

REPORT

Payroll Complexity Survey

Conquering today's payroll challenges

dayforce

PayrollOrg
The Leader in Payroll Education

The payroll complexity crisis

Payroll has always been complex, but it's growing even more challenging as the world of work continues to transform. We're seeing an explosion of different types of work and workers, ever-evolving compliance requirements, and AI and automation embedded deeper into organizations' processes. All of these changes come together to create a complexity crisis for today's payroll teams.

But despite so much change, payroll professionals are also still struggling with challenges from the past. Dayforce's *Payroll Complexity Survey*, conducted in partnership with PayrollOrg, revealed today's top payroll pain points are compliance challenges (45%), managing the complexities of multi-jurisdictional payroll (33%), and inefficient processes (25%). This hasn't changed since our last survey with PayrollOrg in 2022.

Since that time, payroll professionals also think their jobs have gotten harder – with 58% saying so. And in tandem, filling new or vacant payroll positions is now a challenge, with 41% saying it is somewhat or very difficult in their organization. This could be because more than half (52%) said processing payroll in their organization is more complicated than it needs to be.

These are big problems for organizations as they face greater pressure to control costs, manage risk, and ensure efficient operations amid persistent economic uncertainty in a rapidly changing business climate.

On the pages that follow, our survey data will reveal the obstacles organizations face in overcoming the payroll complexity crisis. And we'll look at how organizations can conquer these challenges to move their payroll function – and their entire business – forward.

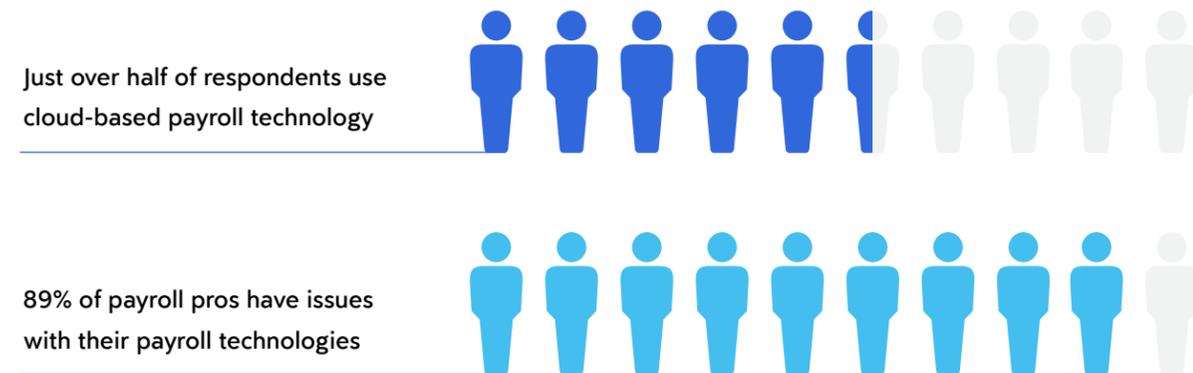
About this survey

Dayforce conducted the *Payroll Complexity Survey* in partnership with PayrollOrg in July of 2024. PayrollOrg members and subscribers were surveyed online. The 497 respondents represent companies of all sizes across industries.

