

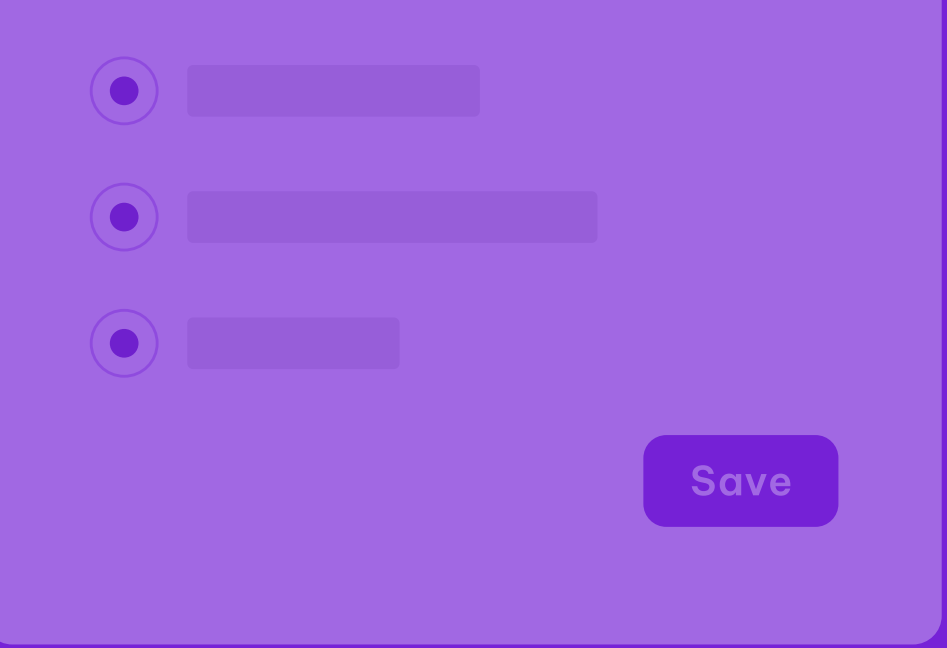
 Review Data

THE POWER OF AUTOMATED PAYROLL

Approve Pay Run

Send Payslips

 28 Employees Paid

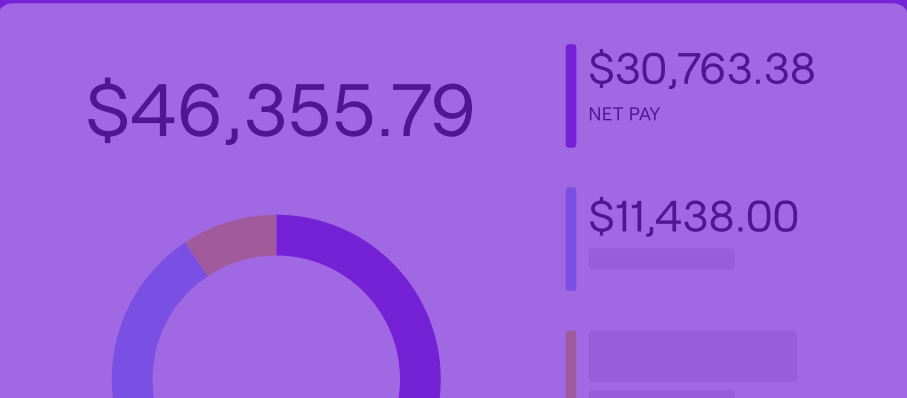


Unlocking Efficiency →

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The Power of Automated Payroll ↻

Expenses ✓



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INTRODUCTION

Have you ever thought about what processing payroll might look like in 5, 10, 20 years time?

It's an interesting thought, and one that's actually undergoing a huge change right now. Advancements in technology and artificial intelligence (AI) are altering the way software vendors are bringing payroll products to market. It's changing end-user expectations and influencing how third parties such as accountants and outsourced payroll providers offer their services.

You've read and heard it all before – this technology is here to help us move into more advisory and strategic roles, but a lot of payroll providers aren't there just yet. Whilst many payroll providers have automated a portion of their payroll processes, more can be done to unlock new efficiencies and drive even greater growth.

