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e-volution

Are digital payslips now written
into the DNA of payroll?



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E-PAYSLIPS



e-volution

The demand for e-payslips continues to grow, and many employees now regularly view their pay information on computers, mobile devices and even games consoles. But lingering doubts remain in some quarters. **Scott Beagrie** finds out how the market is dealing with them

It may not be as exciting as Call of Duty or as absorbing as Final Fantasy but some younger members of the workforce are using their PlayStation consoles not just to play games but also to view their e-payslips. We shouldn't be surprised, given the line between work and consumer technology is blurring all the time. It's no longer a novelty for individuals to check their payslip on mobile phones or even smart TVs, and inevitably the desire to access monthly or weekly pay details via a smartwatch will duly follow.

Cultural resistance used to be highlighted as one of the factors hampering the growth of e-payslips but for many young people, details of what they earn is naturally something that should be viewed on a screen rather than paper.

"Cultural barriers to electronic payslips are definitely disappearing," says Stuart Price, business analyst at MidlandHR. "In fact, paper payslips will now be considered quite old-fashioned in many industries. Most people shop, bank and manage their bills online and allowing them to receive their payslip electronically is simply keeping up with the way people operate today. We cannot ignore the convenience of the digital world."

With nearly all the providers *Payroll World* spoke to highlighting an increase in this area of their business, e-payslip adoption looks set to rise this year. The cost-savings are well documented (it is estimated that organisations can save more than 80 per cent on payslip costs by switching) as are the environmental benefits.

In truth, paper payslips are a long way from being phased out. While all the talk is of Gen Y and the Millennials, the UK has an ageing workforce. By 2020, more than a third of the working population will be over the age of 50 and a significant amount of these people will remain more comfortable with printed slips. Meanwhile, some of those businesses with a high proportion of blue collar workers can experience resistance to making the move.

Martin Wright, business development manager at **Epayslipsecure**, reports the company has seen slower "initial adoption" among highly unionised businesses, particularly where the shop floor-distributed printed payslip culture remains strong. But he adds: "This said, working closely with trade unions has resulted in many of these businesses moving to e-payslips."

Indeed, it is a consultative and flexible attitude towards the switch that seems to yield results, with many payslip providers saying the multi-format approach, which gives individuals choice, proves popular among their client bases. **Epayslipsecure** introduced its e-payslip format in 2010, and it was initially developed for and with two of its existing FTSE 100 hardcopy payslip customers. Since then, the company has seen 100 per cent of its payslip customers adopt e-payslips as part of their multi-format offering to employees, with high levels of early adoption followed by steady migration from paper to digital.

Glyn King, managing director of Prolog Print Media, also notes that clients receive better take-up rates when they choose a multi-channel approach. "Some organisations are still hesitant about switching to e-payslips as they believe to offer e-payslips means electronic for all employees," says King. "This is not the case."

While paper has to remain an option, King claims that a desire to access communications from the organisation on mobile devices is one of the biggest drivers of e-payslip growth. Between January and August 2015, Prolog saw access levels to e-payslips from mobile grow from 38.2 per cent to 48.5 per cent. "We also recorded over 200 different mobile devices accessing our e-pay sites each month," he says.

"Similar to other digital technology trends, we expect access to e-payslips from mobile devices to overtake desktop in the next 12 months," adds King. "Therefore, organisations need to consider how adaptive their e-payslip solution is to mobile, whether they are considering e-pay or have already implemented it."

Security

Historically, security has been another factor holding e-payslips back, with both employers and employees worried that it is harder to maintain control over digital data than printed matter. In reality of course, its paper

●● *Historically, security has been a factor holding e-payslips back* ●●

counterpart could easily be lost around the office or carelessly left on the desk for all to see. Still, e-payslip providers have done their best to allay security fears, though high-profile general data breaches at major organisations continue to raise concerns. Annie Rickard, general manager at SSLP Group, says that every time a major security or cyber-attack occurs, the market "wobbles" and adds that the company's business >>

E-PAYSLIPS



Portal into the future

The move towards self-service portals is a major driver of the switch to e-payslips and the empowerment of employees, says Roger Moore. Of Bond's existing client base, it has seen at least half making the transition to e-payslips, and this number is growing all of the time. "Even clients that seemed opposed to the idea 12 months ago are now looking to make the move," he says. "The biggest driver by far appears to be the move to employee self-service and the overall benefits that this can bring to an organisation. 'Can you provide e-payslips?' has almost become a standard question in the request for quotation (RFQ) and tender documents that we receive, together with eP6Os and eP11Ds now becoming commonplace too."

