

Intro Voice:

Welcome to PayTalk, the podcast for payroll professionals, with your host, Nina Talley. In the podcast, we explore the human side of payroll by speaking with global industry leaders who provide their unique insights to help listeners better understand the issues important to them and their careers.

Nina Talley:

Hey everyone, thanks for joining us for PayTalk, the podcast that brings you Payroll's human side. I'm your host, Nina Talley, and today we're joined by our guests, De Ann Doonan, CPP, senior director of Global Payroll at Analog Devices, and John Lestock, CPP, a global payroll accountant at Boeing. Today, we're talking about global payroll, which, I think we can all agree is a pretty broad topic. But for this episode specifically, we're getting a bit more granular and looking at how you can make the transition from domestic payroll operations in the United States into a career of global payroll. And what I'm really excited to talk about this is not just like the skills that our listeners will need, but really what it means to work in global payroll. It can be so many different things and you have a bit of the power to define that yourself.

And so, I'm so excited to be joined by De Ann and John, who are going to help us see the path through to global payroll. But before we get started, I'd love it if you could both introduce yourselves and tell our listeners a bit about your background and why you've joined us today.

De Ann Doonan:

Excellent. Thank you so much. Hi everyone. I am so excited to be here to talk about one of my favorite topics, which is expanding your career in global payroll. I'm De Ann Doonan, CPP, and I've actually been in payroll forever, even in college, while I was studying management and a minor in psychology, and [inaudible 00:01:59], I think I used my psychology more than my management skills. But anyway, call me crazy, I think all payroll people can say that same thing. But actually, while I was in school, I took on a payroll clerk job. This was back in the eighties when there weren't systems and there weren't internets and we were down to old green bar tablets. So crazy times. Grew up in the ranks, made my way through and I'd always... You know, US and Canada is kind of a thing, right? We don't always even think about Canada being an international or global payroll, but it is, right? It is. It has its own quirks. But I actually dove into global payroll in the early 2000s.

Mine came via a phone call and an, "Oh my gosh," And, "It's all payroll's fault," But we learned a lot in there and I learned that payroll is payroll all over the world. I've seen a lot of change in the global payroll landscape, and I've seen team members across the globe stretch into this exciting industry. So I'm super excited to be here. Thank you for the invite and I can't wait to talk more about global payroll.

Nina Talley:

John, would you care to introduce yourself?

John Lestock:

Absolutely. John Lestock and I'm a global payroll accountant at the Boeing company, and I've been in global payroll for as long as I've been at Boeing, which is a little over four and a half years. And it's funny, my career started right out of college in traditional accounting. Actually, out of college, I was working in the pension department, so I was actually in benefits first and then transitioned to corporate accounting and then through the years, I had worked in different functions within a company, but then transitioned back to the benefits department when I went to a new company. And this was actually a consulting firm

that did benefits outsourcing, and I was involved with 401K plans. Now at that time, when I was working on supporting the team that did the record keep for the 401K plans, I was always curious about the payroll function because we've received the data files, we've received the funding, and to me, payroll was this black box other than the fact that I got a paycheck.

And I thought it's kind of frustrating because I'm trying to understand the process, but here's this big piece of the process I don't quite understand, and that motivated me to seek out a payroll position. So that was, of course, domestic US payroll. And I did just that. I went and worked in US payroll for a while, was involved in different aspects, in the tax and the timekeeping and such, and then kind of transitioned back and forth between the benefits or pension role and a payroll role, augmenting that with some experience with accounting over time. And then got a little bit of taste of Canadian payroll, which I really enjoyed, very interesting stuff. And it wasn't until recently there was a job opening at Boeing for this particular role, and I applied for it. So I actively sought a global payroll function out. And the manager that interviewed me, and I even explained to him, "I don't have a global payroll background, I don't know payroll in other countries. Maybe a little bit of Canada, but that was about it."