The increasing automation of payroll processes raises critical questions about the future of the industry and the types of products that will be in demand. It also prompts us to consider who will be using payroll software in this new landscape. How will AI and automation affect the roles of payroll professionals? And what is the overall sentiment towards the use of automation tools for payroll services in Singapore and Malaysia?

We know you have plenty of questions waiting to be answered, which is why we set out to further understand the current landscape and sentiments of payroll providers through our research survey.

We polled more than 1000 payroll professionals across Singapore and Malaysia in Jan 2024, and our findings revealed that there is a clear appetite for automation and AI in payroll. However, it emphasises the need to educate businesses on the tools available to them, and how to maximise the application and potential benefits of these tools.

The prevailing sentiment among payroll providers is similar across Singapore and Malaysia – the majority (**71%** in Singapore and **78%** in Malaysia) believe that AI and automation use will increase in their organisation over the next 12 months, and the thought of being able to cut down payroll processing time through AI and automation is appealing to them.

We hope the insights presented here serve as reassurance or guidance in helping you use automation to optimise your payroll operations. We've tried to balance our findings with expert opinion and input to help you get the most from the tools you're using, or are looking to use. By understanding and embracing technology, your business can navigate the complexities of modern payroll provision with agility and precision.

We hope you find these insights useful, and wish you all the best.



The Team at Employment Hero

KEY FINDINGS

SINGAPORE



- The majority (**52%**) of payroll providers are only automating **31-60%** of their payroll services
- Only **12%** of payroll providers can complete a pay run in less than one day
- **86%** of payroll providers still need **1-5 days** to complete a pay run
- **45%** of payroll providers like to try new tech as soon as it emerges
- **39%** of payroll providers trust software providers when it comes to expertise in payroll services, while **34%** trust their professional network

MALAYSIA



- The majority (**51%**) of payroll providers are only automating **31-60%** of their payroll services
- Only **19%** of payroll providers can complete a pay run in less than one day
- **80%** of payroll providers still need **1-5 days** to complete a pay run
- **49%** of payroll providers like to try new tech as soon as it emerges
- **40%** of payroll providers trust their professional network when it comes to expertise in payroll services, while **31%** trust their software providers

CHAPTER 01



THE CURRENT LANDSCAPE

What's next in the world of payroll for Singaporean and Malaysian businesses?



Larger businesses are leading the charge with automation adoption

The majority of payroll providers (**40%** in Singapore and **38%** in Malaysia) have automated about **51-70%** of their payroll processes and workflows. In particular, one of the key trends we observed was that the level of automation in payroll processes varied depending on the number of employees in the business, and the number of clients the business had.

Respondents representing bigger enterprises, defined as those with more than 100 employees, were more likely to have automated **71-100%** of their processes. Similarly, businesses with more than 800 business clients had higher levels of automation compared to their smaller counterparts. This shows the influence of organisational scale and resources on the adoption of automation, with larger businesses more readily embracing and implementing the technology.

