

# THE POTENTIAL OF PAYROLL IN 2026: GLOBAL PAYROLL SURVEY

Payroll is stepping into its role as a strategic,  
data-driven force in global organizations



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# MOVING TOWARDS A MORE RESILIENT AND CONNECTED GLOBAL PAYROLL

What are the most pressing issues faced by modern payroll teams today? We surveyed over 1,800 payroll leaders on key themes and identified a payroll landscape under sustained pressure but undergoing rapid modernization. Organizations recognize payroll's strategic value, and teams are focused on improving data integrity, strengthening system integration, reducing manual processes, and embedding security more deeply into operations. Payroll is evolving quickly, and leaders need to be shaping its next stage of maturity. Increasingly, payroll professionals are finding themselves navigating multiple roles: they're the main bridge between finance and HR, management and employees, and the company's global goals and strategic decision-making.

The data from last year's survey already showed this shift towards a more strategic payroll function, with the employee experience emerging as a vital element, as 55% planned digital wallets and 43% increased pay frequency. Payroll professionals also experimented with tools like self-service portals, chatbots and accessible pay statements while prioritizing accelerated digitalization and more targeted integrations. The results revealed that payroll was shifting from a back-office function to a strategic pillar, one expected to support talent retention, compliance, resilience and digital transformation simultaneously.

The findings for 2026 build on these themes: payroll professionals are focused on adapting to new challenges while maintaining responsible growth, with compliance continuing to be a defining factor. Many payroll leaders are responding to the realities of siloed systems, complex regulatory environments and evolving cybersecurity threats by building resilience and embracing innovation. Rather than viewing compliance and data protection as constraints, a significant number of organizations are treating them as catalysts for transformation and accelerating automation, expanding integration, and strengthening foundational structures that support long-term growth. With higher volumes of data, innovative tools and technological solutions, as well as increasingly interconnected global teams, payroll is stepping into a broader organizational role centered on insight, value creation and operational efficiency.

**Virginia Magliulo,**  
EVP, Employer Services International, ADP



# PAYROLL TEAMS ARE ADAPTING TO A MORE COMPLEX WORLD

This year's survey results show a notable shift in how organizations structure and support their payroll operations. While skills shortages continue to challenge teams, organizations are rethinking how they work, with **72% reviewing how to run payroll with fewer people** and many turning to technology. Among those doing so, **44% are exploring artificial intelligence (AI)** as a solution. Firms are also looking to strengthen the technical foundations of their payroll functions. A substantial proportion **wants dedicated expertise in IT (34%), data security (37%), analytics (37%), compliance (38%), and payroll processing (35%)**, indicating a surge in demand for more sophisticated, tech-enabled teams.

The organizational home of payroll is also shifting. This year, **43% of respondents report working within a standalone payroll function**, compared to **7% in shared services, 15% in HR, and 21% in finance**, signaling a significant move away from payroll's historic alignment under finance departments. Payroll leaders are more focused on optimizing processes, strengthening resilience, and adopting new technologies. Payroll teams are not just supporting the organization, but increasingly shaping it.



## KEY FINDINGS FROM THE RESEARCH



### PAYROLL IS BECOMING MORE STRATEGIC REGARDING SKILLS AND CAPABILITY DEVELOPMENT

Survey findings reveal the growing strategic identity of payroll teams. Nearly half of respondents (43%) now operate as standalone payroll functions, a marked shift from last year and a sign that payroll is decoupling from finance and gaining organizational visibility. At the same time, leaders are tackling capability gaps proactively: many are upskilling existing teams or retraining non-payroll staff, while others are exploring new ways of organizing payroll resources and operations with fewer people to build resilience. [Find out more](#)



### AI ADOPTION AND AUTOMATION ARE ACCELERATING

Automation remains a top ambition, with organizations investing in its potential to enhance accuracy (31%) and reduce manual workloads through automated reporting (28%), freeing payroll teams to focus on higher-value activities. Interest in payroll-specific AI continues to grow, and leaders are moving from exploration to practical implementation. This year's results show that organizations see automation and AI not only as a productivity tool but as an enabler of better reporting, employee experience and strategic decision-making.

[Find out more](#)



### DATA AND CYBERSECURITY REMAIN CRITICAL

With increasing volumes of employee data flowing through payroll systems, organizations continue to focus on their cybersecurity. Many cite data protection as a critical priority, and a significant number report that they have invested in new policies, safeguards and continuity plans, with 41% now having a company-wide contingency playbook for payroll. Although cyber incidents remain a risk, payroll teams are responding with more investment in resilient structures and closer coordination with IT and security functions. [Find out more](#)



### ORGANIZATIONS ARE RESTRUCTURING TO RESPOND TO COMPLIANCE DEMANDS

Compliance remains one of the top operational challenges, driven by global complexity, evolving regulations and fragmented systems. Yet this year's findings highlight a movement toward more formalized processes, clearer visibility, and greater investment in tools that support local and global compliance needs. More organizations are treating compliance as a strategic factor rather than simply reacting to challenges. [Find out more](#)