And he explained, "That's perfectly fine. You have all the other skills that are applicable in this role. You've seen the overall payroll process, the timekeeping system, the components of earnings, that we have to calculate someone's gross pay, the deductions, the taxes, the output, your bank files, your registers, your pay stubs, pay slips, so it's really a similar process on a global scale. Just think of that in every single country that we operate in. And as far as not having the country specific knowledge, don't worry, we've got resources for that." So I took a chance, they took a chance on me, and I joined Boeing, and it has been quite the rollercoaster ride. I say that in a good way, but I think the point is, my career, I've done different functions, pension, 401k, self insured health plans, have done payroll, sales and use tax, so a lot of different skills, different experiences that, to me, are like different puzzle pieces that build and put together almost like Lego bricks, maybe, perform a bigger picture and the bigger picture you can take with you to your next role.

And even in global payroll, I find myself falling back on those same experiences and skills and knowledge and using that as a foundation, as a reference point to apply towards when I inherit payroll in Turkey, for example. So it's going to be, what did I learn? What are some skills I picked up? Being resourceful, where can I go get more information so that I can work with that payroll in that particular country?

Nina Talley:

I think that between the two of you, this is such a great setup for this type of episode where we're looking into how do you make the transition because one of you actively sought out global payroll and the other one of you it was, "This is an emergency and we need someone to do it." And I think that's such a great way to showcase, you can find your way into global payroll through a variety of pathways, and I think that that's an excellent place for us to start is, how do you initially make that transition from domestic United States payroll into global payroll? I know we talked a little bit about Canada and how that can be a nice little bridging of the gap, but can you talk a little bit about the nitty gritty of that transition?

De Ann Doonan:

Yes, absolutely. I think, like you said, for some, it's a very intentional or a planned move, and for others, it's an urgent phone call and an, "Oh my gosh." But what I think is important is, payroll is payroll all over the world, right? It's debits and credits, it's earnings and deductions, it's HR and benefits and pensions. It's all of that. But why not embrace something new, a new challenge, a new opportunity to grow and

stretch? You cannot allow yourself to be intimidated because you're not an expert in Turkey, like John said. Oh my gosh, I think John and I both could give you lots of stories about the fun in Turkey.

John Lestock:

Oh my God.

Nina Talley:

A separate episode, payroll in Turkey.

De Ann Doonan:

Here's the thing, when an opportunity knocks on your door, always take a moment and consider it. Global payroll is a new mindset, it's a new challenge, it's an opportunity to grow and to stretch. You need to have courage. You need to be brave. You need to, I think, be comfortable with a little bit of ambiguity and allow yourself the luxury of not being the expert. Many of us who have global payroll... I have 29 countries under my organization, soon to expand to 34. I cannot tell you the nuance of every single country. What I can tell you is that all payrolls are process based. Yes, there are oh my goshes, but underneath the oh my goshes, for those that are successful, there's a solid process. In global payroll, you have to be comfortable with allowing yourself not to be the absolute expert or a specialist in every single country. And even if you attain that, at some point in your career, you're probably not going to have it on the day that you first step into the global payroll arena.

John Lestock:

I absolutely agree with that. I didn't mean to interrupt, but I absolutely agree with that.

De Ann Doonan:

Yeah, I think it's so important. And I think if you can approach it with a great ability to learn on the fly, to have good communication skills, then why not try something new? Global payroll is gray. We have the luxury, in the US, of tax laws and regulations being very black and white. It's in or it's out, it's supplemental earnings or it's regular earnings, it's bonus eligible or pension eligible or not. When you step outside of the US, you step into a world that is more gray, where rules are less defined. So you have to be open and comfortable with new ways of looking at things and be great at asking questions. Just because your HR partner tells you that, by golly, gee-wizz, this is the rule in this country, that rule may actually be a common practice and not an actual rule.

So you have to be able to take in all of this information and then know when, "Hmm, I think I need to look into that a little bit more," And maybe reach out to your payroll vendor and your legal counsel and say, "I'm hearing that there's a new thing going on in this country and my business partners are telling me it's this, but that just doesn't seem quite right. Can you please take a moment and look into this?" Because in global payroll in particular, you have to take in information and make good decisions, and sometimes you're the governor about knowing when to go to legal, when to go to your payroll provider, when to trust your HR partners to be guiding you. So you have to be good at really asking questions and drilling down and letting everyone know that you're pushing on this a little bit and you're ping-ponging on this because you want to make sure that as a company, we are compliant, but that we're also balancing the needs of the company to the needs of the employees.