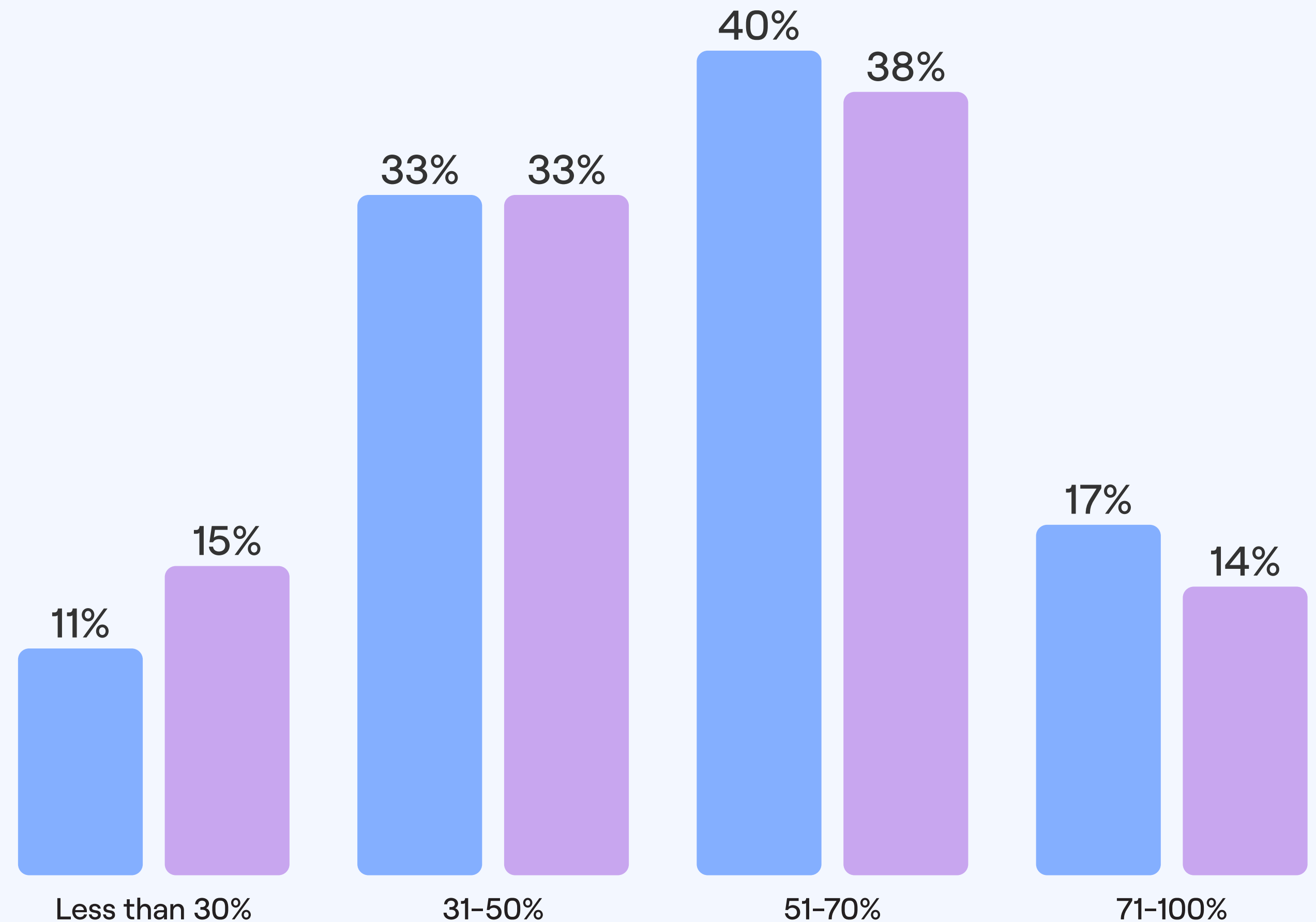


Thinking about the payroll services you provide to your clients, what proportion of your processes and workflows are currently automated?

SINGAPORE



MALAYSIA



Payroll scenario predicted to increase the most: Health & wellbeing memberships

When polled about the payroll scenarios provided to clients, recurring bonuses and pay advances to client's employees were encountered the most often in Singapore (**36%**), followed by health and wellbeing memberships, increase in leave allowances, and one-off bonuses (all **35%**). In Malaysia, health and wellbeing memberships emerged at the top (**40%**), followed by pay advances to client employees (**38%**), one-off bonuses (**37%**), and an increase in leave allowances (**35%**).

Interestingly, when asked about their predictions for the coming year regarding the payroll scenarios most likely to increase, payroll providers in both Singapore and Malaysia were unanimous in identifying health and wellbeing memberships. This is likely due to the growing focus on the physical, mental, and financial health of employees especially after the pandemic.



Thinking about the next 12 months, do you predict these payroll scenarios to increase, decrease or stay the same?

