Announcer:

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. Welcome to PayTalk, the podcast that brings you payroll's human side. I'm your host, Nina Talley, and today we're exploring the transformational impact payroll can have on a business and how payroll professionals can showcase the critical importance of payroll for organizational resilience and leverage that visibility for career satisfaction and success. And joining me today is Prashant Ganti, VP of Global Strategy and Alliances for Zoho's finance and operations business unit. With over 25 years of experience in financial technology and a unique vantage point working with organizations globally, Prashant has seen firsthand how payroll professionals who understand their strategic value can transform both their organizations and their own careers. And so before we get started, I'd love to hear a bit about your background in payroll and what you're seeing in the field today.

Prashant Ganti:

Thank you, Nina. Good morning, everyone. It's a pleasure being here. I have been working with back office functions and financial technologies for the past 25 years. So it's interesting. When I started, I wanted to be a computer scientist. My background was a MACS in computer science, but I started loving back office functions. And ever since that, I wanted to see what best I can do to help professionals who work closely in the back office, be it finance, procurement, and payroll professionals, have a seat at the table and drive strategic value to that organization.

Nina Talley:

That's such an incredible passion, and I know that you can find some like-minded individuals here at PayTalk. And so from your perspective, working with organizations specifically in the global sense, how do you typically see companies view their payroll function, and where do you think that perception falls short of payroll's actual impact on businesses?

Prashant Ganti:

That's a great question to start with. So from my perspective, Nina, companies globally tend to view payroll primarily as an administrative necessity. It's primarily a compliance-driven function focused on ensuring employees are paid accurately and on time while meeting tax and regulatory obligations.

The problem with this perception is this often causes payroll as a back office cost center more valued for operational reliability, but rarely seen as a strategic asset. Of course, there's a good reason for this. There's a history lesson here. If you see why payroll evolved as an institution, the governments of the time, like during the American Civil War or even other parts of the world, they didn't want to do the dirty job of collecting taxes directly from the wage owners. They deputed this to the employer, and the employers in turn hired payroll clerks to do this job. That's where payroll originally evolved.

But the problem is it's no longer just a back office function, and because of this, we fail to recognize payroll's broader impact on the business. Payroll is not just about cutting checks. It's at the critical intersection of finance, HR, accounting, and IT. The paycheck that you and I love so much is a tangible reflection of the employee experience. It influences morale, retention, and trust in the organization. The shortfall, this lies in overlooking payroll's role in financial agility. Today, a modern payroll function

integrated with real-time data systems and automation can provide CFOs with dynamic cashflow insights and support rapid decision-making in response to market shifts. But many companies are still stuck in fragmented manual processes with payroll systems siloed across locations or suppliers and leading to inefficiencies and missed opportunities, I would say. So in short, while companies see payroll as a compliance-driven necessity, they often undervalue its potential to drive employee engagement, financial strategy, and operational excellence.

Nina Talley:

We have been doing PayTalk for five years now, and you are the first person to give me a history of payroll. I really appreciated that. I think I assume it's always been around because people have always had to get paid, but that was wonderful. Thank you.

Prashant Ganti:

I love history.

Nina Talley:

I do too, and it is something that I have never truly thought about is the function of how a payroll department came about. I love that. And I think in the future, I want to dive into that more. I think there's a really interesting story there. So we've already brushed on some of the larger organizational impacts that payroll can have, but I really want to dial in on those large impacts. Specifically for employees when their paychecks are incorrect, what are those cascading impacts on, you talked about it, morale and workplace experience? How does that come about, and how do you see it make itself known in an organization?

Prashant Ganti:

That's a great question again, Nina. So first of all, the blast radius of an incorrect paycheck goes well beyond that individual employee or that particular payout. If you know your Bible, not paying your servants on time is a biblical sin, as in crying out to heaven for vengeance, they say. To add onto that, payroll mistakes don't just lead to incorrect paychecks. They have profound cascading effects on employees' overall experience and perceptions of their workplace. This erosion of trust in payroll directly symbolizes an employer's credibility and reliability. When errors occur, trust declines sharply. And there are multiple surveys that stand testimony to that. A survey says that 49% of employees begin looking for a new job after experiencing two payroll mistakes.