So I think that as we transition into global payroll, our mindset expands, that it's not all black and white. There's ambiguity, and in some instances, you're as much a processor as you are an advisor, as you are

consulting with other branches of your company to make sure that we all remain compliant. But at the end of the day, you just have to harness your inner warrior. You have to go out there and look at all these things and move forward.

Speaker 5:

And John, do you have anything to add onto that?

John Lestock:

Oh, absolutely. Be comfortable with being uncomfortable. I learned that going to the gym. Honest to God, the instructor... And you're working out and you're just winded, you're hyperventilating, you're sweating, you're sore, you're like, "I can't do this." And they push you and they push you in a good way to say, be comfortable with being uncomfortable because that's where the change happens, that's where the growth happens. So yeah, right now you can barely run a mile, but let's look back on this six months from now, a year from now, and you can run a mile pretty comfortably. It's still a workout, but it's not the falling down and throwing up workout that it was. And that's where the growth comes in, it just takes time. Global payroll is kind of like that. You're starting at the very bottom of the learning curve.

And yeah, you can come from US payroll and be the absolute expert. You know garnishments, multi-state tax, you're very comfortable with the nuances, but then you enter that new country and you don't have that knowledge. You may have a foundational base, you may be depending on pay specs or pay practices within each country that your company developed, kind of like a cheat sheet. And what you come to realize is, those paved practices are a combination of legislation, which is the bare minimum, and company compensation, [inaudible 00:13:25], compensation practices. What does a company provide as part of the compensation strategy? Also, what's customary? It may not be legally required, but if you intend to hire qualified talent, good talent, you're going to provide a vacation payout or you're going to provide a holiday pay or some extra benefit that, maybe it's not the minimum, but if you want to hire somebody of a good caliber, you're going to provide it because all the other employers are as well too.

So it's just kind of keeping that in mind. And the business model that your company follows for outsourcing payroll, and they may do a payroll in house. In that case, you're dealing with the local payroll department in that particular country, and the individuals there are the ones working on the payroll and you're depending on them to be the experts so you kind of confer back and forth. If you're outsourcing, you could be dealing with a local payroll provider in each country, so eight, 10 different payroll providers, or you could be dealing with an aggregator, where you only have contact with one service provider and they are the ones that, in turn, have contacts with those eight or 10 different countries. So you don't have direct access to your payroll in Tel Aviv or in Tokyo or in Belgium, Brussels, but you work through your contact, who's either in the UK or Mauritius, and they, in turn, reach out to that local provider.

So you get that buffer that sometimes it makes it more challenging to get answers to your questions because of time zone differences, language differences. And depending on the country, your contact could be very knowledgeable about payroll in Ireland, but they may not be knowledgeable about payroll and Azerbaijan, which, I mean, who is right? I mean our company, I'm going to say we're probably in 70 countries, and that's probably a low number. We're probably more than that. And if I include subsidiaries, we're all over the place. So who could be a single, solitary, absolute expert on payroll in 70 plus countries at the same level of granularity that you are with US payroll? That is impossible. And if you find that person, you better hire them.

De Ann Doonan:

I would interject though, John, and just say that there are vendors that offer you the, yes, there're aggregators, yes, there's a local country provider behind them, but there are aggregators that actually do allow you to reach out directly to the local country provider. Yes, you may have to go through a portal or something like that, but there is someone that you can talk to directly. I know, for me, I've always sought that out because I've always said, hey, if the issue is urgent, I'm perfectly fine. I'm probably going to be up late at night anyway, or early that morning because this issue is burning. So for those who are new to global payroll, I think it's important to understand the personality of your organization, and are you comfortable working through a desk and that desk being the late liaison and getting the answers and pulling it all together? Or is your company the kind of company that says, "No, no, I need to know now." Just running out the door. And so, they can offer that ability to just be up when they're in that time zone to get those answers.