SINGAPORE

● Increase ● Stay the same ● Decrease

Health and wellbeing memberships



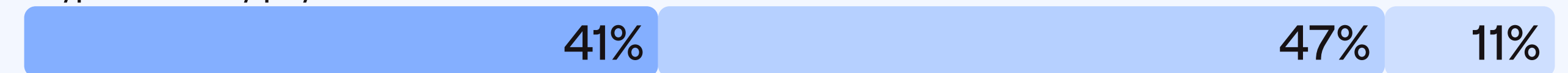
One off bonuses



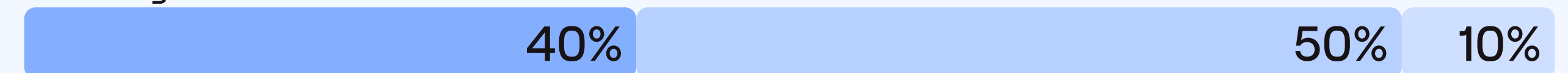
Increase in leave allowances



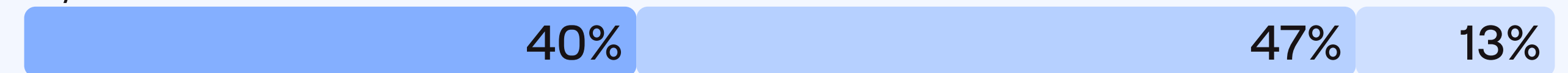
Cryptocurrency payments



Recurring bonuses



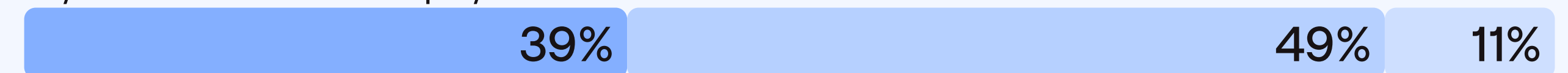
Payment in shares



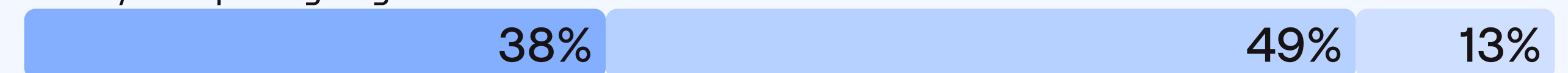
Salary sacrificing options



Pay advances to client's employees



Charity/workplace giving donations





Thinking about the next 12 months, do you predict these payroll scenarios to increase, decrease or stay the same?

MALAYSIA

● Increase ● Stay the same ● Decrease

Health and wellbeing memberships



One off bonuses



Increase in leave allowances



Cryptocurrency payments



Recurring bonuses



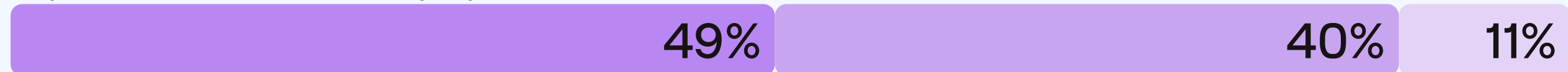
Payment in shares



Salary sacrificing options



Pay advances to client's employees



Charity/workplace giving donations



In Singapore, recent findings from the [Institute of Mental Health and Duke-NUS](#) revealed that anxiety and depression are costing the country S\$15.7 billion in lost productivity annually, with affected respondents missing 17.7 days of work per year and also being **40%** less productive while at work. Efforts from the government to combat this, by setting up a [Workplace Wellbeing Champions Network](#) as well as expanding the [Tripartite Advisory on Mental Health and Well-being at Workplaces](#), have also increased the focus on this area.

Similarly, in Malaysia, the [economic cost of poor mental health](#) is estimated to be approximately RM14.46 billion, or 1% of the country's GDP. To recognise the growing importance of mental wellbeing at work, the Ministry of Human Resources has also implemented initiatives such as the [Occupational Mental First Aid programme](#). As such, it's no surprise health and wellbeing memberships are poised to increase in both countries in the next 12 months.

Payroll scenarios predicted to decrease the most: Salary sacrificing and cryptocurrency payments

On the other hand, salary sacrificing options are expected to decrease in frequency the most in Singapore, while cryptocurrency payments are expected to decrease in frequency the most in Malaysia.

Salary sacrificing, also known as salary packaging, is a financial arrangement that allows employees to receive a portion of their pre-tax salary in the form of non-cash benefits (such as a company car, health benefits, allowances or other items) rather than cash. Whilst not a common practice in Singapore, it is occasionally relevant for foreign employees employed in Singapore. Given the current volatile economic landscape however, it's no surprise that companies and employees are predicting an adjustment in financial strategies and reduction in salary sacrificing arrangements.





DIGITAL ASSETS ARE VULNERABLE TO VOLATILE PRICE FLUCTUATIONS DUE TO SPECULATIVE INVESTMENTS, THE RISK OF THEFT DUE TO CYBER THREATS AND LACK OF SCALABILITY.