While not the only way to deliver e-payslips, portals are likely to remain one of the most popular vehicles for doing so and the compulsive nature of the data an e-payslip contains means that in turn employees may be driven to look at other information in the self-service portal. Martin Wright claims that using e-payslips for group and/or one-to-one targeted employee communications and pension information has become a regular and measurable feature of its **Epayslipsecure** portal, as well as providing access to timesheets, P6Os and P11Ds. He comments that every interaction can also be tracked, allowing visibility of who, how and when information has been viewed.

"For example, when a CEO publishes a monthly employee update which is traditionally distributed via internal mail and email, open rates are generally low and with no readership statistics available for hardcopy newsletters," he says. "However, the **Epayslipsecure** portal not only serves as a highly efficient distribution channel, but often results in a significant increase in open rates, with online feedback, voting and other functionalities providing a new two-way dialogue. We are currently in the process of creating a management dashboard and reporting suite which will provide new insights for payroll, HR, pensions and internal comms teams."

Without doubt, the digital environment can help to unleash a power that the humble printed payslip never had.

●● *For many young people, details of what they earn is something that should be viewed on a screen* ●●

>> development team is seeing a marked increase in requests for detailed security questionnaires as part of the due diligence process. "Which is pleasing to see," she says. "It shows that the customer takes security as seriously as we do. We welcome this long overdue, consistent level of due diligence in the selection process."

Rickard explains that the company's routine security checks include scheduled and unscheduled penetration testing of the platform. It has a proactive information security management team, security policies are regularly audited internally and externally, and there is board-level commitment to retaining the highest standards of security. Employers meeting with e-payslip providers should quiz them on areas such as these and about login requirements and encryption. Indeed, any e-payslip provider worth its salt should be keen to >>

>> communicate the constant investment and development in these areas.

Martin Wright of **Epayslipsecure** says that as an online payslip provider, it sees itself as “guardian of personal data” and constantly tests, measures and enhances its multiple layers of security. “We have our customers’ brand and reputation in our hands too,” he says, adding there is no room for complacency where security is concerned. “Security concerns for e-payslips are multilayered and as a service provider in this field, we take every possible precaution to protect against cyberattacks.”

However, Wright cautions that employers often overlook one potential security risk that remains a fundamental challenge: how do providers and employers ensure the employee using the service is who they say they are? Despite all the publicity and awareness campaigns surrounding personal cyber security, Wright suggests many individuals still leave this to chance. If stolen or left unattended on a desk, smartphones and tablets used for online banking, shopping and social media potentially compromise an individual’s personal data, he warns. Similarly, there are risks if the user is using an open Wi-Fi service without the latest updated security software on their device. To reduce this risk, the **Epayslipsecure** app has three login fields and two login stages to access the system. In addition, when a user registers for the service it has an authentication process that must be

completed before being allowed access to the e-payslips.

Roger Moore, managing director of Bond HR & Payroll Software, explains that there is a trend toward two-level authentication, similar to that used to access an online banking portal or app. An employee would receive a password to access the overall employee self-service system and would then be prompted to enter a one-off passcode, valid for a dictated period of time, to view information such as current and historical payslips. “Typically, the employee advises where that passcode should be sent, for example a mobile phone,” he says. “This additional layer of security helps to dramatically increase the level of security.”

Adding value

Implementing e-payslips isn’t only about combatting the fears of the workforce, though, and organisations should consider how they can add value to the employer-employee relationship as well. Employers are already using them as a way to communicate more information to employees such as total reward statement data which, as Stuart Price of MidlandHR explains, can illustrate the overall value of the benefits that an individual receives, from basic pay to allowances, pension benefits and childcare vouchers.