John Lestock:

Yeah, I think it's going to depend on the service contract too. The contract we have is very different than what some other company would have, and it's going to be a combination of the service provider says, "Well, this is what our business model is, take it or leave it," Versus the company saying, "Well, no, this is what we want." They want to just completely set it and forget it and have it off their plates so it's different. Just because how we do things at Boeing does not mean that's how everybody else does it. It's almost like making a dish. Everybody did make spaghetti a little bit different. The sauce is a little bit different, the ingredients are different. Whether you make the homemade sauce or just buy it in the jar. It's still spaghetti, but everybody does it a little bit different. And hey, global payroll is kind of the same thing, right?

Who your providers are, what's the contract look like based on what does your company want? What are they seeking? What kind of service are they looking for? They want all-in-one shopping or are they just doing components of it? And components is another interesting topic because a lot of times with the US payroll, we take things for granted. Everything's all in one. You outsource to Ceridian or ADP, for example, we give them all their data, you use their system for timekeeping, and they produce the checks, they make the payments, the direct deposits, they do everything. Now, when you get to the global platform, you could have one party that collects all your data for your HR, goes to somebody, they disseminate it to the local payrolls, or you send it directly, you get the output back and a whole separate party deals with the payments, could be a treasury function. And every company's a little bit different, every model's different.

And then you could have separate, I'll call them specialized service providers, global mobility, equity compensation, that knows how do you do restricted stock units in different countries, for example. Where the US, the tax laws are pretty straightforward for the most part, but it's not well defined in the tax laws in other countries so it's really hard to identify, well, how do you tax these darn things? So you need an expert, you need a specialized expert for those functions, those components of pay that go outside the boundaries of what a standard payroll provider would do.

Nina Talley:

Help celebrate the hardworking global payroll professionals in your organization by participating in the sixth annual Global Payroll Week, the first through the 5th of May. Global Payroll Week aims to increase the global payroll professionals' skill level through education, training, and networking opportunities. The Global Payroll Management Institute, or GPMI, offers many ways for you to participate in Global Payroll Week. From celebrating at your company, participating in exclusive events each day, contests on

social media, or simply weighing in on getting the world paid survey, visit GPMInstitute.com to get involved. Help GPMI elevate the visibility of the global payroll industry and the outstanding professionals who ensure the world gets paid one paycheck at a time when you participate in Global Payroll Week, the beginning of next month. Go to GPM institute.com to learn more. Again, that's GPM institute.com. Happy global Payroll Week, everyone.

Global payroll is... No man is an island. You can't do it all yourself. You need these partnerships, you need people who can sort of serve as the payroll expert for Turkey or Azerbaijan. And I think that that leads in really nicely to something I definitely wanted to make sure that we covered, which is, let's talk about the skills that you need for global payroll. And I really want to look at the soft skills, the interpersonal skills, but then I'd love to hear about the technical skills as well so that our listeners, if they're about to make this transition, they can know how to best prepare themselves for it.

John Lestock:

I've got some thoughts, definitely. Okay, first thing I'm going to say, and I'm going to say this for everyone across the board, whether you're in the US, Canada, South Africa, Australia, Netherlands. If, within your country, there is a professional organization like the American Payroll Association or National Payroll Institute in Canada, or like TAPS in Australia, join. Always know your local payroll, know your home country payroll, be the expert, because that is a great foundation, that's a great starting point for when you expand and learn in other countries and you want to keep up with that. And also, those professional organizations are a great way to build your networks. Eventually, you're going to build networks with individuals in other countries, and then you can almost treat your knowledge of your home payroll, for lack of a better word, it's currency.

Nina Talley:

Exactly.

John Lestock:

I can share knowledge with the guy in the Netherlands to say, "Hey, look, I can explain multi-state payroll. Can you explain a 30% ruling to me because I'm really just losing my mind on this." And that person could help me understand that. Like, "Oh yeah, we deal with this all the time. Here's what you guys need to do." And that's a good starting point. Build your networks, being resourceful, knowing where to find information. Definitely look to your service providers. They should be providing you some guidance, internally, your legal department, your HR. Can you Google this information? With a grain salt? Yes. I mean, there's good information on Google and sometimes Google can give you, basically, graffiti and the worldwide web. I mean, let's be honest.

