

Nuclear Fusion

Is the merger of payroll and HR technology an inevitable part of progress? If not, what are the alternatives? If so, how is it done? Simon Kent looks at the options.

After so many years of payroll- and HR-specific technology it seems a little surprising to find there are many companies still operating separate databases for each of the functions, or only now bringing the two together. This isn't simply a question of organisations not having access to appropriate solutions – the technology has been around for some time – in some cases organisations appear to have doggedly kept their systems apart, upgrading HR and payroll as two discrete systems.

'Across all sectors and sizes of companies we see the majority running separate databases for their payroll and HR functions,' says Mike Alston, new business account manager at Teamspirit Software. 'In many instances it is a legacy issue because the two departments have always kept their own databases and neither is willing to merge.'

'There can be political reasons for keeping the two separate,' suggests Steve Foster, HR business strategy manager at Northgate HR. 'Payroll can be seen as just a branch of accounts payable, part of finance and concerned with processing money rather than dealing with the human side of things.' Mr Foster suggests a payroll system brought in by the finance department can sometimes offer an unwelcome challenge to HR to use the same technology. HR may be resistant to adopting this new technology because it doesn't offer the functionality its department requires. At the same time, the function's reluctance to get on board may be seen as hindering progress towards a more efficient people system.

But can these arguments rule out integration? After all, a twin database would seem to run contrary to gaining real efficiencies from an IT package – demanding double entry of data and triggering problems whenever someone asks for a single figure relating to an organisation's employees – even a basic head count. Certainly organisations with two systems need to pay special attention to their administrative processes to ensure the people side of the business is maintained accurately.

The Children's Society unifies

The Children's Society will shortly commence the unification of its payroll and HR databases through its investment in the Trent solution from Midland Software. 'We've been using our current HR solution for six years or so and we were told it would no longer be supported by the supplier,' explains Debra Ellis, personnel service manager at the Society. 'It was time to look for something else.'

With more than 800 employees around the UK, its HR based in Sutton Coldfield and the payroll in London on discrete non-communicating systems, personnel records are currently updated at the end of each month with changes made to the HR system being fed to the payroll system via e-mail or even by post. Personnel information from the Society's regional offices also arrives at the HR centre by mail. 'We do get some management information from the current HR system but it's not really designed around the organisation's structure,' says Ms Ellis. 'The new system will give departments access to their personnel records, making it easier to create reports and carry out updates.'

Newsquest amalgamates

Newsquest brought together its HR and payroll databases two years ago using Teamspirit technology. Growing quickly by acquisition, at one point there were 16 discrete payroll applications covering the organisation. 'We've been trying to amalgamate processes,' says Stuart Adams, systems analyst at Newsquest. 'We've been trying to streamline what we do, but there's also been a strong compliance incentive since we're owned by a US based company.'

Bringing all its separate systems together may have been a challenge, but it's been worth it to