“This reinforces the communication of less tangible benefits such as work-life programmes, learning and development, and flexible working arrangements, some of

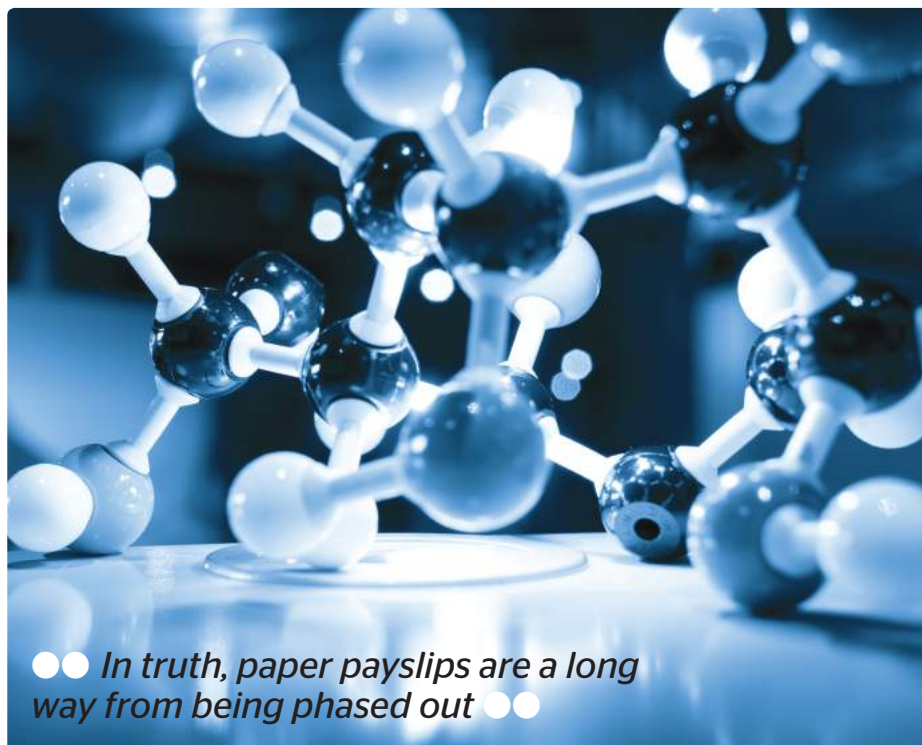
●● *Cultural barriers to electronic payslips are definitely disappearing* ●●

which will have no monetary value,” he says. “Including this information may improve employee engagement and allow employers to advertise benefits on offer, although the core function of a payslip is to notify employees of when they will be paid and how much, so any total reward data should not detract from this information.”

Providers also see e-payslips as a way to better educate employees on areas such as their tax code and what net pay means. “Pay day is an opportunity to get an employee’s full attention, but it has to be relevant,” says Peter Turner, founder of Paydashboard. “It’s not the time to tell them about the next employee satisfaction survey or team away day. When an employee looks at their payslip their mind is on their money. We realised it’s the perfect opportunity to introduce them to ways to make that net pay amount on their payslip go further, such as encouraging them to check they are on the right tax code, or promoting a salary sacrifice benefit scheme. And not communicating this as a one-line reminder either, but giving them all the information and resources they need to take action at the click of a button. You simply can’t fit all that onto a printed payslip.”

While no-one would disagree with Price’s assertion about a payslip’s primary purpose, some employers are using the electronic version more creatively. According to Roger Moore, one of Bond’s football club clients used e-payslips to tell employees about the sale of tickets to its employees for a Christmas party attended by the players and manager of the club, with donations going to charity. “Other examples [of messaging] could include, ‘Have you read the recent changes to the company handbook? Don’t forget to check out the benefits of our employee wellbeing policy being introduced early next month,’” says Moore.