### INTEGRATION AND IT MATURITY CONTINUE TO GROW

This year shows progress in organizations' integration maturity. Just under a third of companies report integrating payroll data with other global business solutions across all countries they operate in, while an additional 33% say they have some level of global integration across some countries (although this may include only a small number of locations). Local solutions also play a major role: 21% have integrated payroll data with local business systems in all countries, and 10% have them in some countries. Most organizations still operate a mix of global and local systems, reflecting the practical realities of regional regulations, legacy infrastructures, and country-specific payroll processes. However, the findings point to a landscape in transition, where foundational work around IT readiness, governance, and data connectivity is strengthening. [Find out more](#)



### GLOBAL REPORTING AND VISIBILITY NEEDS ARE DRIVING PROGRESS

Many organizations still struggle to achieve unified global reporting across markets, especially those with highly decentralized models or multiple local vendors. However, the desire for comprehensive, real-time reporting has never been higher. Teams are increasingly focused on improving data flows and quality, standardization and analytics, thereby reflecting a growing recognition that payroll insights are essential for workforce planning, financial forecasting and organizational agility. [Find out more](#)



### EMPLOYEE EXPERIENCE IS RISING ON THE AGENDA

Payroll teams are increasingly focusing their resources on supporting the employee experience, from prioritizing accuracy (45%), better communication (34%), improved self-service (35%) and pay-on-demand (36%). Leaders recognize payroll as a major driver of trust and engagement. As a result, investments in visibility, accuracy and responsiveness are becoming central to payroll transformation plans. [Find out more](#)



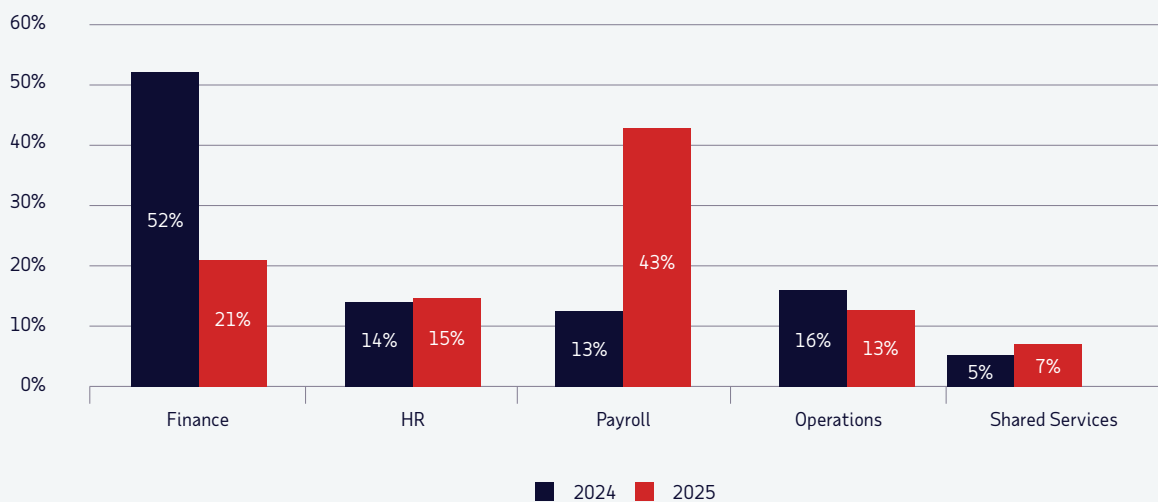
**FUTURE PRIORITIES FOR PAYROLL TRANSFORMATION INCLUDE MORE STANDARDIZATION, RESILIENCE AND STRATEGIC INTEGRATION**

When looking ahead, leaders report that their top priorities include:

- strengthening global standardization and governance,
- improving reporting and data flow between systems,
- investing in automation and AI to reduce manual work, and
- reinforcing resilience through better risk management, compliance structures and workforce planning.

## SPOTLIGHT ON PAYROLL ORGANIZATIONS

Where is payroll positioned across organizations?



The organizational home of payroll is shifting, signaling a significant move away from payroll’s historic alignment under finance departments.

Where are the biggest skills gaps in payroll teams?

**THOSE REPORTING INTO FINANCE**



**23%**

say payroll processing professionals is their biggest skills gap

**THOSE REPORTING INTO PAYROLL**



**28%**

say payroll processing professionals is their biggest skills gap

**THOSE REPORTING INTO HR**



**25%**

say IT resource is their biggest skills gap

**THOSE REPORTING INTO OPERATIONS**



**18%**

say IT and data security resources are equally their biggest skills gap

**THOSE REPORTING INTO SHARED SERVICES**



**27%**

say payroll processing professionals is their biggest skills gap



# METHODOLOGY

Rapid social and technological changes mean that payroll professionals need to adapt to new shifts in the workforce and regulatory environments. To find out how leaders are responding, we surveyed 1,816 senior payroll stakeholders across 20 countries. All respondents work in organizations with more than 1,000 employees and hold senior roles, with more than 80% at the SVP, board, or senior organizational decision-maker level. Participants were selected for their direct involvement in, or in-depth knowledge of, payroll operations and strategy within their organizations.



