BRINGING TRANSFORMATION TO PAYROLL
In a competitive world, companies need to leave no stone unturned in the struggle to streamline operations and control costs. Often, the key to doing so is digital technology—and in particular, cloud-based solutions that help reduce costs and increase flexibility. Indeed, according to a report from LogicMonitor, 83 percent of enterprise workloads will be on cloud-based systems by 2020.

Although HR has used these technologies for some time, the payroll back office has typically been something of an afterthought. Payroll processes have been incrementally improved over time, but the function has not seen the same level of fundamental technology-driven change that has reshaped so much of business.

The pressures to transform payroll are mounting, however. In addition to keeping costs down, the payroll back office needs to contend with shifting requirements. As companies grow, workloads increase. In addition, globalization means payroll often has to operate across countries with differing regulations—and those regulations are constantly changing.

Many countries have been enacting new payroll-related laws, and in the U.S., many states and local jurisdictions have their own—and often unique—laws relating to the minimum wage and family medical leave.

In short, the demands on the payroll back office have been growing. With Oracle Payroll Cloud, Oracle has been targeting those challenges. As a result, Accenture believes that the solution can give companies a foundation for transforming payroll to keep pace with changing business realities.
Oracle Payroll Cloud has evolved since its original release, and it offers several tools and features that HR can use to significantly improve payroll operations. These include:

Payroll flows are not the same. Typically, there are different flows for on-cycle payroll, annual bonus payroll and off-cycle payroll. Oracle has enhanced the solution’s flows, making it easy for companies to configure them to meet their specific needs. When problems arise, the flows will stop when reviews are needed, and the system will provide notifications when actions are necessary. In addition, a “team work” feature lets companies assign each member of a payroll team to tasks within a flow, making it easy to plug in other team members to continue processing if an employee is out. Overall, these flows enable more efficient processes and reduce idle time for systems and people.
Oracle Payroll Cloud shares a data structure with all other product components, such as HR, Absence, Recruitment, Compensation, Talent Acquisition, Benefits, and Time and Labor. That means that payroll has seamless access to employee information; employees do not need to spend time keying in data from various systems nor do administrators have to manage heavy integrations to accommodate integrations.

The new version of the solution’s dashboard provides a big-picture view of all the processes running in payroll—where work is in the flow, where any errors have occurred, what payroll employee is assigned to each step, etc. The dashboard gives decision makers the visibility needed to manage payroll effectively, and the ability to drill down into processes to quickly act to solve problems.

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With these tools and capabilities, the solution can help HR streamline payroll processes to increase efficiency and effectiveness and help ensure accurate and timely payrolls. In its work with clients, Accenture has found that the effective use of Oracle Payroll Cloud flows can help increase payroll processing efficiency by as much as 4X, compared to legacy on-premise systems. In addition, Accenture’s experience with HR automation has shown that it typically frees up HR employees so that they can focus on bringing greater efficiency to processing.

Oracle HCM employee self-service capabilities can be accessed from any device without the need for a separate mobile application. So employees and payroll professionals can use their computers, tablets or phones to efficiently get their jobs done.
Streamlining the payroll process is important in today’s business environment. But companies also need to keep an eye on tomorrow, and make sure that the function can continue to operate effectively in the face of constant change. Oracle Payroll Cloud provides the increased flexibility that is inherent in cloud-based solutions, with the ability to quickly update software, add new services and increase computing capacity. But it provides flexibility in other ways, as well.

For example, as companies grow, the solution can easily support employees in new geographies. When working across countries, its core engine is used by payroll operations in each country, which means updates can be leveraged quickly across the company. Legislative rules for each country are layered on top of that engine—an approach that combines the efficiency of centralization with the flexibility of localization, helping the payroll team manage across a patchwork of regulations. Oracle also provides tools that allow companies to configure and protect the rules they create so that they are not overwritten by Oracle updates.

Overall, the frequent updates made possible by the cloud model help ensure that payroll processes stay compliant with evolving regulations.

At times, compliance requires making changes after the fact. Regulations, taxes and union contract terms, for example, are often finalized well after payrolls have been processed. Oracle Payroll Cloud offers an especially robust “RetroPay” feature that enables automated adjustments to employees’ past earnings. The solution will automatically calculate the changes that need to be made and notify administrators of the necessary changes for processing approval.

Audits are a key aspect of compliance. The payroll team needs to trace and report on all payroll activity, from the filing of the timecard to the generation of the pay slip. It must also secure the system to help ensure the segregation of duties. The Oracle solution supports these audit requirements.

Finally, the solution’s use of multithread processing means that it can be easily scaled up to handle larger workload and more employees. And it offers mass data-loading capabilities that can help payroll bring large volumes of employee data on board in the event of a merger or acquisition.
As with any tool, there are a variety of practices that can help companies make effective use of Oracle Payroll Cloud.

For example, in working with clients, Accenture has found that it is important to create a structure for managing Oracle’s frequent compliance updates, and to conduct timely regression testing on them. With that in mind, Accenture has developed automated testing tools to accelerate that process. Such automated testing tools can also be applied during implementation and prototyping.

Experience has also shown that companies should typically build flows for specific, targeted purposes and processes, rather than trying to build larger, “catch-all” flows, which tend to take time and create complexity. And when writing rules for the solution, it is important to keep efficiency in mind, and write common formulas that can be used widely, as opposed to writing the logic multiple times.

When implementing Oracle Payroll Cloud, companies should think broadly about possible improvements. In other words, they should look beyond simply trying to “re-implement” legacy practices.

Instead, they should take advantage of the strengths of the solution to standardize processes and procedures, and they should leverage the new tools and features to find new ways of performing work. While many payroll practices are prescribed by laws and regulations, there are still opportunities to bring significant change to the payroll function.

For example, there is no concept of a “payroll close” in Oracle Payroll Cloud. Rather than categorizing information into pay periods, the system looks at transaction dates, much like tax processing, and that information can always be adjusted. Companies can run multiple calculation cycles for the same period for the same person, and the system will draw on rules established by the company to “know” what to process and what not to process in each run. This represents a paradigm shift for the payroll team, and it simplifies processing significantly.

Technology has brought dramatic change to business, and that change is now starting to have a real impact on the payroll back office. Oracle Payroll Cloud has the potential to provide a foundation for innovation and change—and companies should be prepared to use it to explore new possibilities and bring transformation to the payroll function in an organization.
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