



How The Internet is Changing Payroll and HR

By John Israel
PROXUS Principal

Let's take a moment to reminisce about payroll processing back in the 70s, pre-direct deposit – when a company's payroll processor, perhaps **Automated Data Processing (ADP)**, actually picked up the company payroll data and took it back to their office for processing. Data entry people keyed the data into mega-sized mainframes that filled an entire room to process the payroll. They returned a few days later with checks to be hand delivered or mailed to employees, and reports to manually review.

Some people reading this will even remember using a **one-write payroll system** to manually calculate and write payroll checks in the 60s and 70s.

Payroll and personal data were not very secured or protected back then, but those were certainly simpler times.

Once in a while the Payroll Department would socialize with the Personnel Department located at the other end of the building, where massive amounts of paper, employee files and other stuff were kept. Never mind being compliant: With only a "few" laws and regulations, compliance was relatively low on the priority list. The Personnel Department's primary role back then was hiring and firing. Compliance with employment laws wasn't an issue; HIPPA was something you visited at the zoo!

Payroll and Human Resources Come Together

Fast-forward to 2011, and observe the evolution of Payroll and Human Resources, and the way they have actually come together in the lightning-fast pace of today's business world.

Payroll is now concerned with pre-tax and post-tax items, limits, federal and state taxes and, in some states, hundreds of complex local taxes, on time and accurate tax payments, how to know if someone is an independent contractor or an employee, Workers' Compensation, and providing reports for various types of audits – NOW!

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Human Resources is now in charge of keeping the company in compliance with the hundreds of federal, state and local regulations. The role of Human Resources has also evolved to focus on strategic planning, employee performance and corrective action, hiring the best talent, compensation, choosing a benefit program to fit the organization's culture and budget, conducting effective performance evaluations, and providing education to management and employees on a variety of important topics. With all of this, it is also the role of Human Resources to keep the employee handbook and policy manual up-to-date to accurately reflect all of the above information.

Technology

How have we managed to keep up? Wasn't technology supposed to simplify our lives? Is the Internet going to make things better or worse for business?

The new technology, when properly deployed by sufficiently-trained users, is designed to help decrease the stress level of "keeping it all together." Security continues to evolve and make it much safer to use the Internet to store and transmit personal information. A great example is the RSA, multi-factor authentication method of security used by many banks and financial institutions, to which PROXUS seamlessly transitioned our Web-based payroll and HR system last month. While adding an extra step to our users' sign in, this method adds an additional four layers of protection designed to keep your employees' data more safe and secure.

When equipped with more sophisticated Internet technology and security, companies can now increase the efficiencies of managing payroll and HR data, "go green" by reducing the amount of paper used, and, most important, save money.

Here are a few examples of how people aligned with the proper technology can help your company:

- **Payroll** – electronic paystubs, print only "live" checks, electronic reports making payroll binders a thing of the past, ease of generating reports, manage benefits deductions without post-it notes, electronically transfer payroll data to a GL or 401k record keeper and tracking time and attendance.
- **HR Data Management** – tracking applicants, training, certifications, managing benefits, making it easy to produce custom reports.
- **HR Services** – organizations that cannot justify hiring a full-time HR Manager can look to companies like PROXUS who employ a team of HR professionals on an as-needed basis to provide expertise in compliance, strategic HR planning,

– more –

provide compensation, talent acquisition, employee relations, performance management and benefits.

Consolidation and Outsourcing

Many small to medium-sized companies often just have one employee who manages all of these critical “non-core” responsibilities. And all too often, they are responsible for payroll, HR and employee benefits without any formal training. The expectation is that they’ll “learn as they go.”

PROXUS is available to provide business owners, CEOs, presidents, CFOs and even HR leaders with the peace of mind in knowing they can outsource these non-core business critical tasks to achieve the cost savings, time efficiencies and continuity benefits that accompany this model. Consolidation and outsourcing will result in more time to focus on core business responsibilities and higher-level payroll and HR strategies.

*If you're interested in learning more about how to use the Internet to manage your Payroll and HR data or how PROXUS can help you manage your non-core business critical tasks contact **Jeff Green** at 215-654-9140, ext. 102 or jgreen@proxushr.com and / or **John Israel**, ext. 110 or jisrael@proxushr.com.*

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March 8, 2011