And furthermore, you have declining morale and engagement. Payroll errors can severely impact employee morale, creating stress and dissatisfaction. Another survey says that 54% of American employees have experienced payroll problems, but nearly half feel significantly stressed and demotivated afterward. And what's the result? It's increased attrition. High-performing employees, particularly those with good marketable skills, are most likely to leave due to payroll instability. We don't want that. Talent is never easy to find, and of course, at the end of the day, you're going to have reduced productivity. If we output the payroll department as well as the employee, they are going to spend more time sorting out payroll issues. And last month, not the least, it's a front-page risk. Simply put, it's bad PR, right?

Nina Talley:

Yes.

Prashant Ganti:

So these are the issues I see in current paychecks.

Nina Talley:

I know. And I think something I always like to remind people about is that, so it was 49% of employees start looking for another job after two payroll mistakes. I would like to know what the percentage of employees is that after one mistake, they start talking to other employees at the company about it, because it's word of mouth as well. If one of your coworkers has a mistake on their paycheck and it impacts them and you're friendly, they're going to let you know. And that is going to spread like wildfire because if there's a mistake in one person's paycheck, there's almost definitively a mistake in another employee's paycheck. And then you can almost start a landslide effect of where all of your employees or a large portion of your employees are suddenly examining their paychecks, and it can have a real cascade effect on a department.

Prashant Ganti:

So incorrect paychecks drive more conversations than correct paychecks.

Nina Talley:

Than correct paychecks, yes. That's such a great point. And I think all of our payroll professionals out there know it. We always talk about how much if you're doing your job, nobody knows that you exist, but as soon as you make a mistake, everybody knows. But really it's incorrect paychecks cause conversations. Correct paychecks just cause smiles. So with that, I want to dive into a little bit about how even our most experienced listeners might be finding a pitfall because global payroll compliance is constantly evolving. So are there any things that you're seeing maybe as an unexpected compliance blind spot that are catching even experienced payroll teams off guard?

Prashant Ganti:

Sure. Global payroll, Nina, as you know, is a high stakes puzzle. I keep joking. The laws in compliance are evolving faster than technology itself.

Nina Talley:

100%.

Prashant Ganti:

So some things, say today, because of various geopolitical reasons there are data sovereignty laws that have kicked in, privacy laws. The local labor laws, creating a Byzantine web of challenges and is amplified by shift from human-driven processes to automated systems. There's a fact that I want to share. Human beings are very good at navigating exceptions and some of the local nuances. Computers are not there yet. So I'll give a quick rundown of each of these.

Say let's take data sovereignty and PII violations. PII is personally identifiable information. Payroll data is peak PII. Names, salaries, bank details, and strict data sovereignty laws are a growing trap, something that payroll professionals don't automatically relate to. I keep joking around, PII is radioactive. Anything you touch, anyone who touches any system that comes in, that also becomes radioactive. So today, countries require local storage, but many times payroll professionals are not aware of this. Recently, a

German fintech firm faced around 15 million euros in GDPR fines for storing French employee payroll data in a different country without explicit consent.

Nina Talley:

Ooh.

Prashant Ganti:

The reason is quite simple. Payroll team focuses on taxes and not on IT.

Nina Talley:

It is the constant, I would say over the last year, the topic that keeps coming up is that where the compliance gap is happening on payroll teams is on the technology integration and making sure that the data is clean and making sure that your IT team is integrating properly with the payroll technologies. But you need somebody who understands the compliance laws around the implementation of those technologies. And I think that that is really where a gap is growing in the market that I think there is a space for specifically minded payroll individuals to step up and start owning tech and making sure that they understand the laws and regulations around payroll tech. Because increasingly so, with everything in the cloud and with our constant shifting with remote work, that has to be one of the largest compliance issues that we're seeing.

Prashant Ganti:

I completely agree, and it goes back to my previous point on payroll not just being a back office function. Payroll today is payroll, it's HR, it's accounting, it's finance, and IT as well.

Nina Talley:

That is true. I feel like all of those things fall under the umbrella of payroll, but it's only maybe in the last five years that we've woken up to that reality at all. And we're waiting on a larger industry shift at this point.

