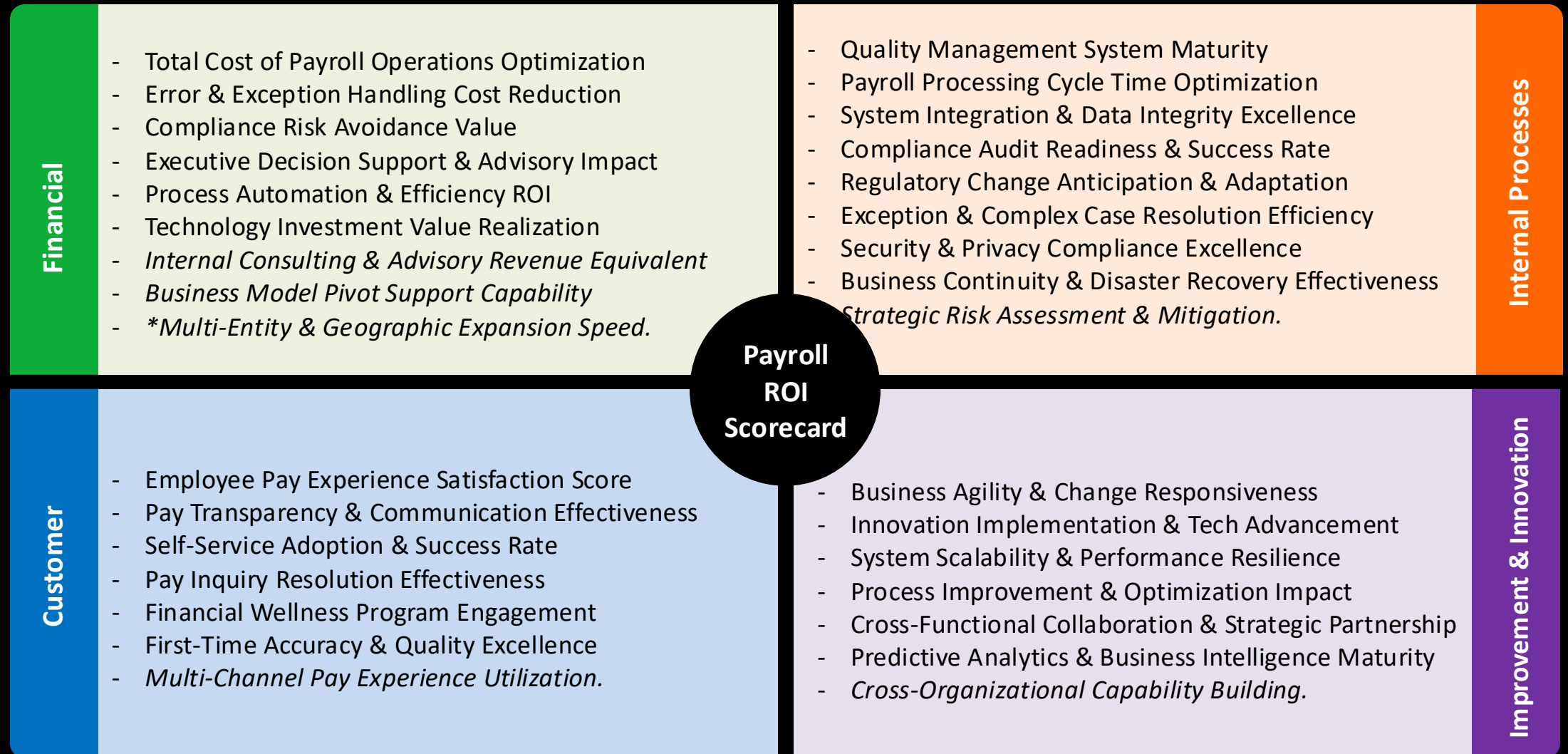
**AGILITY**

**24%**



...increase in organizational agility enablement.

The Modern Payroll ROI Scorecard provides a framework for looking beyond simple cost takeouts to find the real strategy-impacting value of payroll operations.



- *Italics represent alternative KPI options*
- *\* MNC specific.*

NOTE: This scorecard is a conceptualized example of potential KPI's for measuring payroll's strategic value and ROI. The scorecard is a baseline guide that should be shaped to fit the unique needs and strategic priorities of each organization.

# Sentiment Analysis

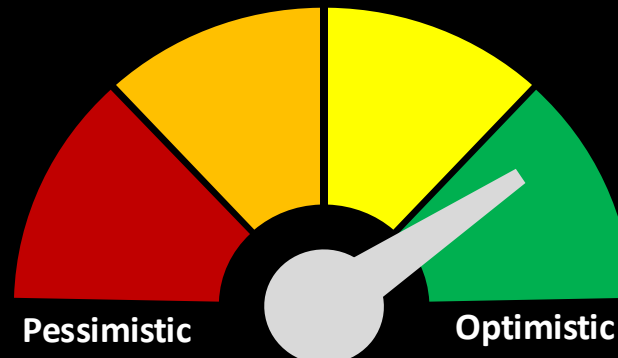
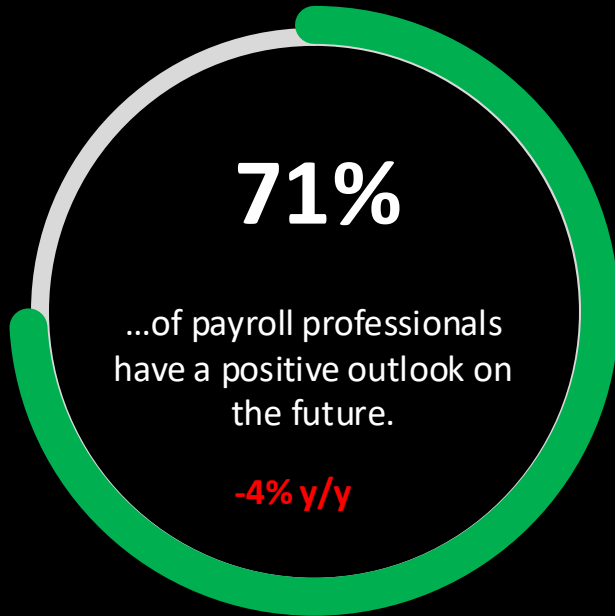


# The payroll profession remains 'cautiously optimistic' for the future of the profession, balancing a high level of tech optimism...

Payroll leaders are cautiously optimistic and enthusiastic about the promises of AI and automation to modernize their operations, activate their rich datasets, and elevate their roles from transactional owners to strategic partners.

However, many payroll professionals and their operations remain misunderstood, undervalued, and operating at arm's length, lacking adequate investment, proactive engagement, and absent from the HR and business strategy...*and decisions that payroll must execute flawlessly.*

About one-third of payroll operations are currently delivering a high level of strategy impacting value to the businesses they support and over half of all payroll operations globally remain unprepared to handle the strategic path of their businesses.



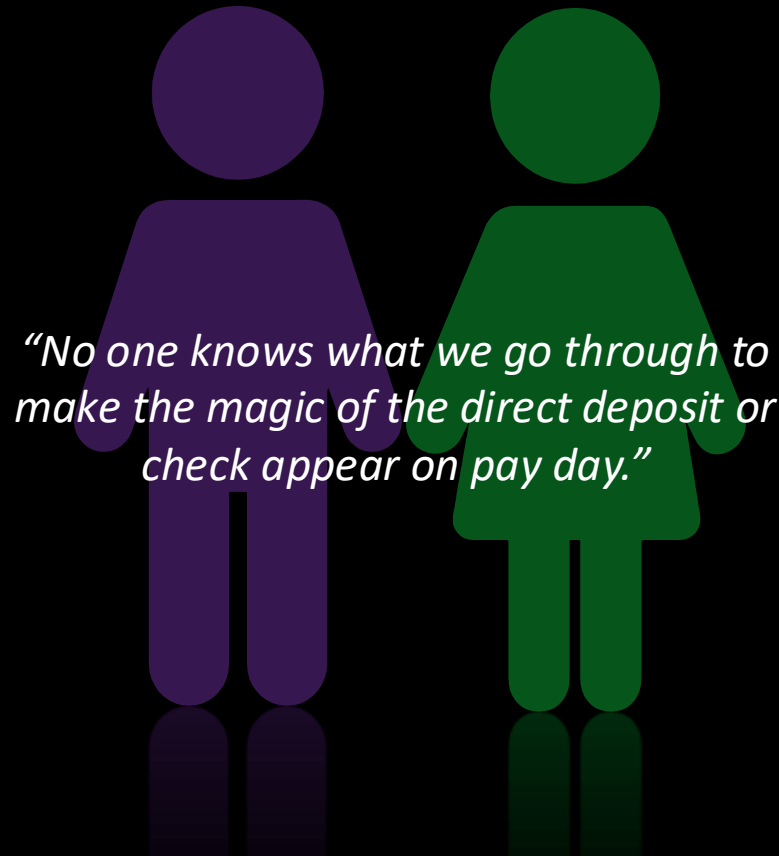


...with a low level of organizational respect and engagement underpinned by a lack of confidence that executives are invested in their success.

