

Data reveals fintech and payroll software improved efficiencies during the pandemic

Submitted by: BlueSky Public Relations Ltd

Thursday, 19 May 2022

The shift to remote working and spike in fintech investment improved payroll efficiencies globally. That's according to a report from leading global employee pay provider, CloudPay.

According to the Global Payroll Efficiency Index (PEI), First Time Approvals (FTAs) increased almost 2% globally in the year following the Covid-19 outbreak while data input issues dropped more than 4% and the number of issues per 1000 payslips fell 24%.

These figures suggest that process efficiencies improved at a time when investment in payroll software improved as teams switched to operating remotely. This is in line with the results of a joint study by the World Bank, the Cambridge Centre for Alternative Finance at the University of Cambridge's Judge Business School, and World Economic Forum, which revealed a strong growth in all types of digital financial services during the first half of 2020.

The report introduces a new Payroll Difficulty concept – analysing the complexity of payroll processes, software maturity and talent availability to benchmark how efficiency is being impacted by wider, uncontrollable market conditions.

The data – which benchmarks payroll processing KPIs across 130+ countries – showed that the complexity of data collection in a remote working environment had a marginal impact on the number of days required to complete payroll processing, with global figures reporting an additional 0.1 days in calendar length for payroll. The percentage of supplemental runs also rose, up over 4% globally, though this can largely be attributed to the increase in the number of employees being laid off during the pandemic which resulted in termination payment requirements.

CloudPay CEO, Paul Bartlett, commented on the data:

“While our data shows that just 0.01% of payslips globally had inaccuracies in 2018, this metric only scratches the surface of the key performance indicators that need to be measured. The effort and investment that had to go into achieving this provides a much clearer picture as to whether or not processes are currently working, which is why we launched our PEI report. It's encouraging to see that overall payroll efficiencies improved in the year following the Covid outbreak when many teams were operating in a remote capacity. What this does highlight is that payroll technology – which was heavily relied on during national lockdowns – can significantly improve efficiencies.”

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