Where payslips are accessed via a payroll portal, this gives additional scope for value. Annie Rickard of SSLP Group claims that enquiries for alternative or additional uses for its payroll portal technology are increasing. “For instance, a new client wanted to use the technology to maintain a portal of pension statements for their current and ex-employees and to use a third-party API feed to populate a pension forecasting tool on the user interface,” she explains. “We were able to accommodate a complex adaptation of the standard tool to deliver to their requirements within a very tight timescale.” ♦

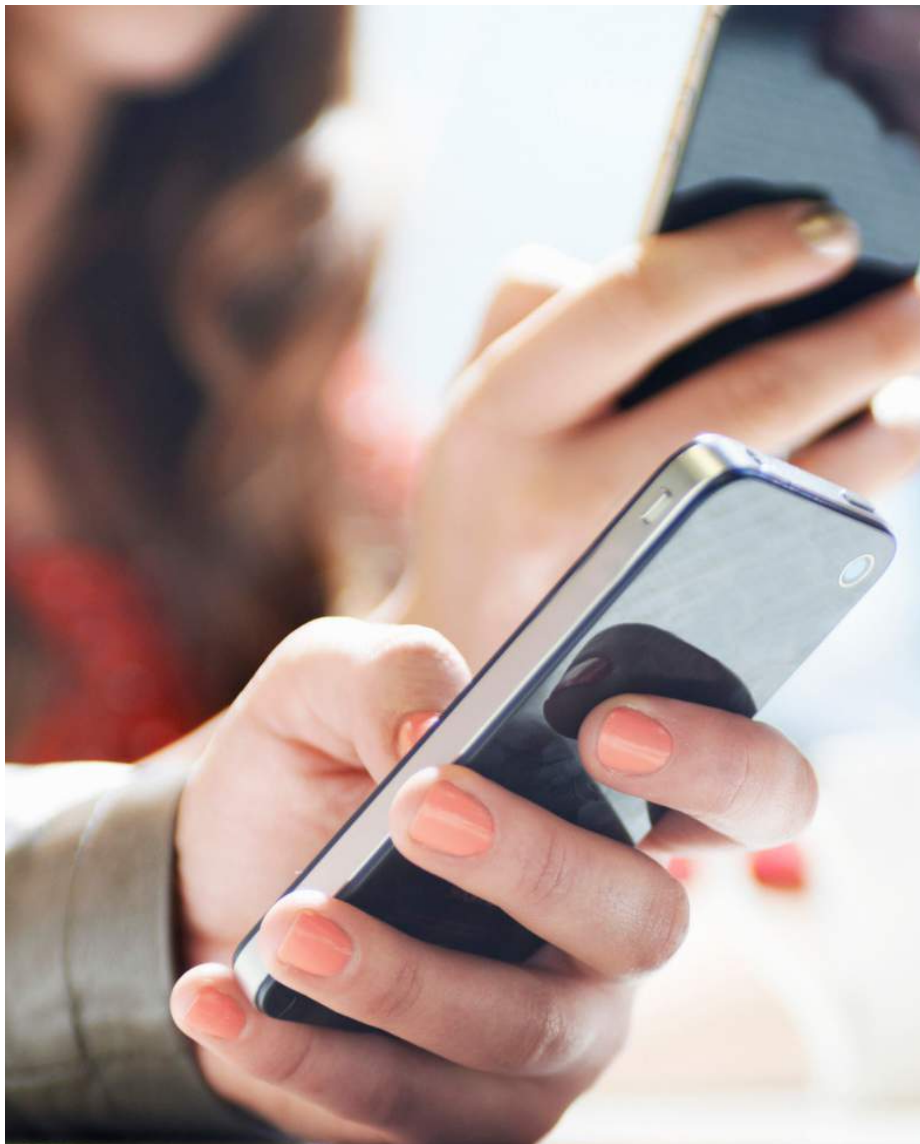


●● *In truth, paper payslips are a long way from being phased out* ●●

E-PAYSリップS

More Devices More Expectations

As digitally connected devices play an increasingly central role in all aspects of everyday life, Emergesecure's **Martin Wright** looks at why e-payslips should be embraced by every organisation



Electronic payslips have become standard for many, as organisations provide access to payslips via online portals, email and apps, while others remain reluctant to migrate from paper formats, claiming it is still the primary choice among an ageing workforce and expressing concerns over security, data control and business continuity.

The reality however, is that epayslip integration can be simple, seamless and secure, with a range of benefits that are felt across payroll, finance, HR and internal communications.