*"It's important for payroll professionals to have more input to company strategies. We sit on a goldmine of data that can help drive decisions."*



*"We are rock stars of our own concert - but not recognized outside of the concert hall."*

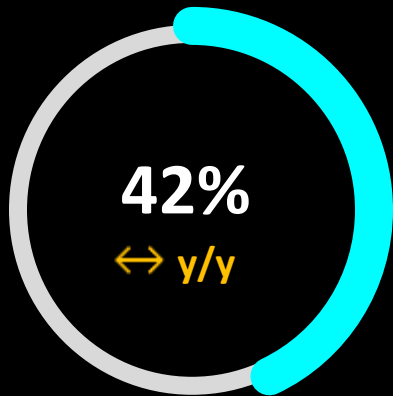


*"No one knows what we go through to make the magic of the direct deposit or check appear on pay day."*



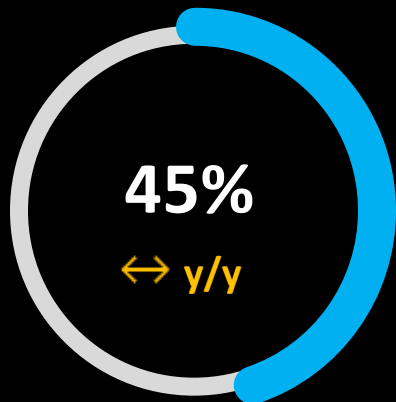
*"Payroll has just recently been given a seat at the table - questions are finally flowing to us BEFORE decisions are made. This is a major win!"*

Extracting value from payroll requires both adequate investments and leaders invested in championing payroll as a Center of Excellence and trusted strategic partner.



...of payroll professionals have a high level of confidence that their organization's leadership is **'investing'** adequately in payroll's success.

**'investing'** = adequate budget and ongoing investments to support payroll ops.



...of payroll professionals have a high level of confidence that their organization's leadership are fully **'invested'** in payroll's success.

**'invested'** = prioritizing, engaging and championing payroll ops. as a center of excellence and strategic partner.

The assumption that technology investments alone can transform payroll is misguided.

The reality is that payroll transformation is more of a journey than a destination and is only achievable with the right mix of modern technology, expertise/people, process, and executive engagement.

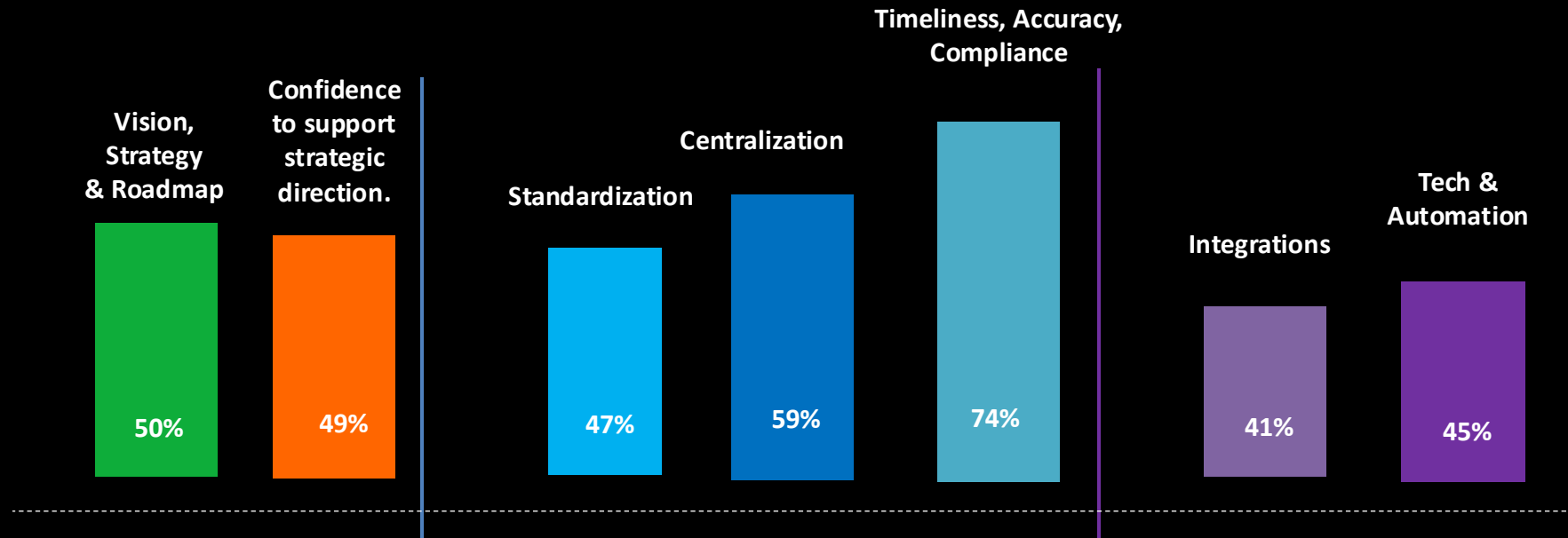
Beyond investments in technology modernization, payroll must be integrated and woven into the HR and business strategy, proactively engaged to de-risk and guide the organization along its strategic path.

Most importantly, it requires executive leaders to be *invested* in payroll, championing its success, and positioning payroll operations as a center of excellence to enable business outcomes.

# Operational Maturity



While payroll excels at meeting operational requirements, they struggle with the capabilities required for future growth. Suggesting a focus on "keeping the lights on" rather than preparing for transformation.



### The Centralization Advantage

Organizations that have achieved a high to very high level of centralization show better performance across other operational maturity categories, pointing to organizational structure as foundational to technical innovation and process improvements.

### Integration as the Critical Bottleneck

Nearly 2/3rds of payroll operations struggle with integrations, representing a significant barrier to operational efficiency, advanced analytics, and modern pay experiences. Poor integration capabilities cascade into limitations with AI and automation, standardization, and strategic execution.

Organizations with a strong payroll strategy and vision show the highest confidence levels in operational maturity, but technology and integration weaknesses create significant barriers to executing that vision.

**Organizations with high operating model confidence and maturity typically demonstrate:**



Clear strategic vision with defined roadmaps



Strong tech platforms with robust integrations



Standardized processes that enable automation



Centralized operations with consistent governance.

**17%**

...of payroll operations have achieved a transformed state with a high/very high level of maturity, and confidence across all attributes.

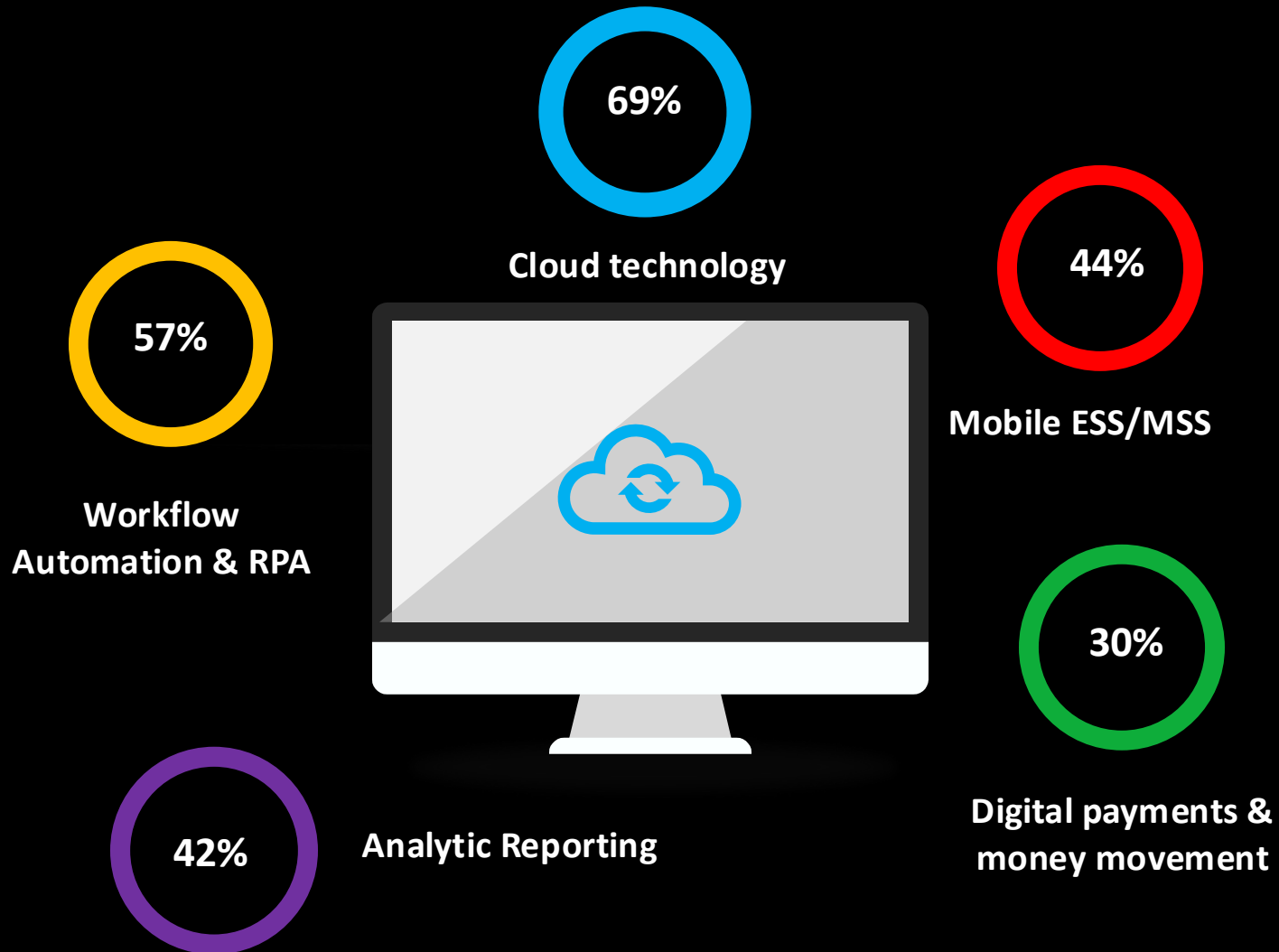
**45%**

...of payroll operations function with a high/very high level of tech and automation maturity.

