Viewpoint

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One Company, One Payroll Database

Organizations today must continually reassess their workforce management strategies and supporting technologies. They must do this both to maximize the value of a much broader set of kinds of employee data and to deliver the best possible employee experience, an objective that has become much more important over the past few years. More specifically, organizations must find an efficient way to convert all relevant workforce data into new sources of business value, and must have the capability to scalably personalize key aspects of a worker's daily experience on the job and his or her pursuit of career goals. Enterprises that do this have the opportunity to be the leaders of their market segments going forward.

One issue that has historically made life more difficult for companies operating in both the United States and Canada is differing HR and payroll data requirements. The most substantial issue has been different data formats for key items such as the unique national identifier (social security number in the U.S. and national insurance number in Canada). Country-specific HR and payroll-related compliance requirements, many related to tax or data privacy issues, also require the tracking of other unique data for each population such as, for example, data needed to determine whether someone's job is exempt from overtime compensation in the U.S. Tax issues in particular typically impact how organizations design employee benefits and compensation plans.

Key Benefits of HRMS
Management capabilities are widely valued

Simpler management of employees	80%
Improved management decisions	78%
Improved compliance reporting	72%
Improved productivity	53%
Ability to track key skills	49%

Source: Ventana Research Next-Generation Human Resources Benchmark Research
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All of these factors give rise to challenges for HR and business unit managers attempting to efficiently roll-up cross-border worker data to enable both effective and efficient management of the combined workforce. Rolling up data is labor-intensive because data often is inconsistent across multiple systems. Ventana Research's Next-Generation Human Resources Management Systems benchmark research finds the top three reasons organizations value their HRMS are to simplify the management of employees and employee data, improve management decisions and upgrade compliance reporting capabilities. When organizations use separate databases for U.S. and Canadian employees they make these three objectives more difficult to attain.

The promising news is that enterprise software purveyors are investing in relevant research and development that addresses this cross-border HR data management issue head on and the benefits of advances in this area cannot be overstated. When different data formats and standards can be normalized it is easier for U.S. and Canadian employees to stay with the
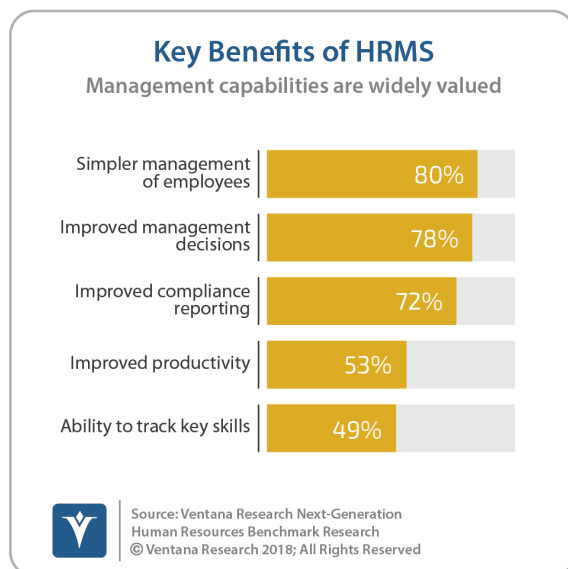
same employer while pursuing career opportunities across the border; an emphasis on internal mobility is on most CHRO agendas. Also, entities can lower the total cost of ownership of their enterprise systems and databases because one database and one system is always more economical than two for achieving the same business purpose.

Using one common database as the authoritative store for the ever-increasing amount of useful employee information – social media data, competency information, behavioral profile data from personality assessment tools, sensor-captured data and career management data – also makes it much easier to apply best practices and tools consistently across borders. This also means that HR teams in both countries working on new programs as well as IT teams working to integrate complementary applications and tools can work collaboratively rather than in the siloes still prevalent today. And it sends a broader message of cross-border collaboration and a "one company" mentality. From a payroll operations perspective, one database for the two countries means an organization only has to run one payroll process, considerably lowering costs.

Technology and data management advances are such that the time is right for organizations to consider the compelling benefits of operating with one database for both U.S. and Canadian workers. It's a path that also will lead to improved organizational agility, enabling proactive management of workforce-related business opportunities and business risks.

Steve Goldberg – VP and Research Director, Ventana Research
Steve Goldberg is responsible for the human capital management (HCM) research at Ventana Research. Steve guides HR and business leaders to manage their workforce to gain competitive advantage and value from their investments. He covers the major areas including candidate engagement, employee experience, HRMS, learning management, payroll optimization, talent management, total rewards management and workforce management.