

GLOBAL
PAYROLL
2026 **WEEK**

2026

The State of Global Payroll



Speakers



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Agenda



- **About the survey**
- **The actionable findings:**
 - Strategy, and C-level Influence
 - Service & Provider Models
 - Governance & Global Control
 - Staying Compliant
 - Payroll Performance
 - From Challenges to Opportunities
 - Payroll Talent & Skills
 - AI
- **Key takeaways**

Global scope, and regional nuances

The survey was open from February 6th through April 4th with in total 164 respondents representing all industries from technology, manufacturing to financial services.

70%

has its largest headcount in North America, and other 30% of respondents are spread across the globe (mostly Europe, Asia)

49%

operates in 11 or more countries, of which 7% in 51 or more countries

68%

pay up to 5,000 employees, and 12% even pays 20,000 or more employees

From operational to strategic

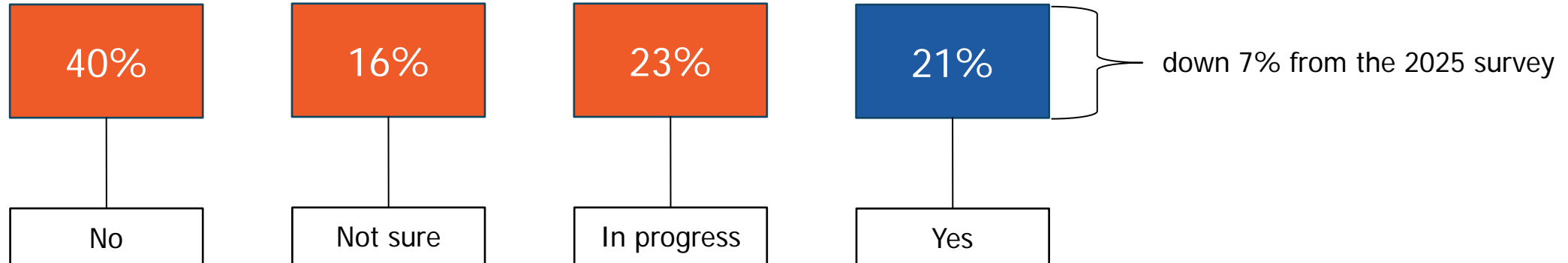


The respondents represent all layers of the payroll function:

- 21% has strategic positions
- 49% has managerial positions
- 30% has operational positions

Payroll leaders are decision makers, but more on a local level

Do you have a documented global payroll strategy for your organization?



Over 65% indicate their payroll leaders sometimes (22%) or always (43%) influence decisions made by executive leadership, and out of those 38% manage 6 or more countries.

Accuracy and automation are key priorities

The top 3 strategic objectives

1

Improve payroll accuracy

2

Increase automation

3

Integrate HR data

Other priorities focus on integrating data to Finance and a better employee experience.

Accuracy remains non-negotiable

Payroll credibility still starts with getting it right, every time

Automation is now expected

The focus is shifting from efficiency gains to scalability

HR integration is critical and insight

Clean upstream data is the foundation for everything downstream

Hybrid remains the favorite

Most respondents with a 1 to 5 country scope located in North America process payroll in-house via licensed software with just one or two providers.

For those with a broader country scope and geographical locations:

20% outsource to in-country payroll providers only (up to 5-10 countries)

80% opt for a **hybrid with a mix of 2 to up to 7 different providers**

The smaller and larger footprints (countries, headcount) show most diversity in the provider mix, while mid-sized companies (1,000-5,000 headcount, 5+ countries) show more consolidation of providers.

To consolidate, or not to consolidate

How many payroll providers do you actively manage?

33%

one (global)provider is the choice for those located in North America with 1 country

57%

manages 2-10 providers

10%

manages 10 or more providers

- There is no trend in specific regional approach for those managing more providers
- Technology companies consolidate providers more than any other industries

Global standardization is complex

Process Standardization

The industry standard is to standardize 80% process in global payroll. **The reality proves to be more complex:**