**51%**

...of payroll operations are unprepared to support the strategic direction of their businesses.

# Top 5 most impactful digital technologies for payroll operations.



- ❖ Cloud platforms held the top position - the 'launch pad' of modern payroll – enabling an always-on, central repository for data curation, calculations, processing, orchestration, and automation through AI and ML.
- ❖ Workflow automation and RPA ranked as the 2<sup>nd</sup> most impactful enabler, while AI/ML lagged - likely as a small proportion are yet to deploy the cognitive tech at scale, instead relying on native platform capabilities and existing RPA investments.
- ❖ Mobile ESS and analytic reporting were equally impactful, driving relief from data maintenance and empowering payroll to activate its rich data for value and impact.
- ❖ Digital pay methods and money movement are increasingly standard in modern payroll operations and empowering both employees (financial wellness, flexibility) and practitioners (lever for solving payroll problems) and driving business outcomes (reduced turnover costs).

*Totals represent % of times the solution was ranked in the top 5.  
Totals will not equal 100% due to multiple options allowed.*



# Impact Analysis



# Payroll is significantly more complex and riskier than it appears on the surface and offers strategic value that often remains untapped

- |   |                           |  |
|---|---------------------------|--|
| ✓ Employee Experience (complaints)      | ✓ Paychecks               | ✓ Reports  |
| ✓ Source to Gross (chasing time inputs) | ✓ Audits & Controls       | ✓ Testing/maintenance of systems   |
| ✓ Manual Processing                     | ✓ Compliance              | ✓ Project Management (M&A, CBA's, Year-End.)   |
| ✓ Data Maintenance                      | ✓ Tax Inquiries, Audits   | ✓ Vendor Management  |
| ✓ Gross to Net Calc                     | ✓ Payroll Inquiries       | ✓ ...and much more   |
| ✓ Tax Filings                           | ✓ Global mobility/ EXPATS | ...often, anything another department doesn't want to do that seems remotely close to "pay or payroll"). |
| ✓ Garnishments                          | ✓ GL reconciliation       |  |

Payroll is so much more than what you see on the surface, often measured by the complaints (or lack thereof) on payday. Payroll is more than a processor simply printing checks.

Payroll is a mission-critical function that is equal parts employee experience and wellness driver, controllership and risk management, and a data-rich resource and trusted advisor for supporting strategic plans and enabling organizational agility.

The immense responsibility payroll has in keeping the company compliant cannot be understated, but imagine doing so with limited resources, outdated or no technology, a lack of skilled experts, and minimal investment or respect from the organizations they serve. Underpinned with a moving target of legislative demands that scale with the company.

Unfortunately, this is the reality for many of the payroll professionals and their operations worldwide and is increasingly a strain on competitive advantage and organizational agility, elevating the risk for organizations that ignore it.

# Executives are overlooking the strategic ROI payroll can provide and are equally blind to the inherent risk of an outdated payroll operating model.

32%

...of payroll operations are currently delivering a high level of strategy impacting value to the businesses they support.

-2% y/y

63%

...of payroll professionals lack a high level of confidence that their executive leaders and corporate culture are fully aligned and invested in elevating payroll's value and impact within their organizations.

-3% y/y

69%

...of payroll professionals lack a high level of confidence that their organizations are doing enough to unlock the full strategy-impacting value from their payroll operating models.

-5% y/y

A closer look at the 17% of organizations that rated all operational maturity and confidence attributes high to very high (4 or 5) equally scored the following 4 or 5:

- ❖ 62% deliver a high level of strategy-impacting value
- ❖ 60% have a high confidence that their orgs. are doing enough to unlock that value
- ❖ 66% have a high confidence that their executive leadership and culture is aligned and invested in payroll's success.

While a majority of operationally mature organizations see payroll as strategically valuable and gain some executive support, about one-third still lack strong confidence or engagement, indicating room for improvement in perception and alignment at the executive level.

HR remains payroll's closest partner and *its biggest abuser*. The very leaders charged with *inclusion* have normalized excluding its most essential partner to a strategic detriment rooted in ignorance and a lack of respect.

The elephant in the room remains the less-than-treatment of payroll by their businesses. Led by HR as the biggest offender, commonly mistreating and excluding payroll as a norm.

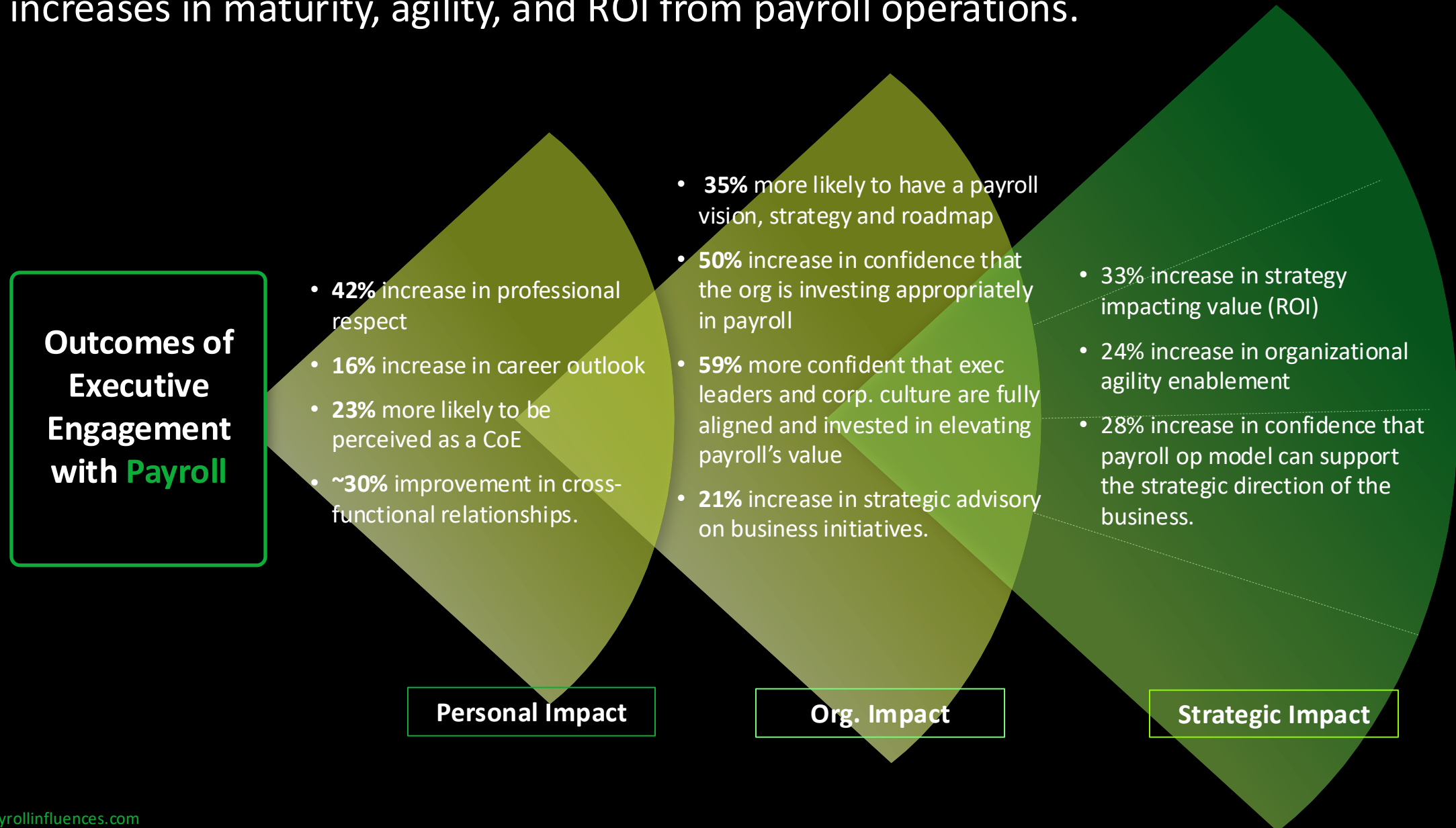
*The organization charged with inclusion actively excludes its most essential partner to its own detriment.*

Payroll is commonly overlooked, undervalued, underpaid, viewed as tactical, and largely excluded from decisions that directly impact payroll operations and create material risk for the organization and its strategy.