Prashant Ganti:

Correct.

Nina Talley:

So I know that on a global scale, the way that your leadership team recognizes payroll and the payroll department's strategic potential is possibly different. But I would love to hear, in your experience, what are the biggest organizational blind spots that are leadership from recognizing the payroll department as a strategic partner? And what does it take to break through those barriers?

Prashant Ganti:

This is a great question. One is it's a compliance blind spot, and this is specific to a organization that you're asking. One, again, the perception of payroll as a basic administrative function. Many leaders consider payroll purely operational, something that's necessary but not impactful beyond basic compliance. So that's a big mistake I believe organizations across the globe are making. Until a crisis hits you-

Nina Talley:

That's it. It's always when the crisis hits and then you're like, "Oh." Always.

Prashant Ganti:

So you don't realize the broader impact of payroll. Seeing the direct consequences like talent loss or damaged morale often prompts leadership to reconsider payroll's strategic importance. So that's one. Next is lack of direct visibility into payroll issues.

Nina Talley:

Ooh, yes.

Prashant Ganti:

Most senior executives, C-suite, are basically shielded from day-to-day payroll problems employees face, creating some kind of an awareness gap. So that's another issue that I see. Underestimating payroll's connection to employee retention, talent acquisition. Multiple times we would have seen talent loss due to payroll inefficiencies. So definitely leadership has to get involved. I come from a tech background. I worked for a technology company. Over-reliance on legacy systems and processes, that's a big thing, and local nuances that companies miss. So the tacit understanding of what's unique to that company, that region, it's something that a payroll expert would have internalized. Say something like Nina negotiated with her boss to leave early on [inaudible 00:15:16] to cover for childcare. I'm assuming I'm free to use your name here.

Nina Talley:

Oh, absolutely. And you know what? I may be working on that right now. Who knows?

Prashant Ganti:

And in exchange, you wanted to come early on, say, Friday, but your boss asked you to come on Saturday. Now this has an overtime, and how do you get paid for that overtime, so whether this has to be classified as a courtesy overtime. So there are a lot of border rules here. So the local nuances, I think I've mentioned during the course of this conversation, these exceptions are very, very easy to capture for a human being, but extremely difficult to [inaudible 00:15:59] as a system. So it requires a payroll expert to codify these properly. So this is something that I believe organizations also miss, something that they have to keep in mind.

Nina Talley:

I would completely agree with that. And I think that when it comes to these organizational blind spots and helping leadership really see it, I always encourage our listeners to look into data visualization and data-driven storytelling because I think that sometimes if you present just a spreadsheet with numbers in it, there's not necessarily a lot of impact there. But if you're able to use the data to create some interesting charts that can really communicate the business impact in a visual way that will engage with leadership, I always recommend that as a pathway. I think that there is so much really rich data waiting to be harnessed in payroll, and that oftentimes all it takes is a motivated individual who is trying to showcase a point and is able to get attention.

Prashant Ganti:

So that's an important point because something that I wanted to add is payroll professionals should communicate more. So communicate the strategic value, become better presenters, show visually how important it is. So that's something that there's a lot of work that needs to be done, and today you have the tools, the technology to help them achieve this.

Nina Talley:

Payroll might not be the easiest part of running a business, but it is extremely crucial as it directly links to your employee's experience. With Zoho Payroll, businesses can manage payroll across all 50 states in the US. You can also make online tax payments and file tax returns and pay your employees working out of India, the USA, and the Middle East. For more information, visit www.zoho.com. Again, that's www.zoho.com.

I'm going to lean back on some of the lessons that a past guest gave us, Patricia Fripp, and that is to just make yourself sound as good as possible, which seems obvious. But the way to do it, and this is something that I took from Patricia and Patricia, if you're listening, thank you so much, but is to not frame it around what you believe your job is, but to frame it around the problems it is preventing for leadership. So you could say, "Hi, I'm Nina. I work in the payroll department, and I make sure that you don't get sued for payroll noncompliance." Just something so that you really stick in their mind, and then that's an immediate business case right there of I am saving you legislative regulatory money.