But it's not just the value to the business that should be considered; Employee choice and secure 24/7 access to personal pay information in any format and via any device, should be standard practise in today's digitally connected world.

●● ***Employee choice and secure 24/7 access to personal pay information in any format and via any device, should be standard practise in today's digitally connected world*** ●●

In the 1990's, the information superhighway and the digital age became mainstream as personal computing, mobile phones, email and the World Wide Web entered our everyday lives. But few realised just how reliant on technology we would become and how pervasive this would be. >>

>> Fast forward twenty one years and not only are there more digital consumers than ever across all age ranges, but more of us own multiple smart devices serving every facet of life. Everywhere you look, eyes are angled down and aglow in the light of a smartphone, tablet or other digital screen. We are a society of 'Screenagers' and we are multiplying faster than imagined!

●● **We are a society of 'Screenagers' and we are multiplying faster than imagined** ●●

Ubiquitous broadband and the proliferation of internet enabled devices such as laptops, tablets, smartphones, game consoles, desktops and smartTV's, means that our screen-centric devices have become appendages we cannot live without, as hyper-accelerated growth has amplified our dependency on real-time consumption, constant connectivity and an ever-expanding universe of expectations. Little wonder why Orange and Deutsche Telekom rebranded as EE... 'Everything Everywhere'!

Our digital maturity has reached a new and higher level...

Screenagers not only own more devices, they own multiple types of devices; 85% of 16-54 year olds own a smartphone, while

40% also own a tablet and a desktop device. Whether it's connecting through social networks, shopping, browsing, comparing, managing finances or sharing content, the screen age has redefined the new normal.

Smartphones...

Among all devices, smartphones are by far the most significant. They are the fastest selling gadgets in history, outstripping the growth of the mobile phone that preceded them and globally outselling all tablets, PC's, televisions and game consoles combined, in both volume and value. There are currently more than 42 million smartphone users in the UK and with 1.23 million new smartphones sold every fortnight and 4G coverage due to reach 98% of UK homes and businesses by the end of 2017, it's no surprise that smartphones are the most widely and frequently used internet enabled device.

●● **The smartphone has become our 'remote control for life'** ●●

The smartphone has become our 'remote control for life', with UK consumers glancing at their smartphones over 1 billion times every day and averaging almost 2 hours per day online via a browser or app.