The sample was distributed across major global regions to reflect a diverse range of payroll models, regulatory environments and organizational structures: 302 respondents from North America (US, Canada); 700 from Europe (UK, France, Germany, Italy, Spain, the Netherlands, Denmark, Finland, Norway, Sweden); 500 from Asia Pacific (Australia, China, Singapore, India, Japan); 114 from South Africa; and 200 from Latin America (Brazil, Chile). In total, respondents completed 24 survey questions, covering skills, automation, AI adoption, cybersecurity, compliance, integration, and global payroll reporting. While also highlighting key challenges — especially in areas such as skills shortages, global complexity, and cybersecurity — our findings show that payroll leaders are evolving to become drivers of wider organizational transformation and working towards building more resilient, connected, and strategic payroll operations. This is the potential of payroll in 2026.

## Respondents

- **1,816 senior payroll leaders** surveyed across **20 countries**
- All respondents work in organizations with **1,000+ employees globally**
- **All at manager level or above**, with **80%+ at SVP, board, or senior decision-maker level**

# PAYROLL LEADERS WILL NEED TO RESPOND TO THE CONSTANTLY EVOLVING SKILL REQUIREMENTS

In a world where innovation is reshaping the fundamental structures of how people work, payroll leaders are at the forefront of this drive for change. Skills shortages continue to affect many payroll teams, but our findings show leaders taking decisive action to reshape how they operate. While **68% say that their payroll service is or has been affected by a shortage of payroll staff and 64% struggle to hire externally**, leaders are using this environment to re-design their teams and build future-ready capability.



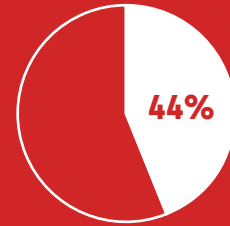


## Is there enough time in a day?

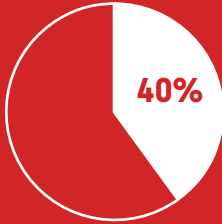
What do payroll leaders want their teams to spend more or less time on?	More time	Less time
Data analysis	44%	30%
Business process improvements	44%	29%
Data collection	43%	29%
Data privacy/security	43%	29%
Strategic planning	43%	30%
Integrating emerging technologies	43%	31%
Compliance tracking	41%	31%
Data entry	40%	33%
Internal customer service	40%	31%
Payroll data integration errors	39%	33%
Business partnering	39%	31%
Reporting	38%	31%
Employee queries	38%	32%
Reconciliations	35%	33%

Demand for payroll processing expertise has risen significantly, yet organizations are taking charge and steering organizational change: **72% are reviewing how to deliver payroll with fewer people**. Payroll leaders are also thinking about how innovation can help them achieve this. **Forty-four percent of those who are looking to transform their payroll to operate with fewer people are exploring the use of AI technologies**. In fact, the top drivers of payroll transformation include AI adoption (29%) alongside efficiency gains (28%) and digitalization of payroll processes (26%). By embracing new technologies, payroll leaders are taking a proactive role in shaping how work will evolve and empowering their teams with better tools and creating more resilient foundations for growth. This shift in capability and role design also reflects how organizations are rethinking where payroll sits within the business: **nearly half of respondents (43%) now operate as stand-alone payroll functions**, underscoring the increasingly visible status of payroll in the organization's ecosystem.

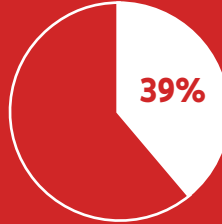
For those organizations reviewing how to deliver payroll with fewer people, they are exploring:



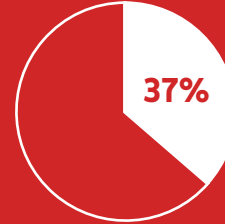
AI technology



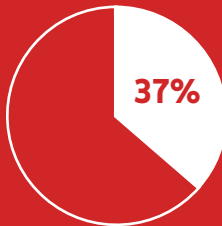
automating manual processes



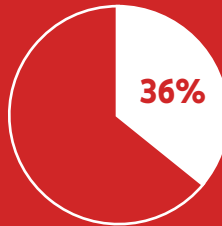
standardizing processes across geographies



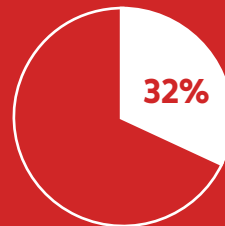
robotic process automation



outsourcing some payroll processes



creating shared service operations



centralizing operations

### Key statistics

## PAYROLL LEADERS ARE RESHAPING THEIR ORGANIZATIONS WITH LEANER TEAMS AND SMARTER TOOLS

**76%**

of payroll leaders say they're growing their payroll teams across the business

**68%**

report their payroll service has been affected by a shortage of payroll staff, up from 61% last year