Prashant Ganti:

That's a great point, yeah.

Nina Talley:

I really want to look at a real case scenario of a company that turned their payroll department around and turned the payroll function into an actual competitive advantage. How did they do it? What were the results?

Prashant Ganti:

My team had worked with the companies, and I can give some examples from that. So there's this company called GeeksforGeeks. That's a technology company. It prepares tech tutorials. It's an interview preparation company. They have a 400 employees strong operation here in India, and they faced serious scaling challenges. Their finance team had just three people, was handling payroll manually through Excel. Every pay cycle used to take seven to eight hours. Things like leave deductions, reimbursement required a lot of back and forth. It wasn't just inefficient, it was error-prone and stressful.

And then we provided our payroll solution. The transformation was immediate. Payroll processing time dropped from eight hours to just one to two hours. So we keep speaking to their C-suite, and their employees are delighted now. So they could view their payslips, submit tax collection, download all the various forms without any interaction with their HR at all. And most importantly, Nina, the transparency levels have been driven several notches up. So understanding of their payslip, that has grown and trust on the organization has grown. And what this has also done is they were able to direct precious resources to more strategic initiatives. So this is a great example we are personally proud of.

Nina Talley:

That's wonderful. And it really sounds like it didn't just make the employee's lives better, it made the payroll professionals' lives better, which I think a lot of solutions that we talk about here on PayTalk

have that double-pronged approach of yes, it makes employee experience better, it makes everybody happier when their paycheck is right. But when it's right and it's running appropriately and you've checked all your data sources and you're taking your payroll process from eight days to one hour, that has to feel amazing for that payroll professional,

Prashant Ganti:

Correct. And the paycheck itself, it's not just a number. It encapsulates a lot of information. So it's much more than a mere number. Our financial wellness and everything starts with that.

Nina Talley:

I completely agree. And that really is the thing with payroll is that the misconception is that it's a number where, like you said, it's a tangible product of trust. It really is. And then as soon as that trust is fractured in any way, it can cause that cascade effect that we all know so intimately. It's obviously something that payroll professionals are terrified about, and it haunts them at night, but it is such a personal, real experience. And I think that when the payroll department is able to recognize that, highlight that and then pair it with data, you're able to take something and really showcase that strategic advantage.

Prashant Ganti:

Correct.

Nina Talley:

So let's look toward the future. So based on what you're seeing with technology and global workforce changes, what should payroll professionals be preparing for to maintain this sort of strategic advantage that we've talked about within their department? And how can they help their organizations as well as the employees?

Prashant Ganti:

Something that I wanted to share here is we are in the third generation of payroll. The first generation, it was all about taxes. The second generation, it was all about taxes and benefits. And the third generation payroll is about financial wellness, financial well-being of the employee.

So there are, as I mentioned, the paycheck number, what you actually end up, it finds its way into your bank account. That amount encapsulates a lot of information. And payroll professionals today, they play a key role, of course, to start with, we all hear a lot about AI. So payroll professionals have to embrace AI and advanced automation. They should prepare for significant integration of artificial intelligence and machine learning in payroll processes. So you are going to see AI-driven payroll systems dramatically enhance accuracy, reduce administrative burden, proactively detect errors or compliance risks before they escalate. Actually, that is one.

Next is we are going to see lot more investment in real-time payroll capabilities and transparency. Employees obviously expect real-time visibility and access to earned wages, payroll information, and financial wellness tools. And one more thing that we need to understand is you and I have a balance sheet like companies, payroll is on the revenue side. Payroll is the revenue side of the balance sheet, the individual's balance sheet.

Nina Talley:

Yes. That is such a great point. I have never heard that before. That's a really, really amazing point.

Prashant Ganti:

So if you have to take it from there, that information, the paycheck information can do lot more to an employee. Today, you see employers provide benefits, but they don't give the financial wellness tools as much as they can. But this paycheck information, when it is integrated with various other tools, fintech players can actually weave financial wellness into the payroll function itself. So tomorrow you're going to see payroll professionals, not just ensuring timely and accurate paychecks, but also play a role in the financial well-being of the employees.

Nina Talley:

That's so true.