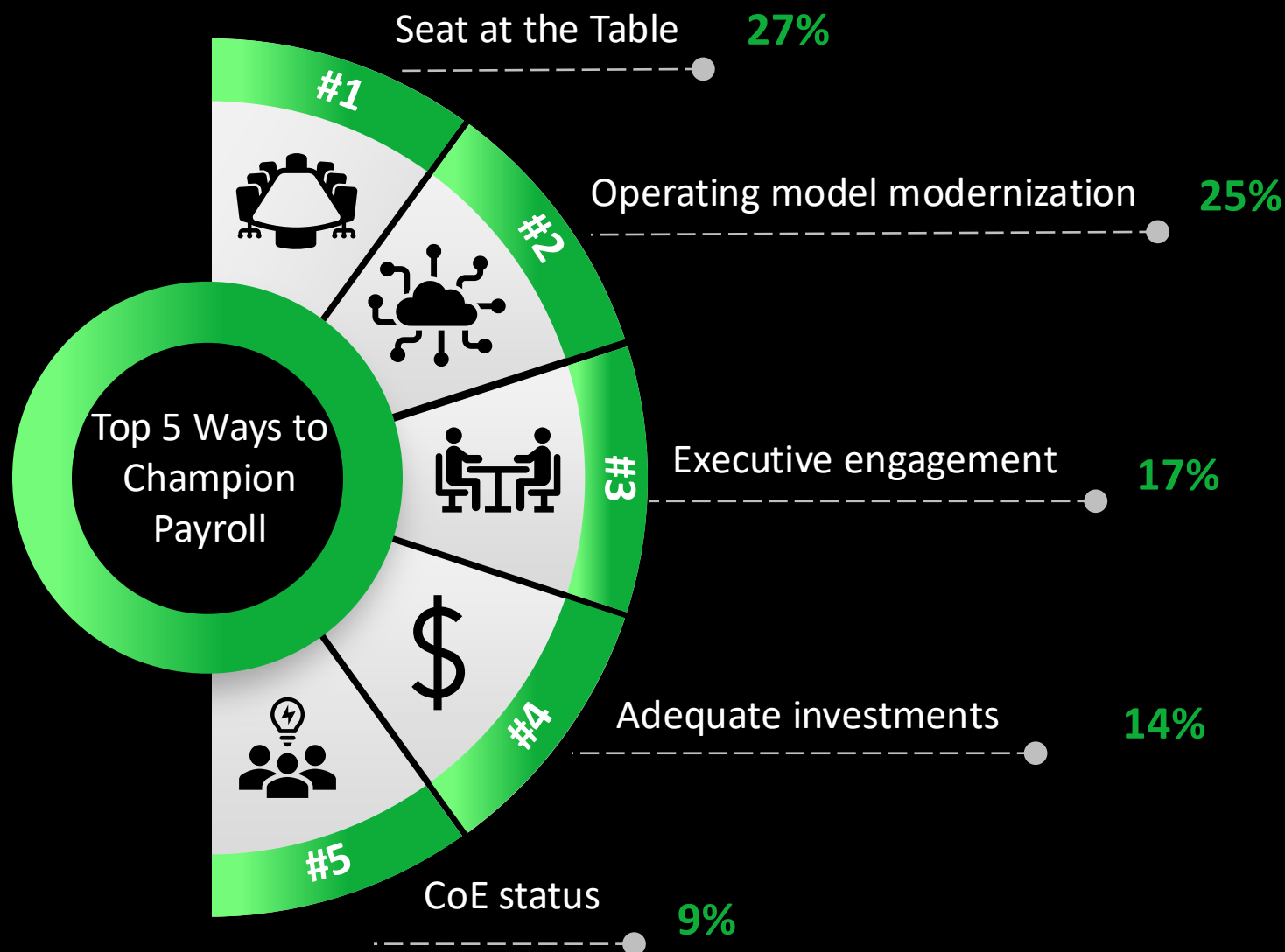
Executive engagement with payroll lags all other stakeholders and is commonly shielded from payroll by HR. However, invested and actively engaged executives who champion and prioritize payroll experience measurable ROI outcomes.

<div>HR</div> <div>4.0</div> <div>- 0.1 y/y</div>	<div>FINANCE</div> <div>3.9</div> <div>- 0.1 y/y</div>	<div>LEGAL</div> <div>3.2</div> <div>↔ y/y</div>
<div>EXECUTIVES</div> <div>3.2</div> <div>+ 0.2 y/y</div>	<div>BUSINESS OPS</div> <div>3.3</div> <div>+ 0.2 y/y</div>	<div>VENDORS</div> <div>3.4</div> <div>+ 0.1 y/y</div>

Executives and organizations who prioritize and champion payroll realize measurable increases in maturity, agility, and ROI from payroll operations.



Unlocking the strategic value from payroll requires executive engagement, proactive inclusion in strategic planning, and enabling its business leaders with modern technology.



Payroll professionals globally continue to lobby for proactive inclusion in strategic decisions as a trusted advisor. They seek executive support, inclusion, engagement, and prioritization.

Like all critical back-office functions, payroll requires technology and digital modernization to unlock its rich data and empower payroll leaders to drive business outcomes.

Executive leaders who prioritize payroll as a strategic partner create a competitive advantage in the form of data, insights, and expertise, organizational agility, risk avoidance, and employee engagement and wellness.



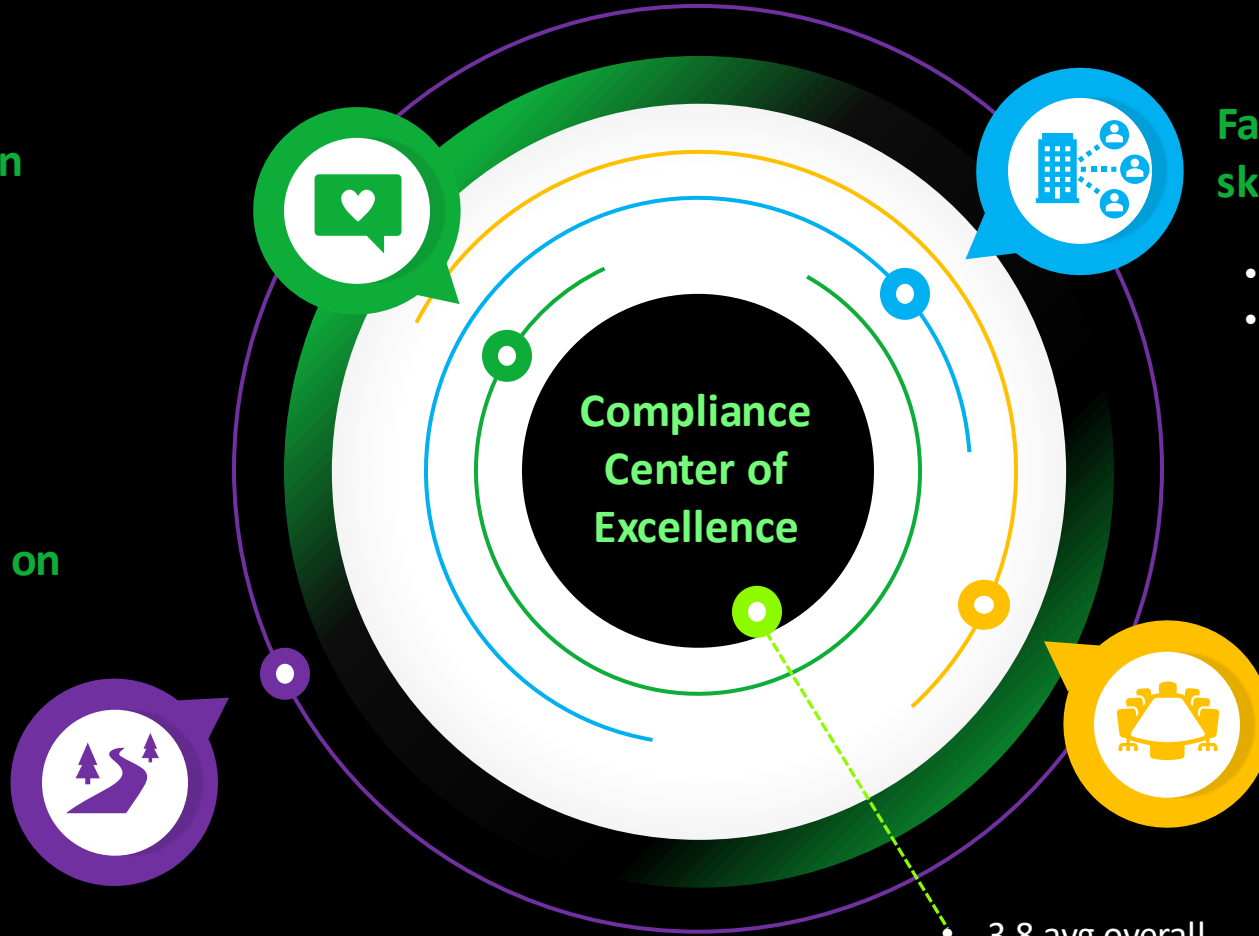
ROI is being derived by way of the Five Pillars of Modern Payroll with only 6% of payroll ops. globally performing at the highest maturity level for all five pillars.