**72%**

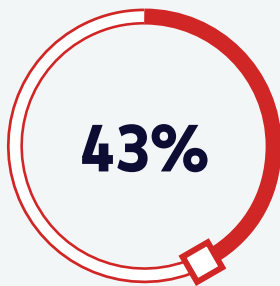
are rethinking how they deliver payroll with fewer people, and 44% of those are exploring AI to do so

**28%**

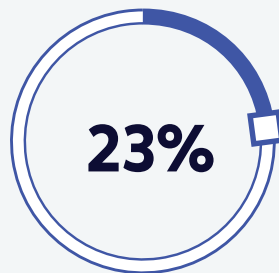
cite cost and productivity efficiencies as key drivers for payroll transformation

# PAYROLL WILL NEED TO BECOME MORE RESILIENT TO CYBERSECURITY THREATS

Data integrity and protection remain key priorities for payroll leaders. Data networks need to be well connected to meet evolving demands, supply chain changes and workforce shifts. Payroll operations also work with large volumes of highly sensitive data and as such, improving data security is a priority for many payroll leaders, with 33% citing data security as a key area they plan to improve at a global level over the next two to three years. Payroll leaders are also highly aware of the threat levels they're exposed to, with **70% reporting at least one cybersecurity incident affecting payroll in the past 24 months**. Last year, only 57% reported the same.



have experienced one or two security incidents in the last 24 months which impacted their payroll

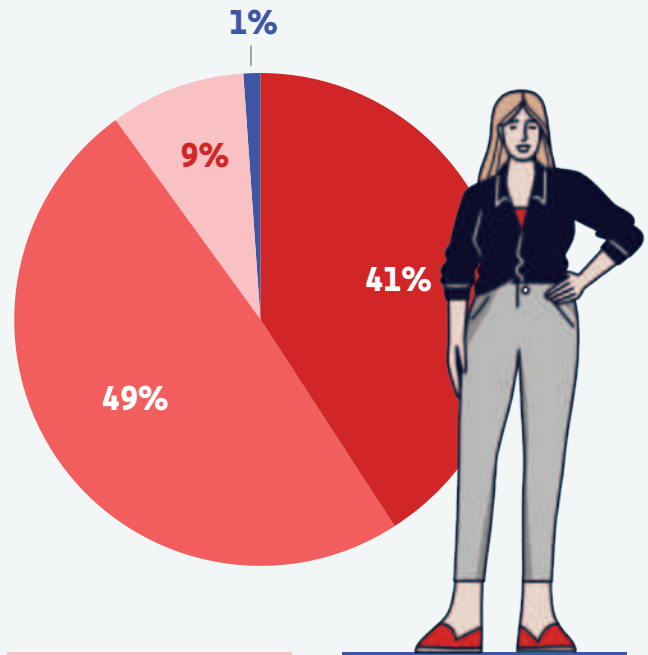


have experienced three or four security incidents in the last 24 months which impacted their payroll



have experienced five or more security incidents in the last 24 months which impacted their payroll

While awareness of the operational threats associated with cyberattacks is high, preparedness lags behind, **with only 41% having a company-wide contingency plan in place.** However, organizations are taking significant steps to strengthen resilience. **Nearly half (47%) of payroll teams now have dedicated data security resources,** and over one-third are seeking to add them. **Forty-nine percent (up from 33% last year) said they have developed playbooks and plans** for some of their countries to protect their payroll operations locally.



**41%** have developed a playbook and contingency plan across all of their countries

**49%** have developed a playbook and plans for some of their countries

**9%** have considered building plans, but have none in place at the moment

**1%** have not considered building such plans

## Key statistics

# PAYROLL SECURITY IS MATURING FAST, WITH A FOCUS ON BUILDING RESILIENCE

**33%** list data security as a top global improvement priority

**47%** have a dedicated data security resource; another 37% would like to have the skills in their team

**70%** say their payroll operations have been impacted by a cybersecurity incident in the past 24 months (up from 57%)

**41%** have global contingency plans, while another 49% have regional plans in place

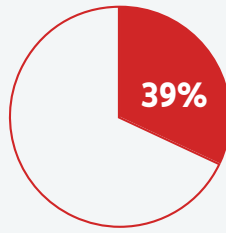
# INNOVATIVE TECHNOLOGIES AND AI ARE BECOMING CATALYSTS OF PROGRESS

The transformative potential of AI and automation continues to be at the forefront of payroll leaders' minds. Payroll teams see AI as essential for efficiency and accuracy, with around **one-third currently using AI for processes including data entry (35%), error detection (35%), and compliance management (33%).**

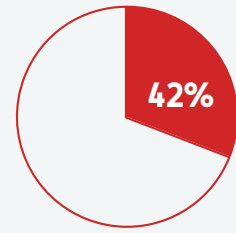
Nearly 40% are implementing or scoping further automation for these areas, as well as scoping out features like chatbots for employees (38%) or trend monitoring (37%). AI is becoming an everyday tool that supports—not replaces—people, enabling teams to focus on accuracy, strategic insight, and higher-value work. These advances also improve the employee experience by reducing errors, increasing clarity, and offering more seamless, user-friendly interactions with payroll.