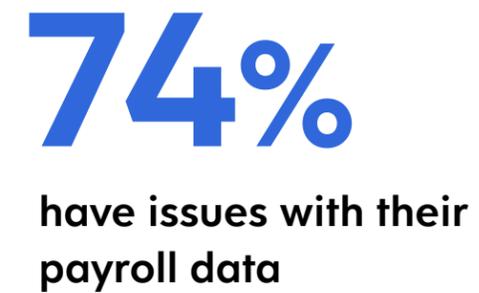


The obstacles to overcoming the payroll complexity crisis

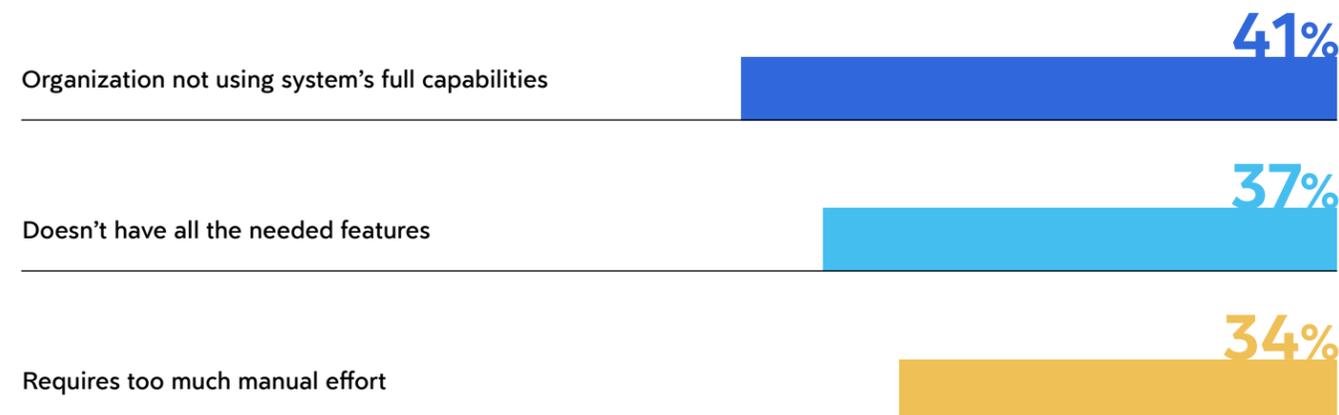
Payroll technology needs an upgrade



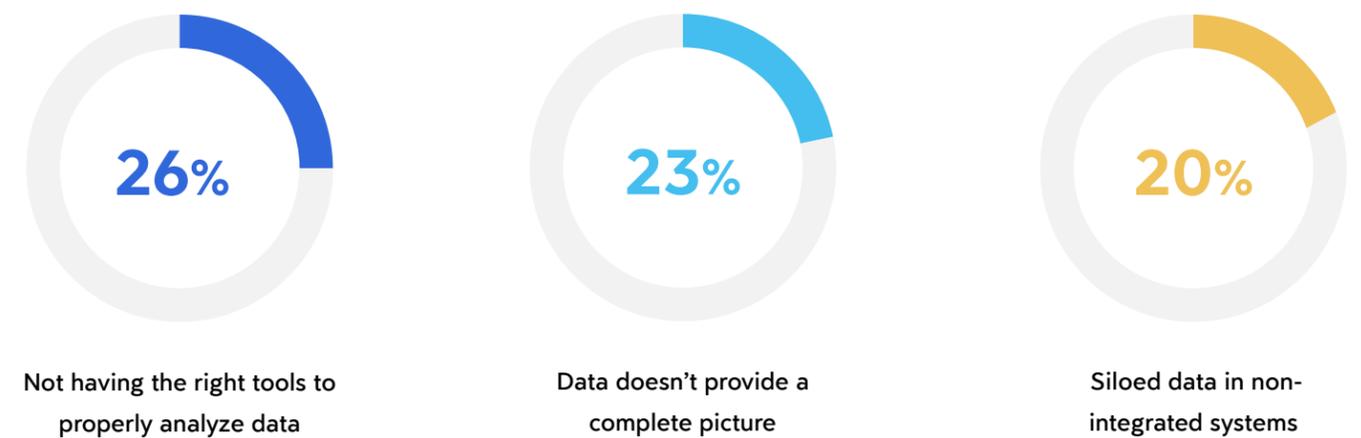
Payroll data isn't actionable



Top tech challenges:



Top payroll data issues:



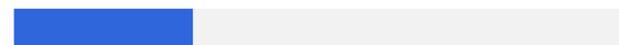


Compliance is more complex and more support is needed

70%

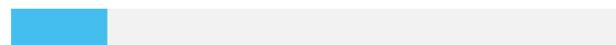
said payroll compliance has become more complex over the past two years

Only **25%**



strongly agree their payroll tech provider has kept up with changing payroll regulations

Only **13%**



strongly agree their payroll tech helps them manage industry-specific compliance

44%



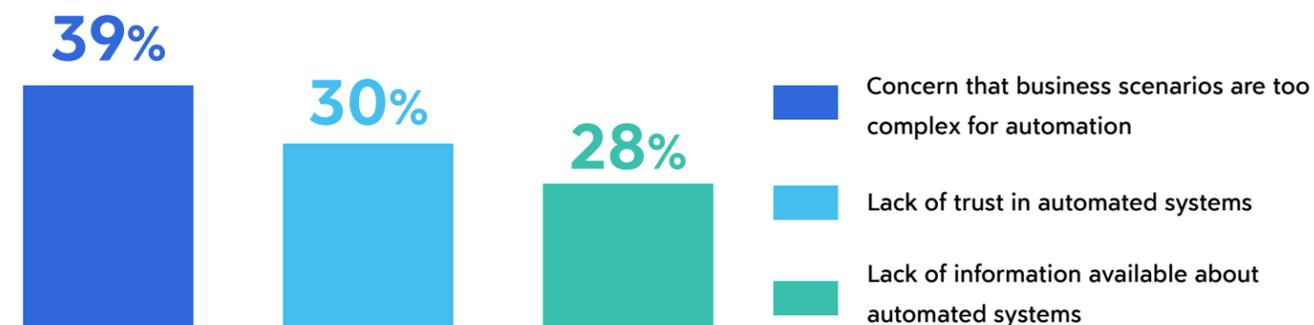
are unsure about using AI-powered compliance tools

Complexity is challenging automation

86%

said they have barriers to adopting automation in their payroll function

Top barriers:



Conquering the complexity crisis

These findings indicate that now is the time to free payroll teams from the burdens of legacy technology so they can overcome complexity. Here are our five success rules for conquering the payroll complexity crisis:

1. Strengthen compliance

Partner with a vendor that can help you cut through compliance complexity and reduce risk with a combination of technology and payroll expertise.

2. Optimize decision making with real-time insights

Make better decisions faster and with confidence by investing in a platform with a trusted AI foundation and single data model that can surface insights in the moments that matter.

3. Unlock the power of payroll data

Give payroll teams greater flexibility in how they process pay, allowing time for higher-value analysis work. Payroll teams can partner across the business providing data-driven insights, informing compensation strategy, optimizing labor spend, and identifying patterns such as absenteeism.

4. Be ready for anywhere

Process payroll across geographies with a single, global payroll provider to help you navigate multi-jurisdictional complexity and get a holistic view of your pay data across geographies.

5. Drive sustained ROI

Minimize risk as you modernize your technology stack to prepare for an increasingly automated future. Control costs by building efficiency and control across your payroll operations.

The right technology can help improve global visibility, better support compliance, help leaders make data-driven decisions, create consistent people experiences across jurisdictions, and deliver on organizational performance goals with the help of workforce intelligence. And it can help organizations overcome today's complexity crisis so the payroll function can be ready for whatever the future brings.



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