But sometimes it's a good starting point to be informed enough to ask good questions to HR, to your service provider, to someone, so that you're not completely blind. I've used Google Translate on my phone quite a bit. It's been super helpful. So if I get a pay slip that's in Hebrew, I can at least wave the phone over it and figure out, "Oh, that's the tax piece. That's the pension."

De Ann Doonan:

Exactly.

John Lestock:

Yeah. So being resourceful is learning how to use the different tools that are available. Of course, we'll say Excel skills and technical skills and how to use software, soft skills, communication is key. Many times, you're communicating through email, maybe a message board or a ServiceNow case management system. When you write, I always recommend, and this is taught to me when I started a Boeing, write in simple sentences, don't make them long sentences. Keep them simple, use bullet points and just kind of have separate pieces. And not that you're being condescending, not at all, it's just the opposite. The individual receiving your email, even if they speak English, English is a second language. They have to translate that. What can you do? How can you structure your communication so that it's easy for them to translate from English to Japanese and then back to English again? That is key. You'll be surprised how well your communication goes from there. Like, oh, now they get your question.

De Ann Doonan:

Yes. And I always provide examples. I think examples are super helpful.

John Lestock:

Exactly. Exactly.

Nina Talley:

I agree with that. Yeah, completely. It's like, gives somebody a little bit of a pathway to understand what you're saying if they're having a hard time with it. I know that that's something that we have to focus on at PayTalk is because we're a global payroll podcast. I have to work to make sure I'm not using any American colloquialisms. And it's something that, because we're having such a good conversation and it's so personal that sometimes it can slip in, but it is important to always remember who your audience is and that even if they speak English, specific intricacies of language can sometimes get lost through translation.

John Lestock:

Absolutely. And something I'm guilty of and I need to really work on is to speak...

Nina Talley:

We can all do it.

John Lestock:

Slowly. Speak slowly. So even though I'm talking to Ireland, yes, we both speak English. Just as I see from my point of view, they have a heavy accent, I'm sure I have a heavy accent in return.

De Ann Doonan:

Exactly.

John Lestock:

They're trying to figure out, "What is he saying?" My accent's probably all over the place. I mean, right now I work from home, but I'm working outside of Seattle, Washington. I'm in the west coast. I'm originally from Chicago, and I've lived in Texas for some time. So my accent has got to be muddled. I mean, where is this guy from?

Nina Talley:

Exactly. And De Ann and I phased it out a little bit, but I'm Southern, and Deanne also has a very southern accent, and sometimes you do have to watch that with communications. It can make things a little hard.

De Ann Doonan:

Oh, I agree completely.

Nina Talley:

And De Ann, it seemed like you had something you wanted to expand upon for that.

De Ann Doonan:

I did. I wanted to add to the list that John has put together, partnership. I think it's important to realize that payroll is a team sport. It's important to have great partnerships with HR, with benefits, with accounting, with the business, and it takes those strong partnerships to create the pay slip. I know that I have a couple of soap boxes, and one of my mantras is actually that the pay slip is actually the report card for the whole organization. It's not just a byproduct of what payroll does, it's a report card of how the whole organization works together. Were the handoffs between the HR system and the payroll system solid? Did the interfaces work? Did the HR person or the employees manager put in the termination correctly? So I try to sell the fact that partnership creates the pay slip. It is the report card of payroll in our whole people organization, and that it's important for payroll to have these strong partnerships, not only for compliance, but just, sometimes HR can feel the ground rumbling. They know that something is coming.

If you have a great partnership, they're going to say, "Hey, heads up. We've got this coming. I may not be able to tell you this officially, but be prepared." And if you have a great partnership with your business, they may say, "Hey, we're thinking about increasing headcount by 15 or 20%." It's a great way to just know to be ready and that partnership with your vendor as well. Vendor management is super important, but it's also a vital partnership. Remember, when the ship is sinking, who do you save first? You always save your friends. You want that vendor to be part of your team. When they have great days, you want to say, "Great job," When they're not so great days, you want to be able to have that relationship to say, "Well, gosh, we could have done this one better." And have that communication. So partnership, I believe, is vital.