Companies are accelerating their payroll automation plans. **Around half of organizations have automated core processes like data collection (52%), data entry (49%), reconciliations (47%), and reporting (49%).** The interest in further automation remains strong, with 39–45% saying they would like to automate these processes next. Payroll leaders are identifying key areas where automation and AI tools can create the highest impact and are strategically investing in these technologies. They're also navigating this shift responsibly. Although **71% agree that data regulations can slow innovation,** this caution shows that leaders recognize the importance of adopting AI responsibly, with a focus on balancing progress with compliance and the employee experience.

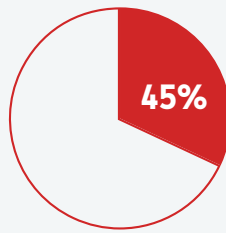
Payroll professionals recognize that automation can reduce errors, streamline data flows and free their teams to focus on higher-impact work:



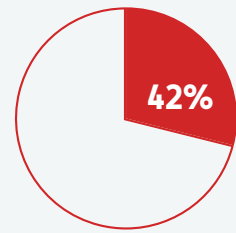
would like to automate data collection



would like to automate data entry



would like to automate reconciliations between payroll and other business systems



would like to automate reporting

### Key statistics

## AI AND AUTOMATION ARE INCREASINGLY BECOMING COMMON PRACTICE IN PAYROLL OPERATIONS

**43%**

of payroll leaders want their team to spend more time integrating new/emerging technologies

**21%**

say they would like to gain workflow automation from a transformation project

**29%**

say adopting AI into payroll processes is a key driver to transforming their operations

**35%**

say the most common cause of payroll inaccuracies is the lack of automated processes

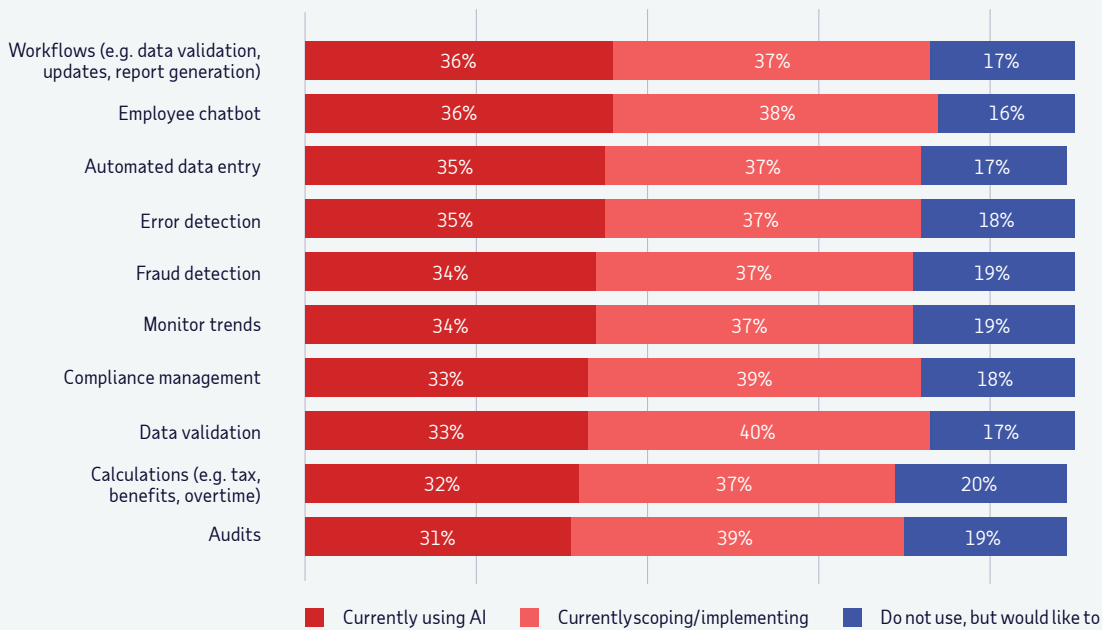


# SPOTLIGHT ON AI: FROM EARLY ADOPTION TO EMERGING AMBITION

Payroll teams are increasingly leaning on AI to enhance accuracy, automate labor-intensive tasks and support better decision-making. Teams are actively scoping out new areas in which to apply AI, with nearly 20% of organizations saying they would like to implement AI for payroll-specific processes where they currently have no capability.