### Delivering the modern 'Pay Experience'

- 3.7 avg overall
- 24% operating at the highest maturity (5)

### Advising the business on strategic initiatives

- 3.5 avg overall
- 17% operating at the highest maturity (5)



### Facilitating compliant access to skills and talent

- 3.6 avg overall
- 20% operating at the highest maturity (5)

### Enabling organizational agility

- 3.5 avg overall
- 19% operating at the highest maturity (5)

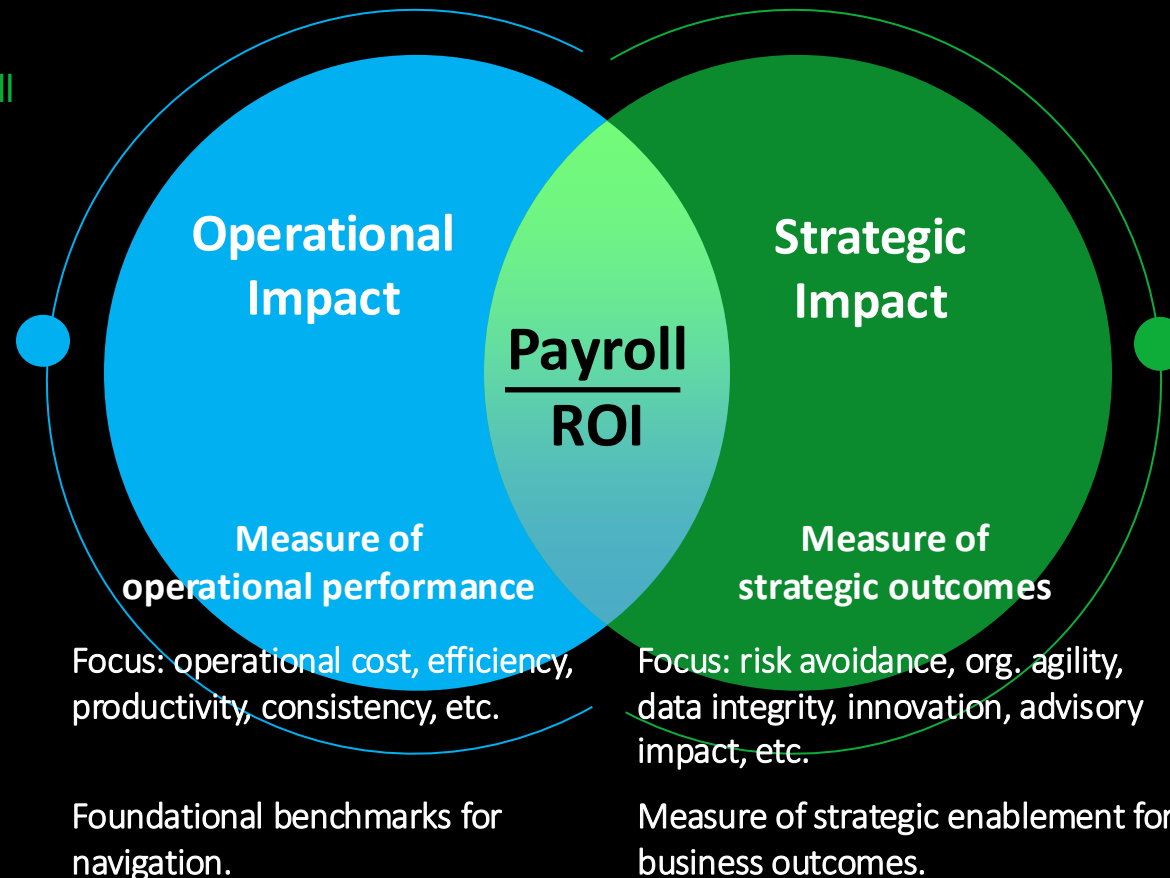
- 3.8 avg overall
- 25% operating at the highest maturity (5)

*NOTE: The % of high maturity was measured at the pillar level as well as collectively (performance with all five); while a small proportion of ops. are operating at the highest maturity for select pillars, only 6% were performing at the highest maturity for all five pillars.*

The ROI from modern payroll ops. is much greater than the results of a cost take-out exercise, requiring a paradigm shift and framework that measures payroll's strategy impacting value.

The **Five Pillars of Modern Payroll** defined what modern payroll operations should provide in terms of strategic value and where its ROI is derived.

The **Modern Payroll ROI scorecard** underpins the Five Pillars, moving payroll beyond (essential, yet narrowly focused) operational KPI's historically used to measure payroll ROI entirely through a cost reduction-focused lens.



When modernized, championed, and prioritized as a trusted business partner – **payroll becomes a source of strategy impacting value, ROI and competitive advantage.**

The strategic impact of payroll should be a measure of the insights, expertise, innovation, and organizational agility it provides as it de-risks the organization along its growth path.

# Modern Payroll ROI Scorecard

## NOTE:

The following scorecard is a conceptual framework. This should be viewed as a conceptual example of potential KPI's for measuring payroll's strategic value and telling a strategic ROI story.

This should not be considered a one-size-fits-all framework, but rather a baseline guide that should be tailored to fit the unique needs and strategic priorities of each organization.

Any of the metric examples shared are provided for illustrative purposes only and do not represent industry or market benchmarks. While they may be directionally correct, they are meant to illustrate what to measure, more so than how operations should be performing against them. Again, this must be shaped to fit your organization's unique requirements.



# The Modern Payroll ROI Scorecard: Financial Perspective

	KPI Name	Measurement Description	Example Metric (Not a Benchmark)	Five Pillars Alignment	Business Value
Financial	<b>Total Cost of Payroll Operations Optimization</b>	Comprehensive cost per employee including all payroll operational expenses	\$ per employee annually (based on industry benchmark)	All Five Pillars	Holistic operational efficiency and competitive cost positioning
	<b>Error &amp; Exception Handling Cost Reduction</b>	Reduction in costs associated with payroll errors, corrections, and exception processing	<0.1% error rate with 75% reduction in exception handling costs	Compliance CoE, Modern Pay Experience	Quality-driven cost savings and enhanced operational credibility
	<b>Compliance Risk Avoidance Value</b>	Estimated annual savings from avoided penalties, fines, and legal costs	99.9% compliance rate; \$XX+ risk avoidance annually	Compliant Access to Talent, Compliance Center CoE	Direct bottom-line protection and quantifiable cost avoidance
	<b>Executive Decision Support &amp; Advisory Impact</b>	Frequency and impact of payroll expertise in major business decisions	Payroll input in >80% of major strategic decisions with quantified annual value	Advising on Strategic Initiatives, Compliance Center CoE	Quantifiable ROI from payroll expertise, insights, and impact
	<b>Process Automation &amp; Efficiency ROI</b>	Cost reduction from automation and process optimization initiatives	% reduction in manual processing costs year-over-year	All Five Pillars	Operational cost optimization and improved resource effectiveness
	<b>Technology Investment Value Realization</b>	ROI from payroll technology investments and platform modernization	3:1 ROI on technology investments within 24 months	All Five Pillars	Future-proofing investment returns and competitive advantage

# The Modern Payroll ROI Scorecard: Financial Perspective (alternate options)

	KPI Name	Measurement Description	Example Metric (Not a Benchmark)	Five Pillars Alignment	Business Value
Financial	Internal Consulting & Advisory Revenue Equivalent	Value of internal consulting services provided to business units	\$ equivalent annual value in internal advisory services	Enabling Organizational Agility, Advising on Strategic Initiatives	Quantifiable ROI from payroll expertise, insights, and impact. Internal capability building
	Business Model Pivot Support Capability	Payroll system and process flexibility to support strategic business model changes	<21 days to implement new compensation structures or business models	Enabling Organizational Agility, Advising on Strategic initiatives, Compliance CoE	Strategic pivot speed, market adaptation capability, M&A integration speed, and competitive responsiveness
	Multi-Entity & Geographic Expansion Speed	Time to establish payroll operations for new business units, acquisitions, or locations	<30 days domestic, <60 days international with full compliance	Enabling Organizational Agility, Compliant Access to Talent	Speed to market and execution on strategic initiatives. Compliance and risk avoidance

# The Modern Payroll ROI Scorecard: Customer Perspective

	KPI Name	Measurement Description	Example Metric (Not a Benchmark)	Five Pillars Alignment	Business Value
Customer	Employee Pay Experience Satisfaction Score	Comprehensive satisfaction survey covering pay delivery, transparency, and accessibility	>90% satisfaction score with >80% response rate across all employee segments	Modern Pay Experience, Compliant Access to Talent	Direct correlation to employee engagement, retention, and productivity
	Pay Transparency & Communication Effectiveness	Employee understanding of total compensation, pay processes, and financial wellness	>85% comprehension rate with >90% finding pay information easily accessible	Modern Pay Experience, Advising on Strategic Initiatives	Enhanced trust, reduced pay inquiries, improved engagement and retention
	Self-Service Adoption & Success Rate	Usage rates and successful completion of self-service transactions and capabilities	>80% adoption with >95% successful completion rate and <2% abandonment	Modern Pay Experience, Enabling Organizational Agility	Reduced administrative burden, improved employee autonomy, operational efficiency
	Pay Inquiry Resolution Effectiveness	Time to resolution and first-contact resolution rate for employee pay questions	<24 hours average resolution with >80% first-contact resolution	Modern Pay Experience, Compliance CoE	Enhanced employee experience, reduced administrative overhead, improved trust
	Financial Wellness Program Engagement	Employee participation in payroll-enabled financial wellness and education programs	>60% program participation with >75% completion rate for enrolled employees	Modern Pay Experience, Advising on Strategic Initiatives	Improved employee financial security, reduced financial stress, enhanced loyalty
	First-Time Accuracy & Quality Excellence	Percentage of payroll processed correctly without revision or correction	>99.5% accuracy rate with zero critical errors and <0.1% revision rate	Compliance CoE, Compliant Access to Talent	Operational excellence, reduced rework costs, enhanced credibility and trust
	Multi-Channel Pay Experience Utilization	Employee engagement across various pay access methods (mobile, web, kiosks, etc.)	>70% multi-channel usage with >4.5/5 cross-platform experience rating	Delivering Modern Pay Experience, Compliant Access to Talent	Enhanced accessibility, improved user experience, broader reach effectiveness