And often, your partners become your advocates. So they're very close and see a lot of what you're doing so they can advocate for you. Maybe if you're stretching into a new role or maybe you're trying to advocate for a new tool or a new this or a new that, they can add that extra umph to get that proposal approved. We have to always remember, partnership is a two-way street. You need to be able to do the exact same thing. You need to be able to advocate for them, you need to be able to support them. Even, sometimes, when it's going to be more work for your group, if it's the right step for the organization, you got to take it on because we, in payroll, we balance the needs of the company to the needs of the employee. We're that middle ground and we need to support when the business grows and we need to support even when it doesn't always follow our process. So I think those are two things that I'd really like to add to this.

And the last thing I'd like to say is we need to allow ourselves to think differently. We need to think about what we do and how what we do adds value. We sometimes need to think bigger than our payroll and our process. We need to think about how our actions impact the business, and we need to be great

communicators, going back to John's point, so that when things happen in payroll, good, bad, or otherwise, we communicate those things and out so that we don't create disruption. We need to always think about how we alert because even when things aren't great, if an employee knows that something's coming that's not great, they can prepare. It's when they're blindsided by it... So being able to kind of think bigger than just our role and think about the impact to the company is super important.

Nina Talley:

I really love your point of when the ship goes down, who do you save? Your friends.

John Lestock:

Right. And kind of as a final thought on this, because we're talking about the, you need to do this, you need to be prepared for that, let's say, hypothetically, you start a global payroll job, payroll analyst, or you're within the global payroll practice. Okay. It's a lot of work. You're going to be managing numerous deadlines, you're dealing with numerous time zones, you log on at 7:30, Europe is open for an hour and a half because you're on the west coast, so they're going to hit you with emails. It's a lull, and then 4:30, five o'clock, the emails from Japan because it's the next day for them. And then overnight you're getting emails from Israel and UAE and Poland and you're trying to manage all that as well too. So it seems frantic, but don't get lost in that, we are all US ambassadors in these jobs. When we talk to other countries, we're representing the US. Good or bad, like it or not, that's what we do.

But it's almost like traveling. Don't forget to enjoy it. I mean, think about it. I mean, what other crazy job am I going to have where I'm talking to Ireland in the morning, Japan at night, a few emails to Israel, a couple emails to Turkey, and then maybe something with Belgium on the same day. That's mind boggling. And then over time... You know, it's funny, even through email and WebExs and phone calls, you develop relationships and you make friends. At least I feel like I'm making friends. I think I take this kind of personally too, but just enjoy the moment. Just enjoy the opportunity. You're getting to interact with professionals and people in other countries and it's pretty cool. This is cool. This is what makes it so exotic and so exciting.

Nina Talley:

Exactly.

John Lestock:

And as far as pay practices go and what a country requires and what's legislatively mandated, I look at it from the point of view of, what does that society, that culture, that country consider to be important? So for example, if the social security taxes are awfully high, you know, you think, "God, that's obscene." But then again, look at what the benefits they're paying for. It's not just your retirement pension from the government, it also covers paid leave and it covers workers' comp, it covers a form of disability, so it's kind of all inclusive. And the trade up, typically, with an employer is going to be, someone has to take maternity leave. Well, you put them on unpaid leave, less seems cruel. Well no, they just go to the government and apply for benefits and then they receive it that way. So a lot of times... Or there's certain components of pay, not just a vacation time, but you give people a vacation bonus or there's a recuperation pay or something because that country, they feel it's important.

That's what everyone does, it's customary and that's something that their society values. And that's kind of how I see it. Like, yeah, it's different, but there's a reason why it's different and just appreciate that. It's like visiting a country and trying a new dish. There's a reason why everybody likes us. Give it a try.

Nina Talley:

Hey folks, De Ann and John have so much incredible information on launching a career in global payroll that we decided to split this episode in two rather than edit out any valuable information they have to share with us. So De Ann, John, and myself will be back next month to continue our conversation and I hope that you'll tune in for part two of this amazing episode, which will also include their payroll nightmares and best advice for payroll professionals.

As always, thank you for listening to PayTalk. Make sure you rate, review and subscribe on your preferred podcast streaming service. This is the best way to support this podcast and ensure that we can continue to bring you the human stories that make payroll so personal. De Ann, John and myself will be back to talk with you all soon.

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