## Processes driven by AI

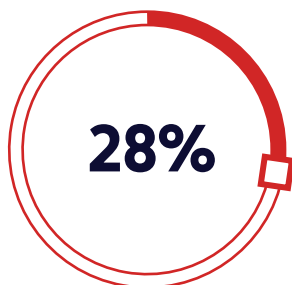


# THE FOCUS ON COMPLIANCE WILL SHAPE GLOBAL PAYROLL

Compliance remains one of the most complex aspects of global payroll, with 75% of leaders reporting that keeping up with local regulations is a significant challenge. In fact, **68% admit they incur penalties for noncompliance once or twice a year**, while **seven in 10** respondents find it hard to assess where they're noncompliant. The regulatory pressure can be so high that **69% even overpay employees rather than risk compliance violations**.

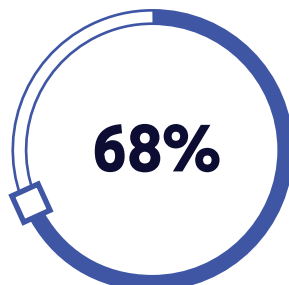
The prevalence of penalties and precautionary overpayments highlights a major opportunity for payroll to strengthen control and reduce avoidable costs.

## COST EFFICIENCIES



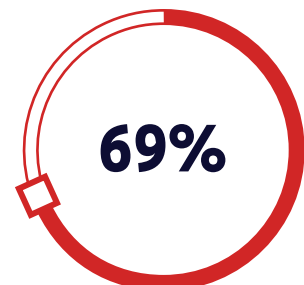
say cost, operational or productivity efficiencies are one of their top three business drivers for transforming their payroll operation over the next two or three years

## PENALTIES



admit they incur penalties for noncompliance once or twice a year

## OVERPAYMENTS



overpay employees rather than risk compliance violations

While the complexity continues to challenge teams, it's also a catalyst for improvement. Payroll leaders continue to prioritize accuracy and adherence to local regulations, even if it means being abundantly cautious. Many organizations recognize the need for deeper compliance expertise: **while 45% already have dedicated compliance resources, 38% would like to add this capability to their payroll function**, signaling a growing investment in specialized knowledge and governance structures. Teams also want to devote more time to compliance-related work. **Forty-one percent of leaders say they want their teams to spend more time on compliance tracking**, even though overall time spent on payroll activities is under pressure. At the same time, many organizations see an opportunity to relieve this pressure by employing smarter resourcing strategies. **Among organizations reviewing how to run payroll with fewer people, 37% are considering outsourcing some payroll processes**, reflecting a recognition that external expertise can support compliance demands and reduce the risk associated with managing complex, multi-country regulations in-house. All of this suggests that organizations increasingly recognize proactive compliance oversight as essential in a global payroll environment. Rather than viewing regulatory complexity as a barrier, payroll leaders are using it as a catalyst for resilience, strategy and operational maturity.

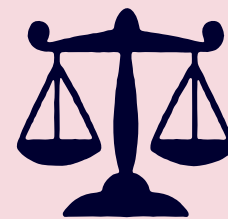


## Key statistics

### COMPLIANCE REMAINS A KEY PRIORITY FOR GLOBAL PAYROLL

**33%** find keeping up with local payroll regulations across multiple countries challenging

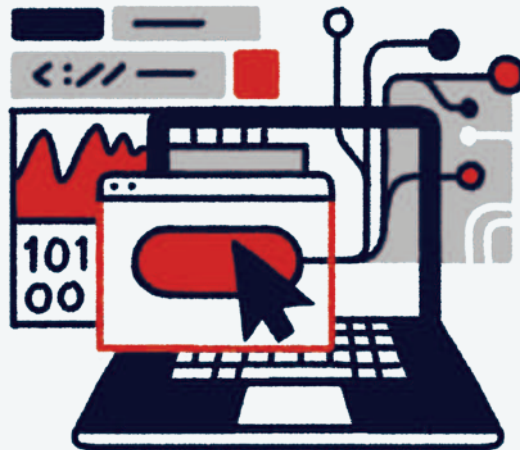
**70%** admit it's hard to assess where they're noncompliant



**47%** say that the application of new legislation is one of their top two causes of payroll inaccuracies across their business

