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Companies today operate in dynamic markets and conditions, ones that require highly adaptable actions to maintain the balance. New needs and trends are emerging as the ever-changing business environment is becoming even more demanding. Each year, the ways of communication, business goals, and security matters push the bar and dictate the way in setting priorities.

Maintaining a constant flow of information, access to data, and keeping the efficiency of employees high can all be considered a real challenge, connected to the strategy of organisations as well as to the systems and tools.

As a consequence, the automation of processes and solutions is required. Digitisation allows the conversion of analog processes and objects into their digital counterparts. Thanks to it and complementary modern technologies, anything on paper can become available digitally. This is the reason why it continues to remain a big trend in business.

Why should payroll departments go digital in the current market

In HR and payroll, the digitisation of processes adds value by creating qualitative communication with employees and drives innovation by automating, saving hours of work and data. Thus, it needs to be a mandatory part of the strategy followed by the payroll departments.

To take an example, each time a new colleague is hired, multiple sets of information have to be collected. If not done in a structured way, important data can be lost or forgotten during the process. This creates discomfort for the new employee and the systems are filled with half or incorrect information.

It is therefore essential to automate the paper processes in those situations, as well as storing and using data during the entire employment cycle.

Technology and other complementary factors that support digitisation

It is worth noting that IT systems supporting HR and payroll processes are as good as the data they store and information, as well as indicators concerning salaries, turnover, absences, vacation reserves or employment costs, can be analysed, reported, and monitored on an on-going basis.

Both technological and organisational innovative solutions help counteract issues of the organisation and HR departments by, for example, handing over selected HR processes to external providers, so choosing to contract outsourcing services.

Such models of cooperation favour time optimisation and boost the efficiency of internal HR teams. External providers take over a certain range of activities and are responsible for ongoing support and updates of systems and software, bringing them up to date with the current legislative policies and ensuring the teams are provided with content-based and expert knowledge.

What are the main advantages of digitisation in payroll companies should know about

On top of process automation and centralised data management, HR digitisation and having workflow processes in place translate into cost optimisation.

At the same time, organisations are becoming more environment-friendly, as paper, printers, and toners are now used to a limited extent.

Moreover, using tools, systems, and applications improves the work quality of managers and employees, for example, through the implementation of the electronic circulation of information and e-applications. The latter can relate to absences, working hours, or changes to personal data.

Digitising all processes in and around the payroll administration allows a good grip on all important steps for new hires, as well. Personal data is prevented from being lost and the payroll administration has all the data in order.

At the same time, new colleagues are well-informed, and they know where they stand at every stage.

Currently, platforms provide employees with access to data and information regarding remuneration or annual PIT returns. Such an approach enables managers to access information on working hours, employment conditions, absences, OHS trainings, or medical examinations of their team members more easily, this being especially noteworthy in companies of a dispersed structure.

Automation of processes and implementation of new functions are not only time-saving but also reduce the financial efforts of the company in a given period and allow access to data and information of improved quality.

Software providers also offer solutions enabling participation in HR processes through a digital execution of documents, which are automatically stored in electronic employee files. This solution is fully compliant with the law

Furthermore, digitisation creates and maintains the opportunity for remote work or the hybrid model which guarantees continuity in HR and payroll processes, regulations, and deadlines being safeguarded. Digitisation of this area makes the flow of information much more efficient. For example, experts can import data from Excel spreadsheets to the HR system both automatically and in bulk.

The above-mentioned functionalities of the software, especially during the pandemic, proved to be extremely effective.

Another good example is digitising the signature processes. A digital signature ensures more flexibility and allows for more new employment contracts, hire agreements, and documents to be signed quickly and easily. If this is combined with a fully digital file, it provides employees and clients the option to access their payslips, employment contracts, hire agreements, and other documents at any given time and from any location in the world.

Centralised automated processes provide employees with the opportunity to easily arrange matters such as leave, days off, and benefits for themselves. They can also manage the onboarding and offboarding procedure for colleagues. Digitisation adds structure to the processes surrounding personnel administration, and employees will experience easy access to their personal data, increasing satisfaction at the workplace.

What are the steps to consider before pursuing the path of digitisation

Before automating all processes, a clear structure and organisation of the payroll administration and related HR processes is needed. It, therefore, starts with mapping out all the processes involved in calculating the emoluments of the salaries. These processes are then translated into the HR and payroll system. This creates a protected and organised structure, where everything is online, in one place, and easy accessible, while also preserving the history of the past documents and activities.

As a result, both the employer and the employee, each in their own environment, have the opportunity to quickly consult all data. This includes the employment contract, the various elements of the salary, the leave registration, but also other information, such as the way in which the employee travels to the workplace.

Transformation stages in the process of digitisation

Once a comprehensive approach that improves efficiency, automation, and accessibility to data relevant to HR and the whole organization is assumed, there are several consecutive stages of transformation that can be singled out. The most important stage of digitisation in terms of HR and payroll processes is the analysis of needs, expectations, and opportunities. This is followed by a verification of the current state, identification of the target course and the HR model processes as well as creation of an estimated activities schedule.

The next stage relies on implementation, functionality trainings, testing, and moving the accepted solution to production.

Analytical work is a key factor for the success of the entire mechanism of HR processes' digitisation. Therefore, among the most crucial benefits of digitisation of HR and payroll processes, we can include: an improved flow of information, faster access to data with the possibility of analysing and monitoring them, security of processed data, more agile execution of tasks as well as improved communication and document logistics.

Modern solutions of automation and transformation are worth investing in, as digitisation of HR processes is not just a popular trend, it is the future. Professional outsourcing companies operating in the market should respond to the needs and business requirements by introducing modern systems and software, all adapted to current legislation and expertise.

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- Read this article about Top international payroll trends to look out for in 2023;
- Read this article about How top companies run international payroll in the ever-changing business environment;
- Read this article about Optimising your business through global payroll processing;
- Learn about Global regulatory compliance and check our dedicated HR & payroll webpage;
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