— SHAHAR ABDULLAH, MALAYSIA'S DEPUTY FINANCE MINISTER

As for Malaysia, although cryptocurrencies are legal, they are [not recognised as legal tender](#). The central bank, Bank Negara Malaysia, has also previously issued a statement confirming the non-legal tender status for Bitcoin, and advised the public to be cautious of the risks associated with the usage of such digital currency. Malaysia's Deputy Finance Minister also [previously reiterated the government's stance](#) — that digital assets are not a good store of value and a medium of exchange.

“This is due to the fact that digital assets are vulnerable to volatile price fluctuations due to speculative investments, the risk of theft due to cyber threats and lack of scalability,” he said.

While Bank Negara Malaysia is working on potentially introducing a central bank digital currency (CBDC) to respond to the growing digital asset industry, given the lack of governmental support in recognising cryptocurrency as legal tender and creating a regulatory framework for transactions, it's no wonder businesses and individuals remain cautious and hesitant in using cryptocurrencies for payments.

These findings suggest that traditional forms of currency will continue to dominate payroll transactions across both regions. Cash is king especially in an uncertain economy fraught with geopolitical tensions, rising inflation rates and the increasing cost of living — hence the predicted decrease in salary sacrificing and cryptocurrency payments.



PERCEPTIONS TOWARDS THE USE OF AI & AUTOMATION IN PAYROLL

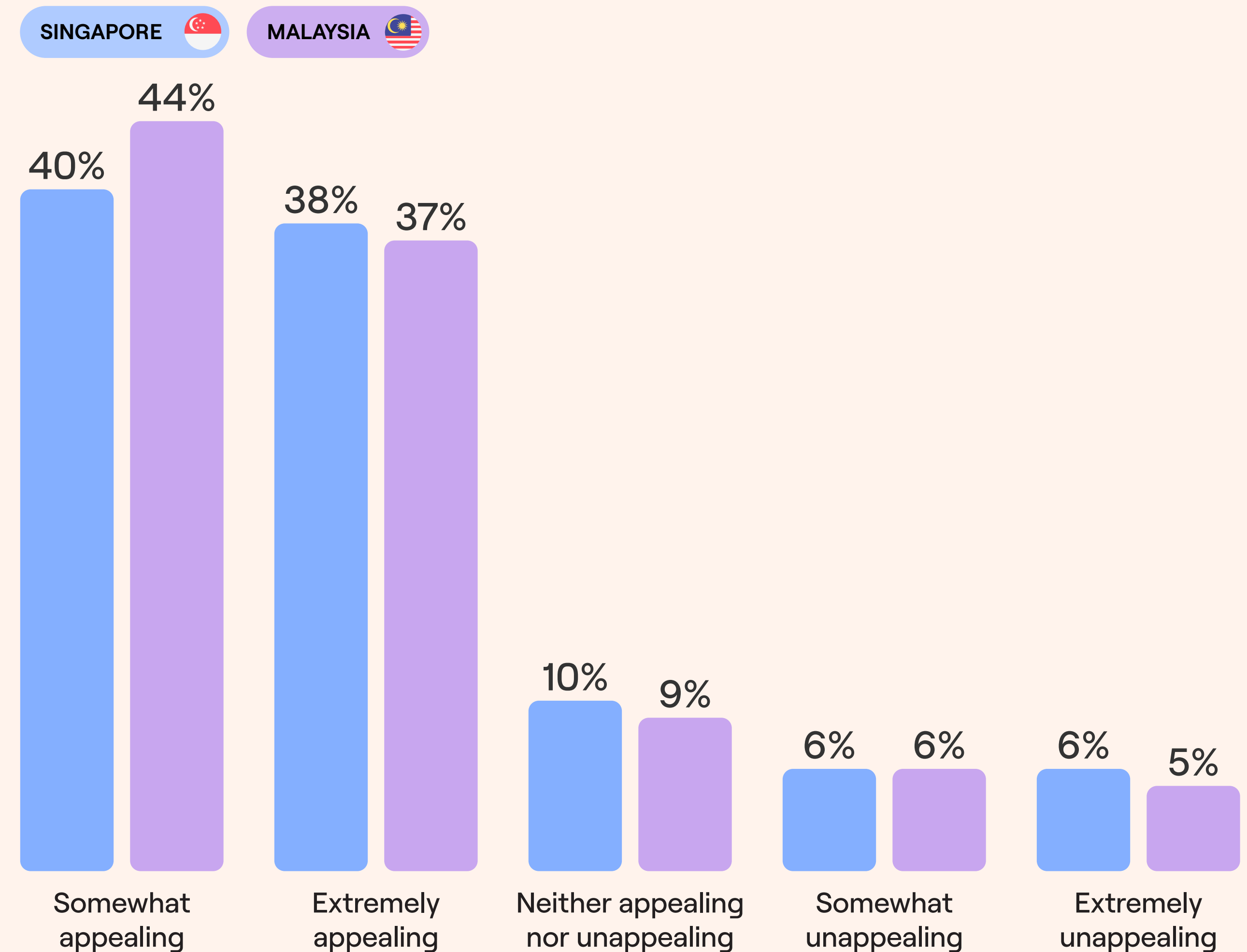
Singaporean and Malaysian businesses are mostly on the same page when it comes to using AI and automation in payroll.