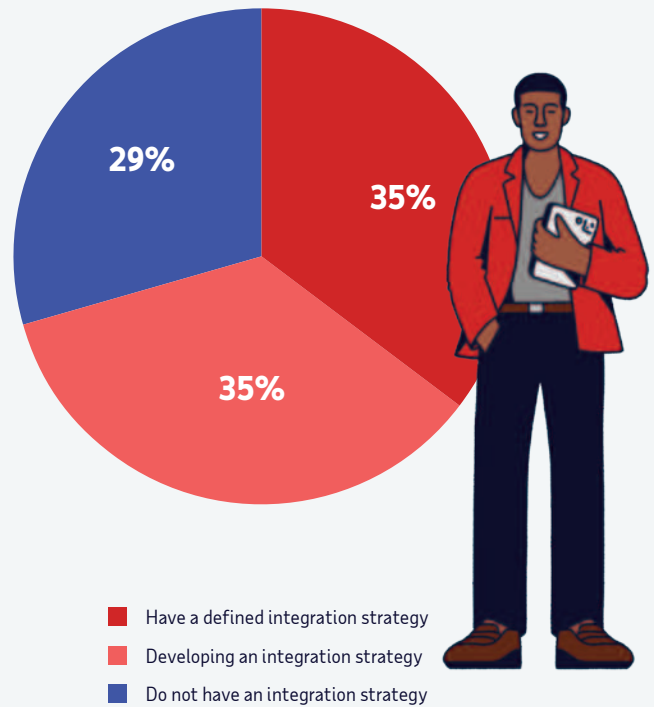
# LEADERS ARE PREPARING TO IMPROVE THEIR INTEGRATION ENVIRONMENT

Despite growing recognition of the importance of unified data and integrated systems, our survey findings show just how complex the global landscape remains. When asked about integration between payroll and other business applications (ERP, HRIS, time and benefits etc.), organizations reported a wide mix of global and local models. **Around a quarter to a third of organizations have integrations between payroll data and other global business solutions across all countries they operate in** (e.g., 27% for ERP, 28% for HRIS, 30% for time and attendance, 26% for benefits, 30% for accounting/finance). **A further third have partial global coverage** (typically 32 to 36%), meaning integration exists only in some countries. Local solutions remain equally prominent: **around 21% have local integrations in all countries, and roughly nine percent to 11% only in some countries.**



Global payroll integration is still fragmented, with different countries, systems, and vendors often operating in parallel. However, payroll leaders are clearly preparing for deeper unification. **Thirty-five percent strongly agree they have a defined integration strategy, and another 35% strongly agree they are still developing one. That said, around 62% of organizations do not yet have a fully defined integration strategy, with 29% strongly agreeing that they're lacking one.** This overlap reflects the fact that payroll leaders recognize the importance of connected systems, but many are still formalizing their approach, aligning stakeholders and determining the best path forward. Regardless of what stage they're currently at, payroll teams understand the broader organizational potential of better-connected systems.

**A substantial 77% say it would be highly valuable to partner with a provider offering a single solution for HR, payroll, and time.** Integrated solutions enable real-time benchmarking across countries, unlock valuable workforce analytics, strengthen transparency, and support more accurate forecasting of pay-related costs. In short, while global integration is not yet widespread, its strategic value is evident, and the organizations that invest in these foundations today will be best positioned to deliver consistent, high-quality global payroll in the years ahead.



## Key statistics

# EFFICIENT INTEGRATION UNLOCKS VISIBILITY AND FREES CAPACITY FOR STRATEGY AND INNOVATION

Only 1% of payroll leaders say their IT resources do not get involved in managing payroll data flows between payroll and other business systems.

On average IT resources are spending **22 hours per week per country** managing data flow between payroll and other business systems.

43% say complexity of integrating with existing business software is one of their top three barriers to implementing a global payroll model.

77% say they would find it really valuable to partner with a vendor that offers a single solution for HR, payroll and time.

### Teams want stronger capability in areas that support integration:

**34%** IT skills

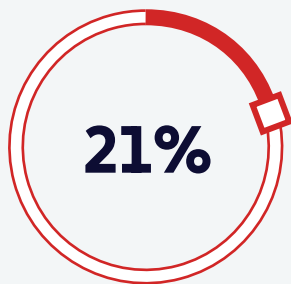
**37%** Data security

**37%** Analytics/insights

# THE IMPACT OF UNIFIED GLOBAL PAYROLL REPORTING

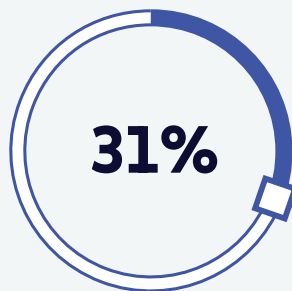
For global payroll to truly work, solutions need to be scalable and adaptable to the environment in which payroll leaders are operating. Local complexities need to be understood to create a cohesive, unified response, and reliable data and improved data visibility are key to ensuring a truly global approach. Despite this, only **12% of payroll leaders currently have full regional and global reporting, with 31% saying they have no regional and/or global visibility at all.** The most common model, which 49% of respondents reported, is one in which each country reports separately, creating a fragmented reporting landscape that is time-consuming, inefficient and highly prone to error. Although some teams already possess strong reporting expertise, a significant number recognize they need to build more analytical strength: **while 46% of organizations currently have dedicated reporting and analytics resources within payroll, 37% say they would like to build this capability.**

## HOLISTIC VIEW



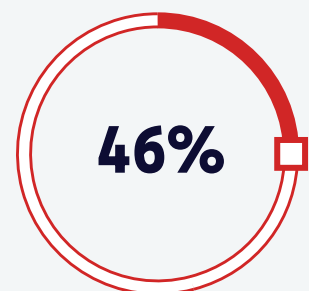
say gaining a holistic view of global payroll information is one of three key business drivers to transforming their payroll operations over the next two to three years

## TRANSPARENCY



say they plan to improve on pay transparency across all of their geographies over the next two to three years

