

South African Payroll Association

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The importance of payroll in an organisation

Payroll is often seen as merely a processing function. Christelle Helling, Executive Committee Member at the South African Payroll Association (SAPA), says payroll affects every aspect of the business, from the morale of its employees to its reputation.

Boost employee morale

Helling says people come to work for their salaries and inconsistent or late salary payments not only affects their livelihood but has a ripple effect on morale at the workplace.

“If payroll misses one of its deadlines, it could mean that staff don’t have funeral cover, medical aid, or a contribution towards a medical fund that they’re relying on for their old age. This has a drastic and immediate impact on the morale of staff and it’s a responsibility that rests solely on payroll’s shoulders,” says Helling.

A watchdog for businesses

The payroll department is the watchdog of the company. Payroll professionals are the ones who must continuously stay up to date with tax and legislation changes as well as ensure that these changes are implemented throughout the business.

“Whether a change in policy or legislation results in a benefit percentage change or behind-the-scenes administrative compliance changes, payroll needs to lead the way with change management for the rest of the business. Payroll needs to align itself with Human Resources’, the business’ and the government’s requirements to make sure everyone sticks to the rules,” says Helling.

Spearhead the uptake of technology

The payroll departments of industry-leading companies are often the first to adopt digital tools such as new ticketing systems or moving to centralised shared services.

“My payroll department launched a ticketing system that enables employees to launch queries and ask for assistance on the fly from their mobile phones. We’ve also automated reporting to free up resources and we use business analytics to drive decision-making. As the people who report on the bottom line, other departments look to payroll to take the lead when it comes to implementing future-focused processes and systems,” says Helling.

A haven for people

People are often worried about approaching a payroll professional with questions about their salaries, benefits or deductions. Being welcoming to questions about the most important aspect of people’s lives – their livelihood – is what makes a good payroll department.

“Knowing a person’s take-home salary isn’t exactly a conversation starter. Payroll professionals know it can be daunting to approach someone with salary-related questions. One of the most important but unseen roles of payroll is to be a friendly, accommodating and empathetic face that welcomes queries. A good payroll professional will reassure a person that their questions are valid and important,” says Helling.

A barometer of the way a company does business

The payroll department is often a very good barometer of how companies treat their employees, says Helling.

“If a company reliably pays employees every month, it says something about how they value their staff. If payroll is disciplined, it will filter into other departments. How a payroll department works tells you a lot about how a company works,” concludes Helling.

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