# The Modern Payroll ROI Scorecard: Internal Processes Perspective

KPI Name	Measurement Description	Example Metric (Not a Benchmark)	Five Pillars Alignment	Business Value
<b>Quality Management System Maturity</b>	Implementation and effectiveness of comprehensive quality management processes	ISO-equivalent quality certification with <0.01% defect rate	All Five Pillars (comprehensive operational efficiency)	Quality-driven cost savings, ROI, and enhanced operational credibility and business outcomes
<b>Payroll Processing Cycle Time Optimization</b>	End-to-end time from data collection to pay distribution completion	<3 business days for standard cycles, <5 days for complex/exception cycles	Enabling Organizational Agility, Modern Pay Experience	Speed and reliability enabling business agility and employee satisfaction
<b>System Integration &amp; Data Integrity Excellence</b>	Data accuracy and seamless flow between payroll and all connected business systems	<1% data discrepancy rate with >99% automated reconciliation success	Compliance CoE, Enabling Organizational Agility	Single source of truth, reduced manual intervention, enhanced decision-making
<b>Compliance Audit Readiness &amp; Success Rate</b>	Preparation time for audits and successful completion without findings	<4 hours preparation time with >95% audit success rate (no material findings)	Compliant Access to Talent, Compliance CoE	Regulatory confidence, reduced audit costs, maintained business continuity
<b>Regulatory Change Anticipation &amp; Adaptation</b>	Proactive identification and implementation of regulatory changes before deadlines	100% regulatory changes implemented 30+ days before effective date	Compliance CoE	Regulatory readiness, risk and cost avoidance

Internal Processes

# The Modern Payroll ROI Scorecard: Internal Processes Perspective (cont.)

KPI Name	Measurement Description	Example Metric (Not a Benchmark)	Five Pillars Alignment	Business Value
Exception & Complex Case Resolution Efficiency	Time and success rate for resolving complex payroll cases and exceptions	<48 hours for complex cases with >95% resolution within SLA	Compliance CoE, Advising on Strategic Initiatives	Enhanced problem-solving capability, reduced escalations, improved service quality.
Security & Privacy Compliance Excellence	Security incident prevention and privacy regulation compliance effectiveness	Zero security breaches with >99% privacy compliance score across all regulations	Facilitating Compliant Access, Compliance CoE	Risk mitigation, regulatory compliance, maintained trust and reputation
Business Continuity & Disaster Recovery Effectiveness	Ability to maintain payroll operations during disruptions and recovery speed	<4 hours recovery time with 100% pay accuracy during crisis scenarios	All Five Pillars	Business continuity assurance, employee confidence, operational reliability
Strategic Risk Assessment Mitigation	Identification and mitigation of payroll-related strategic business risks	Quarterly risk assessments with >90% of identified risks mitigated within 60 days	Compliance CoE, Advising on Strategic Initiatives, Enabling organizational agility.	Strategic risk management, business protection, informed decision-making

Internal Processes

# The Modern Payroll ROI Scorecard: Improvement & Innovation Perspective

Improvement & Innovation	KPI Name	Measurement Description	Example Metric (Not a Benchmark)	Five Pillars Alignment	Business Value
	Business Agility & Change Responsiveness	Time to implement payroll changes for business restructures, expansions, and strategic pivots	<15 days for major organizational changes, <5 days for standard changes, >4.5/5 agility rating	Enabling Organizational Agility, Advising on Strategic Initiatives	Enables rapid business adaptation, strategic execution speed, competitive responsiveness
	Innovation Implementation & Technology Advancement	Speed and success of adopting new technologies, processes, and capabilities	2+ major innovations annually with >80% success rate and measurable business impact	All Five Pillars (comprehensive modernization approach)	Future-readiness, competitive advantage, continuous capability enhancement
	System Scalability & Performance Resilience	Ability to handle volume increases and maintain performance under varying loads	Support 25% volume increase with <10% resource growth; maintain 99.9% uptime	Enabling Organizational Agility, Compliant Access to Talent	Growth enablement, business continuity assurance, cost-efficient scaling
	Process Improvement & Optimization Impact	Quantified improvements from process optimization and continuous improvement initiatives	20% efficiency improvement annually with documented cost/time savings	All Five Pillars	Continuous optimization culture, competitive efficiency, and resource optimization
	Cross-Functional Collaboration & Strategic Partnership	Effectiveness of payroll team collaboration with other departments and strategic contribution	>4.5/5 collaboration rating with monthly strategic business consultations	Advising on Strategic Initiatives, Compliance CoE	Enhanced organizational effectiveness, strategic influence, improved business outcomes
	Predictive Analytics & Business Intelligence Maturity	Development and utilization of predictive capabilities and business insights from payroll data	12+ actionable insights annually with >70% implementation rate and measurable impact	Advising on Strategic Initiatives, Compliance CoE	Data-driven decision-making, strategic foresight, proactive business support
	Cross-Organizational Capability Building	Enhancement of payroll-related capabilities across other business functions	>80% of business partners report improved payroll-related capabilities	All Five Pillars	Organizational capability multiplication, reduced dependency, improved collaboration

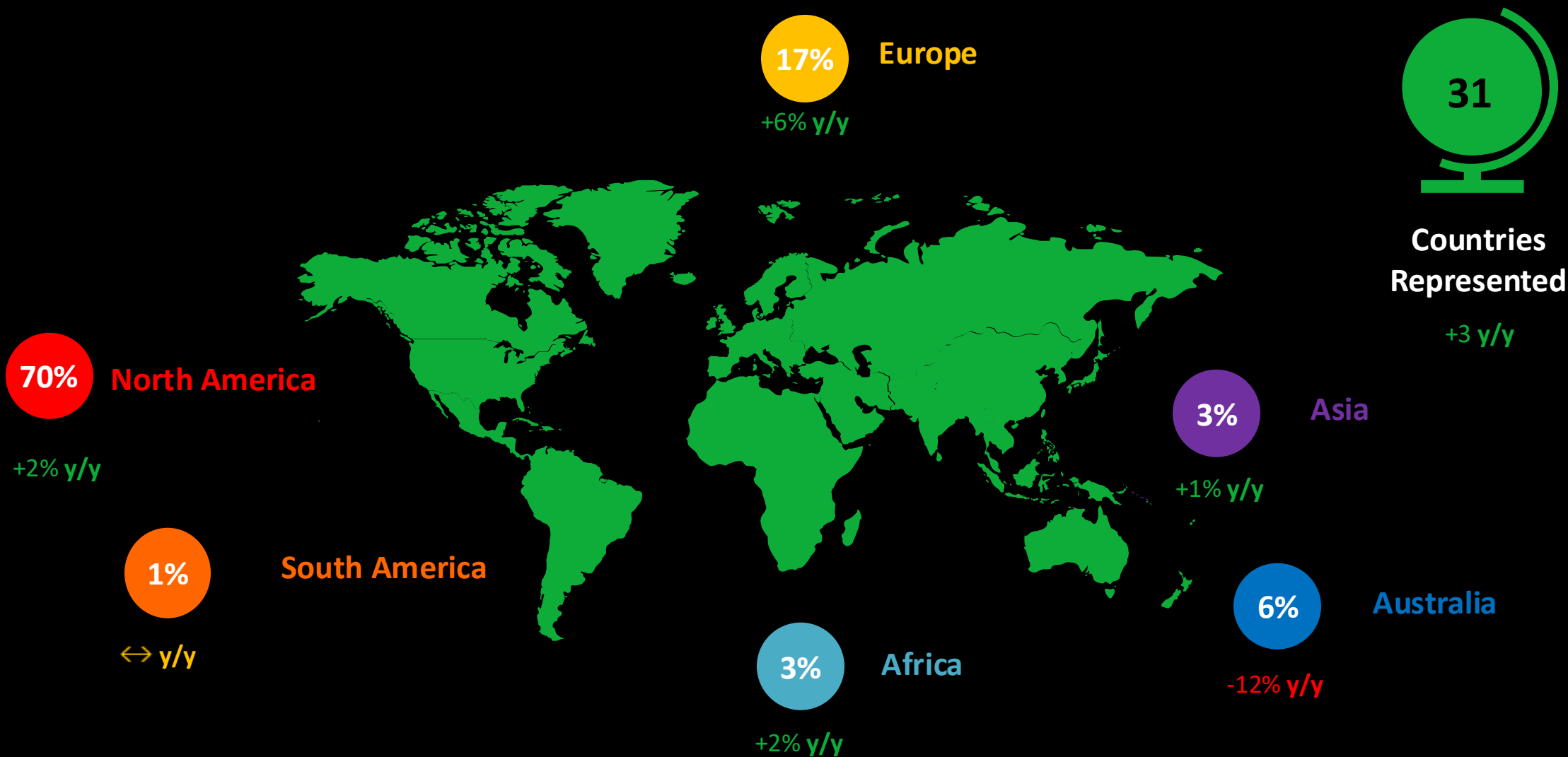
# Appendix:

## Respondent Demographics

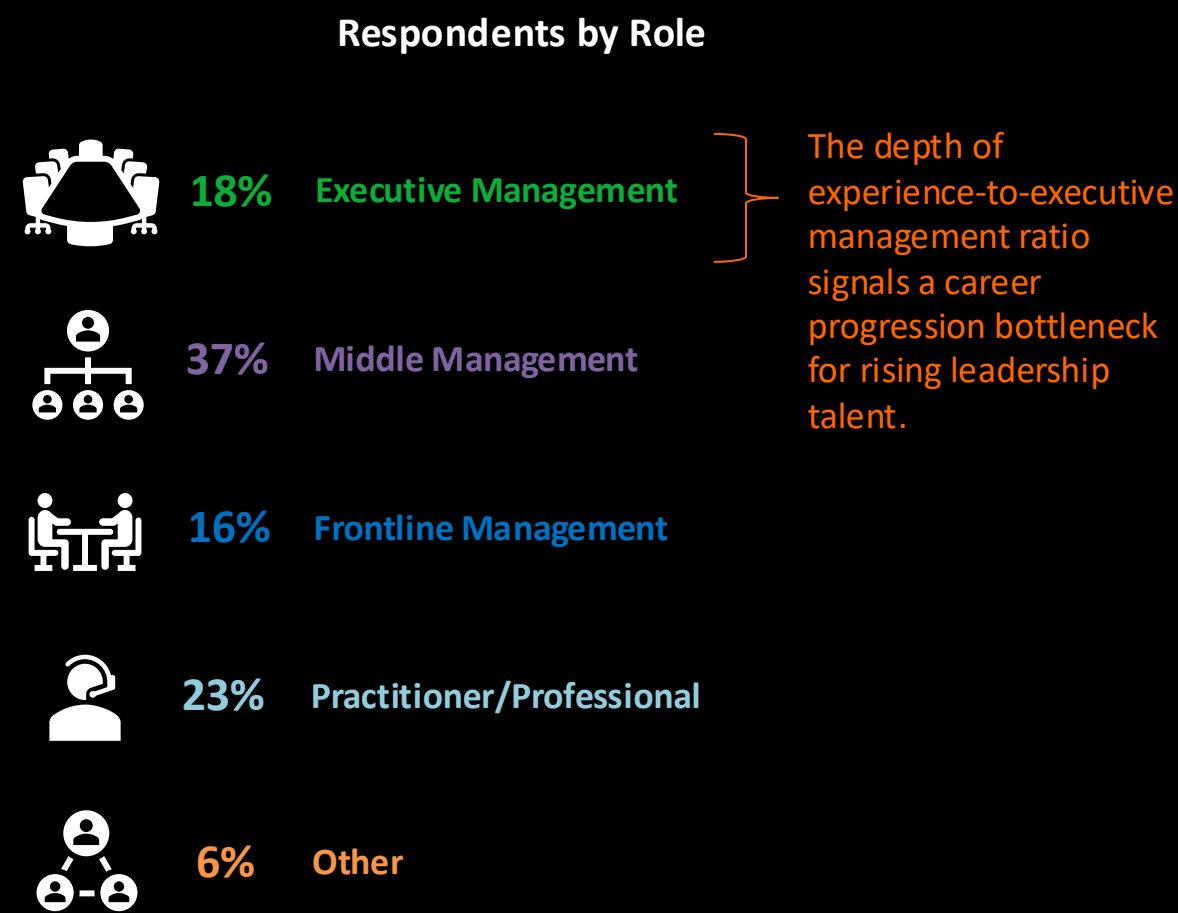
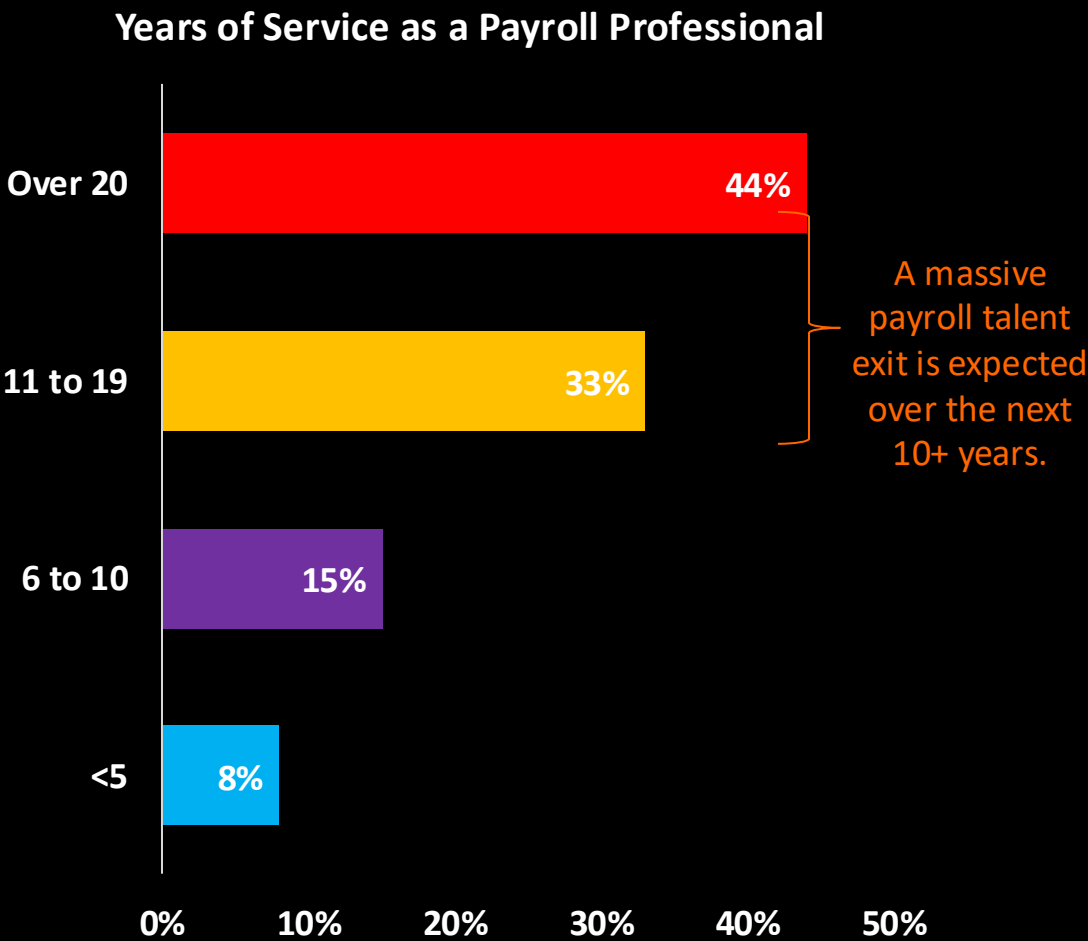
- Company HQ primary geography
- Years of service and role
- Org. size and scope of countries.



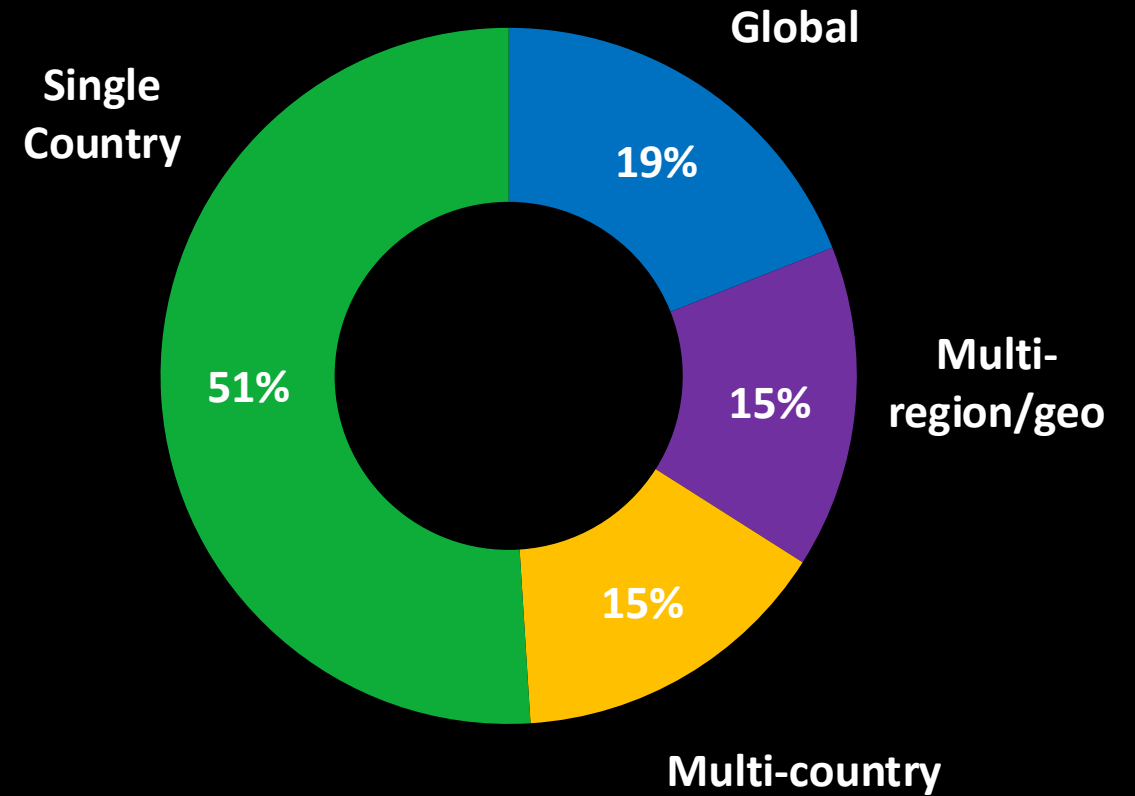
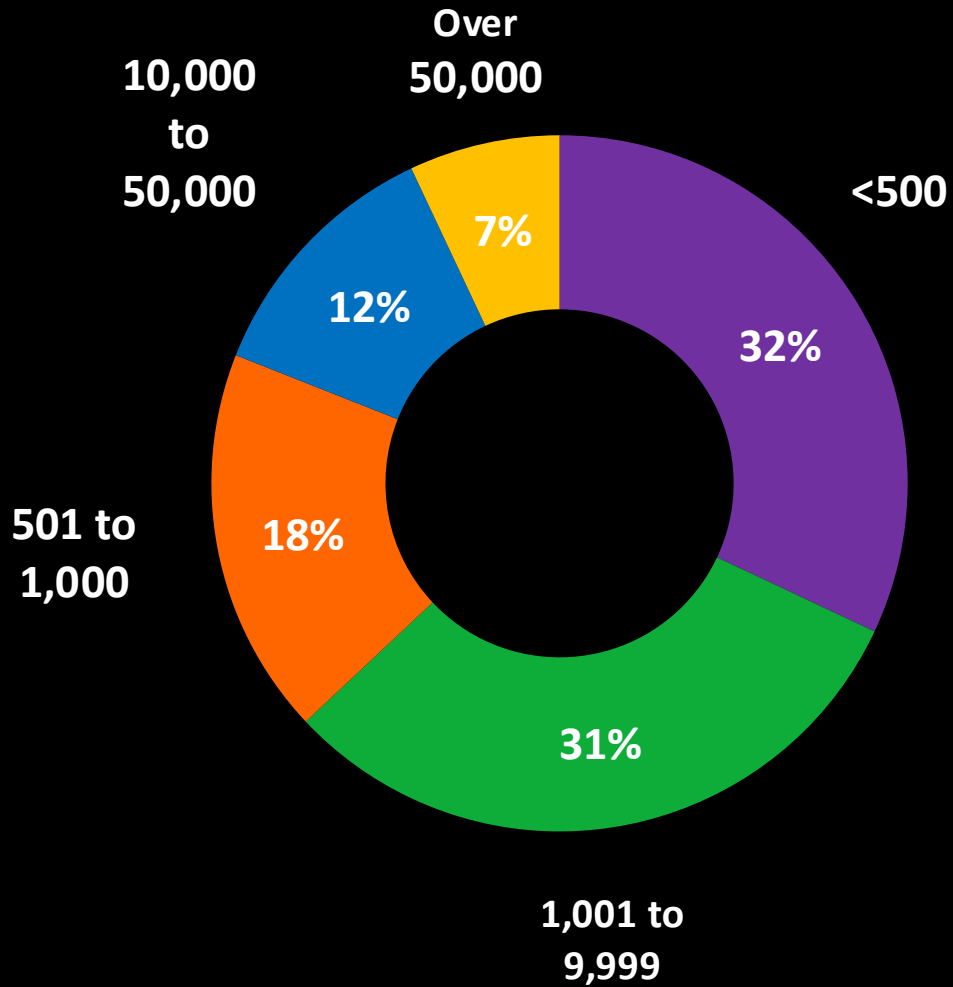
Respondent demographics: Company HQ primary geography