## RESOURCES



of organisations have dedicated analytical/reporting resources in their payroll team

This is reinforced by how payroll leaders want their teams to spend their time: **38% say they want staff to devote more time to reporting, and 44% want them to spend more time on data analysis.** That indicates a clear desire to shift payroll's role toward more insight-driven work, which is also reflected in transformation goals. **Twenty percent of organizations want payroll transformation to deliver greater reporting and analytics capabilities, and another 20% want to achieve faster reporting.** Almost a third identify improved reporting capabilities as a key focus for the next few years. Taken together, the data points to a growing recognition that **global payroll reporting is essential for organizational effectiveness.** With more unified reporting, organizations have the potential to benchmark across countries, monitor compliance in real time, understand workforce cost drivers and improve planning accuracy. Ultimately, as visibility improves, payroll is evolving from a back-office necessity into a strategic driver of insight, resilience and value.



## Key statistics

# ORGANIZATIONS ARE CONTINUING TO BUILD REPORTING AND ANALYTICS CAPABILITIES, MAKING THEM AN INCREASINGLY CRITICAL STRATEGIC PRIORITY

### Global reporting availability:

**12%** have full regional and global payroll reporting

**49%** rely on in-country reporting only (no consolidation)

**31%** have no regional or global visibility at all

**46%** currently have reporting/ analytics resources, and 37% want to build this capacity

**20%** aim for better reporting and analytics capability

**28%** say improving reporting capability is a key priority



# HOW PAYROLL WILL BE IMPROVING THE EMPLOYEE EXPERIENCE IN 2026

Payroll's role in shaping the employee experience continues to grow, with 26% of payroll leaders reporting that improving this area is a key business driver for transforming their payroll operations. During 2026, leaders will be prioritizing a range of improvements directly aimed at making payroll more transparent, accessible and responsive. Organizations are planning to enhance employee-facing capabilities such as payroll helpdesks (38%), employee self-service tools (35%), pay-on-demand (36%), and chatbots (26%).





would like their payroll team to spend more time handling employee queries



are looking for local countries to improve on timeliness of employee pay over the next two to three years

**Thirty-one percent are also planning to integrate pay statements for visually impaired employees**, showing that accessibility and inclusivity are becoming main components of an organization's overall strategy. **Pay transparency is also accelerating, with 26% citing it as a key driver for their payroll transformation.** This way, organizations build trust and align with evolving global expectations around equity and fairness. Additionally, accuracy remains a foundational driver of employee experience, and data shows that organizations are continuously striving to improve through automation, improved data controls and expanded accuracy monitoring. Employee experience is no longer a secondary consideration, instead becoming one of the core principles shaping payroll transformation.

## Key statistics

# PAYROLL TRANSFORMATION CONTINUES TO BE PEOPLE-CENTERED, FOCUSED ON EXPERIENCE AND EMPOWERMENT

Top improvement priorities for the next two to three years include:

**38%** payroll employee helpdesk

**32%** electronic pay statements

**36%** payroll staff augmentation

**31%** pay statements for visually impaired employees

**36%** pay on demand/earned wage access

**26%** chatbot

**35%** employee self-service



# IN 2026, PAYROLL WILL BECOME MORE STRATEGIC, GLOBAL AND HUMAN

In 2026, findings show a payroll function that is becoming more strategic, more data-driven, and more connected across the organization. Leaders are not only addressing challenges, but they're also using them to accelerate transformation. Payroll strategy is increasingly aligned to broader organizational priorities such as resilience, global standardization, transparency and employee empowerment.

## CONCLUSION

Crucially, strategy is becoming a defining element of this evolution. **About a third of organizations (33%) now default to a global payroll provider when entering new markets**, reflecting the growing importance of scalability and standardization. At the same time, **46% still rely on local models, either building an in-house local payroll team (25%) or partnering with a local provider (21%)**. These findings show that many organizations continue to value deep local expertise in complex markets, but the momentum is clearly shifting toward more scalable, globally consistent models. The key lies in balance: ensuring organizations benefit from global governance and visibility without losing the expertise required to operate confidently at a local level.

As teams invest in automation, integration and security, they are also elevating the employee experience, making payroll a central contributor to trust, retention and workforce satisfaction. Looking ahead, payroll's potential lies in combining smarter, more strategic systems with human insight, creating an operation that is not just compliant, but efficient, collaborative and a vital driver of value.

## How is your payroll operation transforming?

What are the top 10 things organizations like yours would most like to gain from a payroll transformation?

- ✓ More reliable technology
- ✓ Improved employee experience
- ✓ Integration of payroll data with other business systems
- ✓ Standardized multi-country payroll processes
- ✓ Improved workflow automation
- ✓ Access to greater reporting and analytics capabilities
- ✓ Timely regulatory compliance insights and system updates
- ✓ Streamlined payroll processes
- ✓ Increased reporting speed
- ✓ Standardizing/optimizing payroll vendors and platforms





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