Using AI or automation to cut down payroll processing time is appealing

Payroll providers in Singapore and Malaysia had similar sentiments when asked about their views towards leveraging AI and automation to reduce payroll processing time. **78%** of respondents in Singapore believe that it would be appealing, with **38%** believing that it would be extremely appealing. In Malaysia, **81%** believe that it would be appealing, with **37%** believing that it would be extremely appealing. This overwhelming sentiment certainly nods to widespread recognition among payroll professionals of the potential productivity gains that can be achieved through automation technologies.

Q How appealing or unappealing would it be in the near future you were able to cut down your payroll processing time to minutes all through the use of AI or automation?



Payroll providers trust their software providers and professional networks the most

When it came to trusting expertise in payroll services and technology, there was a difference in perspectives between Singapore and Malaysia.

The majority (**39%**) of payroll providers in Singapore expressed trust in their software providers when it came to expertise in payroll services and technology, with the second most trusted source being their professional network (**34%**). In Malaysia however, we observed the opposite – the majority (**40%**) of payroll providers trust their professional network the most, followed by software providers (**31%**).

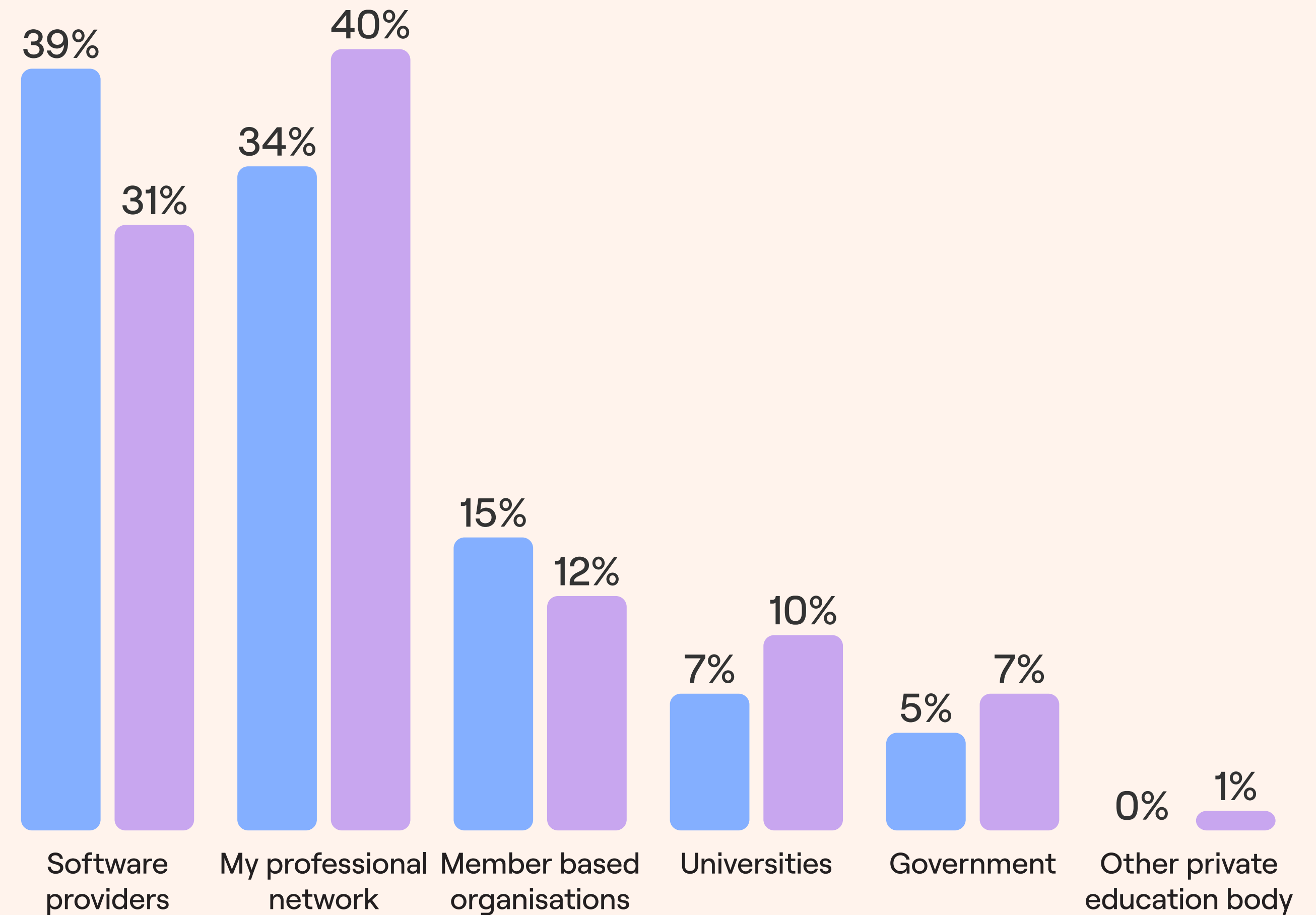
This interesting insight sheds light on how payroll providers in both countries operate differently – while payroll providers in Singapore believe that software providers know best because they are at the forefront of developing technological tools that transform the way payroll is done, payroll providers in Malaysia are slightly more sceptical of them, perhaps due to the complexities of the local regulatory environment. As such, they prefer to rely on peer recommendations more strongly in shaping their perceptions of payroll technology.



Who do you trust the most when it comes to expertise in payroll services and payroll technology?

SINGAPORE

MALAYSIA





Whilst it's fine for payroll providers to lean on one particular group for their expertise, it's also clear that software providers and professional networks need to collaborate to drive education, innovation and adoption further within the industry.