Prashant Ganti:

And all this could mean, like AI in payroll, real-time cross-functional information, and of course, payroll professionals starting to play a role in financial wellness of the employees, would mean that payroll will be a strategic business partner, and payroll is going to get a seat at the table sooner than later. And of course, the global workforce changes and remote work, we are going to see a lot more changes in terms of employee expectations. With the rise of remote work, globally distributed teams, payroll professionals need to become more adept at managing complex, multi-jurisdictional payroll scenarios. So I think these are important things that payroll professionals need to keep in mind and develop advanced data analytics, reporting skills. These are some of the important things that I can think through.

Nina Talley:

I would completely agree with that. I think that enhancing any type of data analytics that you do is just going to be helpful as we crest into a future that has more and more AI integrated in it. I'm going to touch back to what you said before, which is that AI is great for the large-scale processes, but when it comes to the more minute, local process and law regulations and compliance, I still really think that that is where the humans in the payroll department are going to continue to shine. We need that human oversight so badly, so badly.

Prashant Ganti:

I completely agree. So that's where the tacit understanding of that particular business in that particular local context is where a payroll professional is going to make a difference. But payroll professionals would still require the right tools, AI-infused tools, and payroll shouldn't be seen just as a product, but more like a platform that allows really good payroll professional to codify it for that local context.

Nina Talley:

Do you have thoughts or questions about how payroll can transform an organization? We want to hear from you. Join the conversation and send an email to podcasts@payroll.org or leave us a message on PayrollOrg's Facebook page. So now is the time in our podcast for something that we like to call payroll nightmares. And this is one of my favorite parts of our show because it levels the playing field, and it reassures me personally that yes, everyone has had one of those days. And Prashant, given your

experience, I would love to hear about a memorable payroll challenge that either you or your team experienced and how you were able to resolve it.

Prashant Ganti:

I wouldn't classify this as very memorable, but it really, really reinforced the risk of using spreadsheets for payroll. So I remember a scenario where the compensation details, this performance information was and distributed by spreadsheets, and because of a spreadsheet error, the entire company's data, the salary information was visible to people who ideally shouldn't be seeing that.

Nina Talley:

Oh, no.

Prashant Ganti:

So from that day onwards, I would say that it's a solitary mission of mine to ensure that when people use spreadsheets for payroll, I keep telling them still never to do that because it has impact way beyond just the leakage of confidential information.

Nina Talley:

I feel like HIPAA gets a lot of attention here in the states, but wow, we should really focus on spreadsheet exposure of companies for payroll. That really is true. And we love spreadsheets, everyone. We love them. We also hate them. We are chained to them.

Prashant Ganti:

I love spreadsheets. If you are a programmer, spreadsheet is a Turing complete programming language. Sorry for the geek speak here, but they are just too risky to handle payroll is what I would say.

Nina Talley:

I would completely agree with that. So we don't like to leave things on a negative note. And I have one more question for you, and that's what is the best piece of professional advice you've ever been given? Or what's the piece of advice that you wish somebody had given you?

Prashant Ganti:

The best piece of advice I heard, I have ever received this is try to be a better person than you were yesterday. Do something that you didn't do yesterday. So that's the best piece of advice I have ever got. And something that I've internalized is live as if you are going to tie today, and learn as if you are going to live forever.

Nina Talley:

Ooh, I love that. Live as if you're going to die today. Learn as if you're going to live forever. That's such a little beautiful piece of prose that I think everyone can take with them. I think that's going to be my mantra for the day.

Prashant Ganti:

Thank you, Nina.

Nina Talley:

Well, Prashant, thank you so much for joining us today. And I know our listeners are going to walk away from this conversation with just a completely different perspective as to how they can position themselves and their work within their organizations. I so appreciate your time and your expertise.

Prashant Ganti:

Thank you very much, Nina. It was a pleasure talking to you. Great conversation. Thank you very much.

Nina Talley:

I also want to take a moment to thank all of our loyal listeners out there. Without you PayTalk would not be possible. So please make sure that you rate, review, and subscribe on your preferred podcast streaming service. That really 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. Until next time, folks, this has been your host, Nina Talley, with PayTalk.

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