- 31% reaches 80%
- 30% reaches 65%-80%
- 39% reaches 50% or less

Global Payroll Control Framework

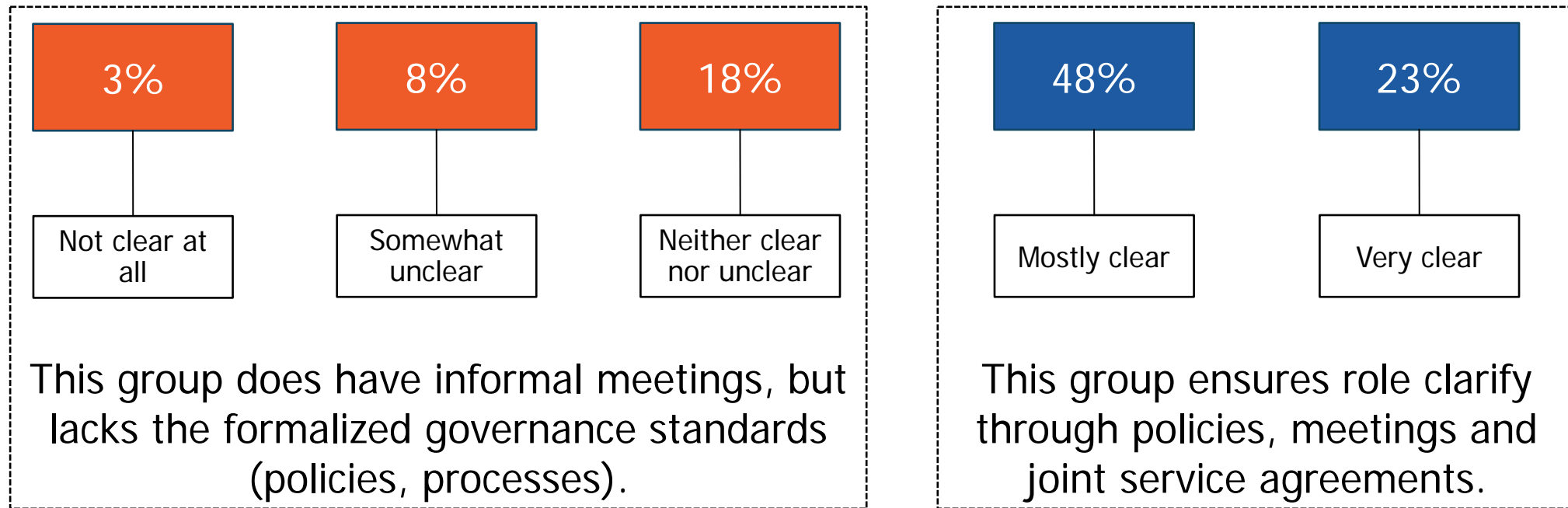
With payroll on average representing 40-60% of operating expenses, **having a control framework seems a must:**

- 41% has a full control framework
- 29% has a partial control framework
- 28% doesn't have a framework

Payroll control maturity remains low: little standardization, or formalized controls.

Role clarity takes more than a meeting

How clear are roles and responsibilities across internal stakeholders and global payroll?



PAYO is number one go-to resource

For Payroll Professionals to stay current, PayrollOrg's publications, training and communities are the number one resource across the globe (in line with 2025).

Other resources (in order of choice) include:

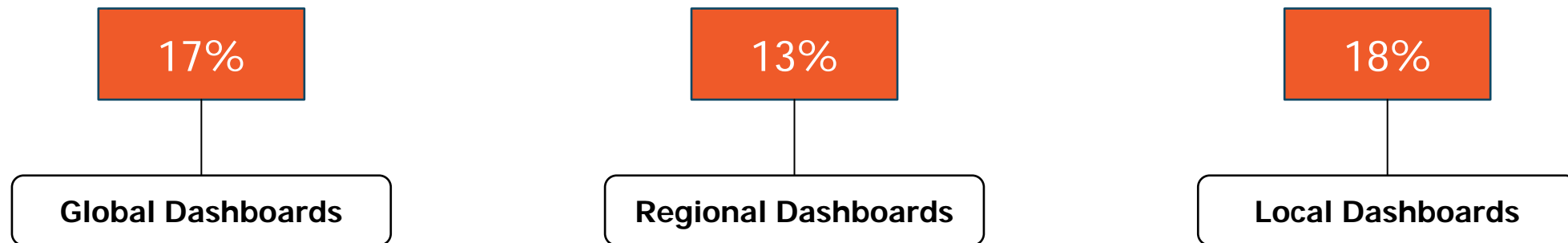
- Online search
- Government or regulatory websites
- Global payroll provider updates
- My professional network
- Accounting or advisory firms
- Law firms or legal briefings
- LinkedIn
- AI tools such as ChatGPT
- Research library subscription



To track performance is to improve

Most (52%) of respondents **do not monitor performance (36%) or solely rely on reports from providers (16%).**

Those who do track performance (48%) do so on **various aggregation levels:**



Compared to the 2025 results there is an increase of payroll functions not measuring their performance. Those indicating not to measure performance or rely on providers, generally have a smaller country footprint (1-5) countries.

Accuracy is key: input and output

In line with the strategic objective to improve accuracy, the **payroll input and accuracy are cited as the most operated KPIs (31,7% tracks this)**.

Other operated KPIs (in order of choice) are:

- Timely compliance filings
- Timely compliance payments
- Timely salary payments
- We do not monitor KPIs
- First-time right payroll approval
- Cost per payslip (or employee)
- Other

Measurement drives management. Global payroll is no exception, with processes and outcomes that can be clearly tracked and assessed.

Our key stakeholders = key challenges

Top 3 challenges that affect global payroll processes:

1

Finance and Payroll Processes
(voted 85 times)

1

Misalignment between HR
(voted 85 times)

2

Coordinating across
multiple time zones
(voted 81 times)

Other challenges are slow or inconsistent responses from local teams (3), cultural differences in work practices (4), limited ability to work asynchronously (5) and language barriers (6).