It's no coincidence that the advertising

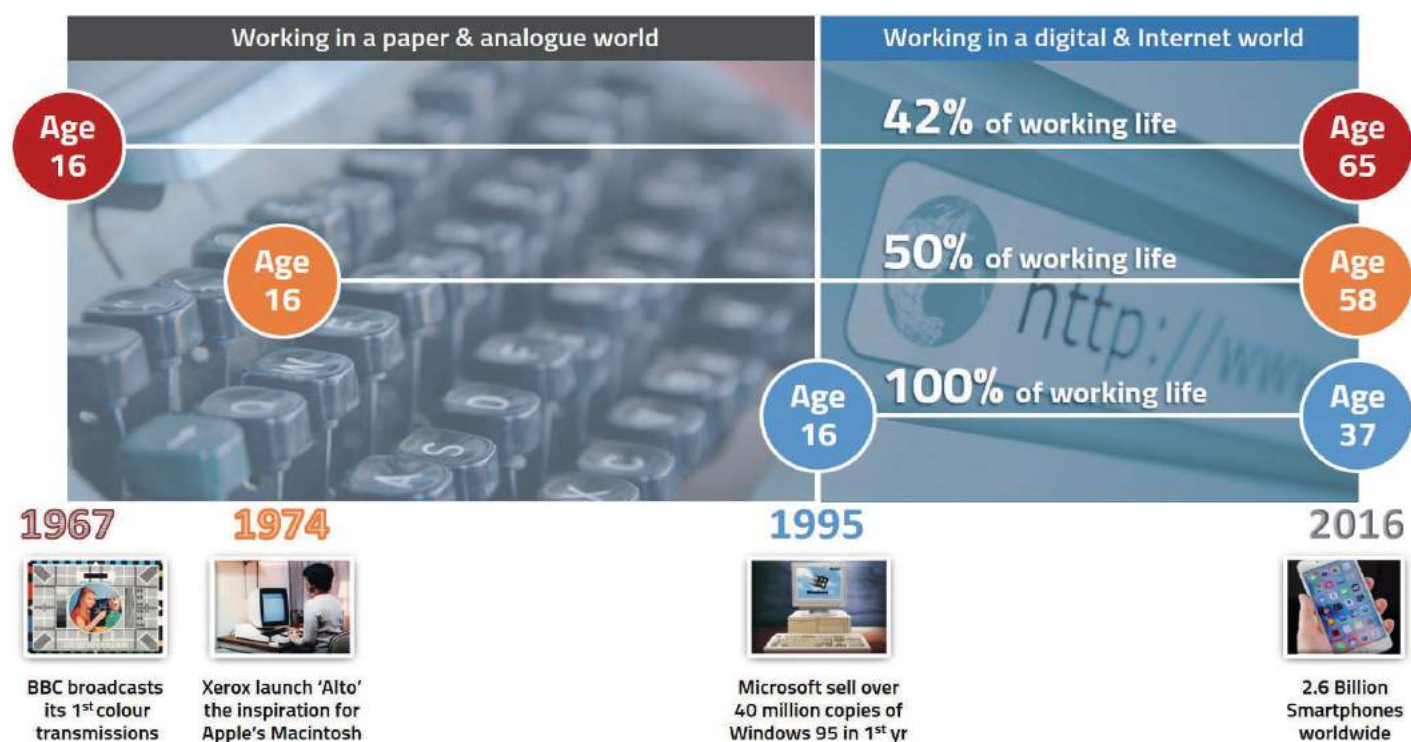
industry (a barometer of social change) will spend more on digital & mobile advertising than TV by 2017, with digital accounting for over 50% of global media spend by 2019, underlining the significance of connected devices among every demographic.

Email, web and digital communications have become increasingly embedded in our lives since commercialisation of the internet began 21 years ago, yet despite predictions of the paperless office in the early 1970's, paper is still very much part of our day-to-day life. Rather than eradicating paper, our digital capabilities and confidence in electronic documents has simply changed the way we use paper. Where once the hard copy was the central document, now it's often more of a backup or a convenient way of viewing a file received electronically.

Anytime, anywhere...

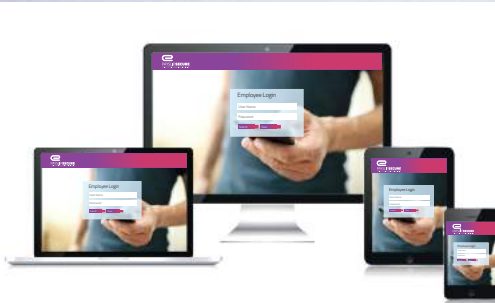
Paper will continue to play an important role, but as the vast majority of the UK population has lived in the internet era for half or more of their working lives and everyone under the age of 37 has only ever worked in the digital age, we will increasingly rely on our smart devices as the conduits through which we manage our lives.

More devices and more connectivity, means more choice and more expectations. This includes secure online access to payslips and pension data... *Anytime, Anywhere!* ♦





Secure online payslip management



Developed by payroll professionals, for payroll professionals

Choice, flexibility and simplicity are words we don't always associate with payroll but with Epayslipsecure you'll find payslip delivery a lot easier to manage.

We understand the everyday needs and challenges of payroll professionals, which is why our industry-leading* platform was designed with the flexibility to enable fast, secure creation and distribution of e-payslips, paper payslips, Braille, large format and audio payslips, all from a single source, without any disruption to existing payroll services or software.

Using Epayslipsecure, payroll teams can provide even greater value across an organisation, as our easy-to-use portal opens a new and effective employee communication channel to deliver, control and track any type of employment, HR, reward or pension related documents.

For a **FREE online demo** and to find out how you can streamline and enhance the value of payslips for your organisation, call us on **+44 (0)1444 240112** or visit www.epayslipsecure.co.uk/demo



epayslipsecure.co.uk

*Finalist, Payroll World Awards 2015