# Respondent demographics: Years of services and role



## Respondent demographics: Organizational size, and scope of countries



# Appendix:

## Responses by organization type

- Organizational size: (</> 1,000 employees)
- Country Scope





# Organizational size: <1k Employees vs. >1k Employees

Attribute		<1k EE's	Overall	>1k EE's
Sentiment	Outlook	70%	72%	74%
	Tech sentiment	87%	84%	81%
	Respect	55%	54%	50%
	Perception (Payroll as CoE)	70%	61%	41%
	Invested leaders	49%	45%	38%
	Adequate investment	45%	42%	40%
	Commitment to unlocking value	19%	31%	25%
	Leadership & cultural alignment	22%	37%	30%
Relationships	HR	4.1	4.0	4.5
	Finance	4.0	3.9	4.4
	Legal	3.0	3.2	3.9
	Executives	3.2	3.2	4.0
	Business Operations	3.3	3.3	3.9
	3 <sup>rd</sup> Parties	3.3	3.4	3.8

# Organizational size: <1k Employees vs. >1k Employees

Attribute		<1k EE's	Overall	>1k EE's
Operations	Standardization & Harmonization	27%	47%	39%
	Centralization	33%	59%	51%
	Technology & Automation	24%	46%	40%
	Integrations	22%	41%	38%
	Timeliness, Accuracy, Compliance	38%	74%	72%
	Strategy, Vision, Roadmap	25%	50%	49%
	Confidence to support strategy	26%	50%	46%
Impact	Value & Impact	75%	31%	27%
	Operating as a center of excellence	33%	62%	58%
	Delivering a Modern Pay Experience	35%	64%	59%
	Facilitating compliant access to talent	29%	56%	54%
	Advising the business	30%	57%	55%
	Enabling organizational agility	30%	55%	50%

# Organizational size: <1k Employees vs. >1k Employees

Attribute	<1k EE's	Overall	>1k EE's
Top ways to champion payroll	<ol style="list-style-type: none"><li>1. A "seat at the table"</li><li>2. CoE (center of excellence)</li><li>3. "Invested" and engaged leaders</li></ol>	<ol style="list-style-type: none"><li>1. A "seat at the table"</li><li>2. CoE Status</li><li>3. "Invested" and engaged leaders</li></ol>	<ol style="list-style-type: none"><li>1. Improved integration and synergies with HR, the broader HCM strategy</li><li>2. Investments to modernize the payroll operating model (e.g. people/skills, process, technology)</li><li>3. CoE Status</li></ol>
Most impactful digital tech	<ol style="list-style-type: none"><li>1. Cloud</li><li>2. Mobile ESS/MSS,</li><li>3. Workflow automation &amp; RPA</li></ol>	<ol style="list-style-type: none"><li>1. Cloud</li><li>2. Workflow automation &amp; RPA</li><li>3. Mobile ESS/MSS</li></ol>	<ol style="list-style-type: none"><li>1. Workflow automation &amp; RPA</li><li>2. Cloud</li><li>3. Mobile ESS/MSS</li></ol>

# Organizational size: Single vs. Multi-Country

Attribute		Single Country	Overall	Multi-Country
Sentiment	Outlook	69%	72%	75%
	Tech sentiment	85%	84%	83%
	Respect	52%	54%	56%
	Perception (Payroll as CoE)	36%	61%	45%
	Invested leaders	43%	45%	46%
	Adequate investment	39%	42%	48%
	Commitment to unlocking value	32%	31%	30%
	Leadership & cultural alignment	38%	37%	35%
Relationships	HR	4.0	4.0	4.1
	Finance	4.0	3.9	3.9
	Legal	3.2	3.2	3.3
	Executives	3.2	3.2	3.2
	Business Operations	3.3	3.3	3.3
	3 <sup>rd</sup> Parties	3.2	3.4	3.7

# Organizational size: Single vs. Multi-Country

		Attribute	Single Country	Overall	Multi-Country
Operations		Standardization & Harmonization	55%	47%	37%
		Centralization	70%	59%	47%
		Technology & Automation	49%	46%	40%
		Integrations	43%	41%	40%
		Timeliness, Accuracy, Compliance	78%	74%	70%
		Strategy, Vision, Roadmap	50%	50%	50%
Impact		Confidence to support strategy	51%	50%	48%
		Value & Impact	28%	31%	36%
		Operating as a center of excellence	63%	62%	60%
		Delivering a Modern Pay Experience	67%	64%	62%
		Facilitating compliant access to talent	53%	56%	59%
		Advising the business	60%	57%	53%
		Enabling organizational agility	55%	55%	56%

# Organizational size: Single vs. Multi-Country

Attribute	Single Country	Overall	Multi-Country
Top ways to champion payroll	<ol style="list-style-type: none"><li>1. A "seat at the table"</li><li>2. CoE status</li><li>3. "Invested" and engaged leaders</li></ol>	<ol style="list-style-type: none"><li>1. A "seat at the table"</li><li>2. CoE status</li><li>3. "Invested" and engaged leaders</li></ol>	<ol style="list-style-type: none"><li>1. Investments to modernize payroll operations</li><li>2. Improved integration and synergies with HR and the broader HCM strategy,</li><li>3. "Invested" and engaged leaders who prioritize payroll</li></ol>
Most impactful digital tech	<ol style="list-style-type: none"><li>1. Cloud</li><li>2. Mobile ESS/MSS,</li><li>3. Workflow automation &amp; RPA</li></ol>	<ol style="list-style-type: none"><li>1. Cloud</li><li>2. Mobile ESS/MSS,</li><li>3. Workflow automation &amp; RPA</li></ol>	<ol style="list-style-type: none"><li>1. Cloud</li><li>2. Mobile ESS/MSS,</li><li>3. Workflow automation &amp; RPA</li></ol>

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## About Payroll Influences

Payroll is not just a process, it's a crucial component of human capital management that influences and enables strategic outcomes, organizational agility, employee engagement, and financial wellness.

Our mission is to provide THE premier forum to unite the world's most essential professionals through a community of like-minded leaders eager to explore, share, learn, and advance as payroll executives.

Founded, curated, and led 'by payroll and for payroll, 'Pi' is the world's first virtual forum dedicated to fostering a deeper understanding of the critical payroll profession and empowering its current and future leaders to shape its next chapter.



## About Pete A. Tiliakos

Pete leverages unique market expertise derived from over 30 years in HR and payroll technology, services, transformation, and leadership roles across the full sourcing lifecycle as a practitioner, buyer, vendor, consultant, industry analyst and advisor.

Pete is globally recognized for his extensive knowledge, coverage, research, and strategic advisory of leading and emerging solution providers across the global payroll, employer of record services, fintech and payments, and HCM technology marketplaces.

Practitioners and providers widely leverage his research and perspectives as a regular contributor to industry associations, podcasts, publications, and events and the co-host and co-creator of the HR & Payroll 2.0 podcast, and host of The Source by DailyPay.