When misalignment with HR is visible

The number one (40%) stand-out challenge in the pre-payroll process is in line with the 2025 report:

1

Late or incorrect HR data

Other challenges are time and attendance issues (2), missing approvals (3), lack of standard processes (4) and provider delays (5).

Money movement is locally dependent

Money movement gets more complex when organizations expand across regions and need to pay workers in foreign currencies.

These two main challenges represent **67%** of the challenges.

1

Local bank challenges

2

Proper governance and controls once money is sent

These other two challenges represent **33%** of the challenges.

3

Finding vendors that can move money to any country I need

4

Exchange rate issues

Skills to hire for, and to start developing

The most sought for **skill** to hire new global payroll talent is **country compliance knowledge**. But how much do you need to know of one or more countries?

Other skills mentioned as most important include:

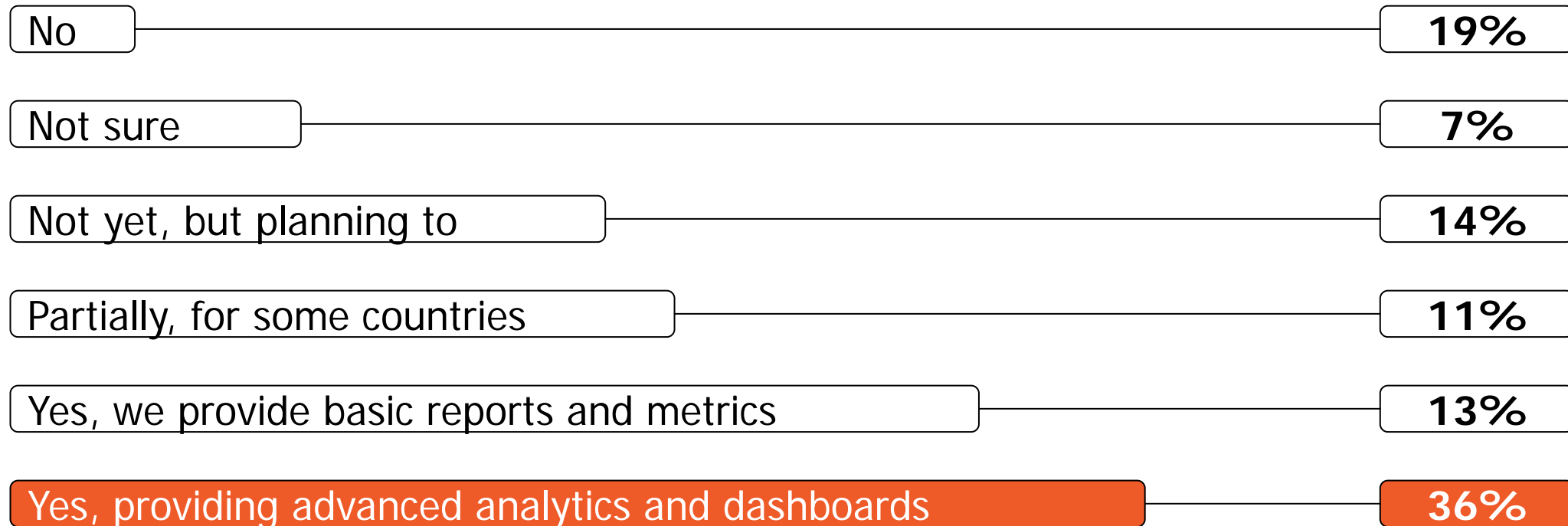
Communication skills

Solution-focused

Data savviness

From data savviness to payroll analytics

The more labor intense industries (Manufacturing, Education) show the highest utilization of Payroll Analytics, as well those in general with higher headcounts.



AI is on the rise, but it's not payroll yet

44%

uses AI in their payroll processes

- 5% uses AI widely across the end-to-end payroll process
- 9% uses a payroll provider's embedded AI
- 10% uses AI for specific tasks
- 20% is in the pilot phase for AI

The payroll functions in the **Manufacturing and Technology** industries have the highest AI deployment, as well as those organizations with **higher headcounts** (10,000 and more).

AI is on the rise, but it's not payroll yet

56%

do not use AI in their payroll processes

- 3% is not sure if AI is used
- 24% is planning to implement AI
- 29% is not planning to implement AI, yet

The payroll functions in the **Healthcare and Financial Services** industries have the lowest AI deployment, as well as those organizations with **lower headcounts** (5,000 and less).

Building foundations for strategic impact

A

Payroll is gaining influence, but not yet fully strategic

Increasing visibility are positioning payroll as a trusted business partner

B

Relentless focus on accuracy and automation

Organizations are strengthening the operational backbone of payroll

C

Compliance is core, but other skills come to forefront

Continue professional education on core and wider skills (data, AI)

D

Unlocking the power of data and AI

With foundations in place, payroll is positioned to drive value