As your business continues to lean into technologies like these or looks to take every advantage technology offers you, these types of partnerships will be fruitful.



Quinn's Hero Tip

Did you know? At Employment Hero, we strive to give you the latest updates on industry news, employment law changes, and new product features — because we know how important it is for you (and us) to stay ahead of the curve.

As we constantly enhance the capabilities of our payroll solution, you benefit from our continuous innovation and release of new technology and products.

Check out our [Resources page](#) for helpful tips and guides on payroll management, and look out for our [Product Update blogs](#) which are released monthly.

AI and automation will increase opportunities for professional development

Amidst all the fear of AI and automation potentially leading to the displacement of certain jobs, particularly those that involve routine and repetitive tasks, it's heartening to see that payroll providers in Singapore & Malaysia are optimistic about the new opportunities it will bring to the table, and how it will make their role evolve. Respondents in Singapore & Malaysia were unanimously aligned on their perspectives.

58% of respondents in Singapore and **60%** of respondents in Malaysia believe that AI and automation will first and foremost enhance their data analysis skills. It seems that there's a growing recognition of the transformative potential of AI and automation in augmenting human capabilities, particularly in the realm of data analytics.

By leveraging historical data and patterns, AI algorithms can predict future trends, such as anticipating fluctuations in workforce dynamics, ensuring better resource planning, and mitigating potential issues related to payroll management. It allows payroll professionals to focus on more strategic aspects of data analysis, such as interpreting results to make more informed decisions and implement data-driven insights.



As AI and automation advances, how do you envision your role evolving?

SINGAPORE

Improve my data analysis skills

58%

Increase opportunities for professional development

50%

Expand duties to include aspects outside of payroll (i.e HR/finance)

48%

Improve my work life balance

44%

Enhance my payroll expertise

42%

Career or job change

39%

Saves my time in error resolution

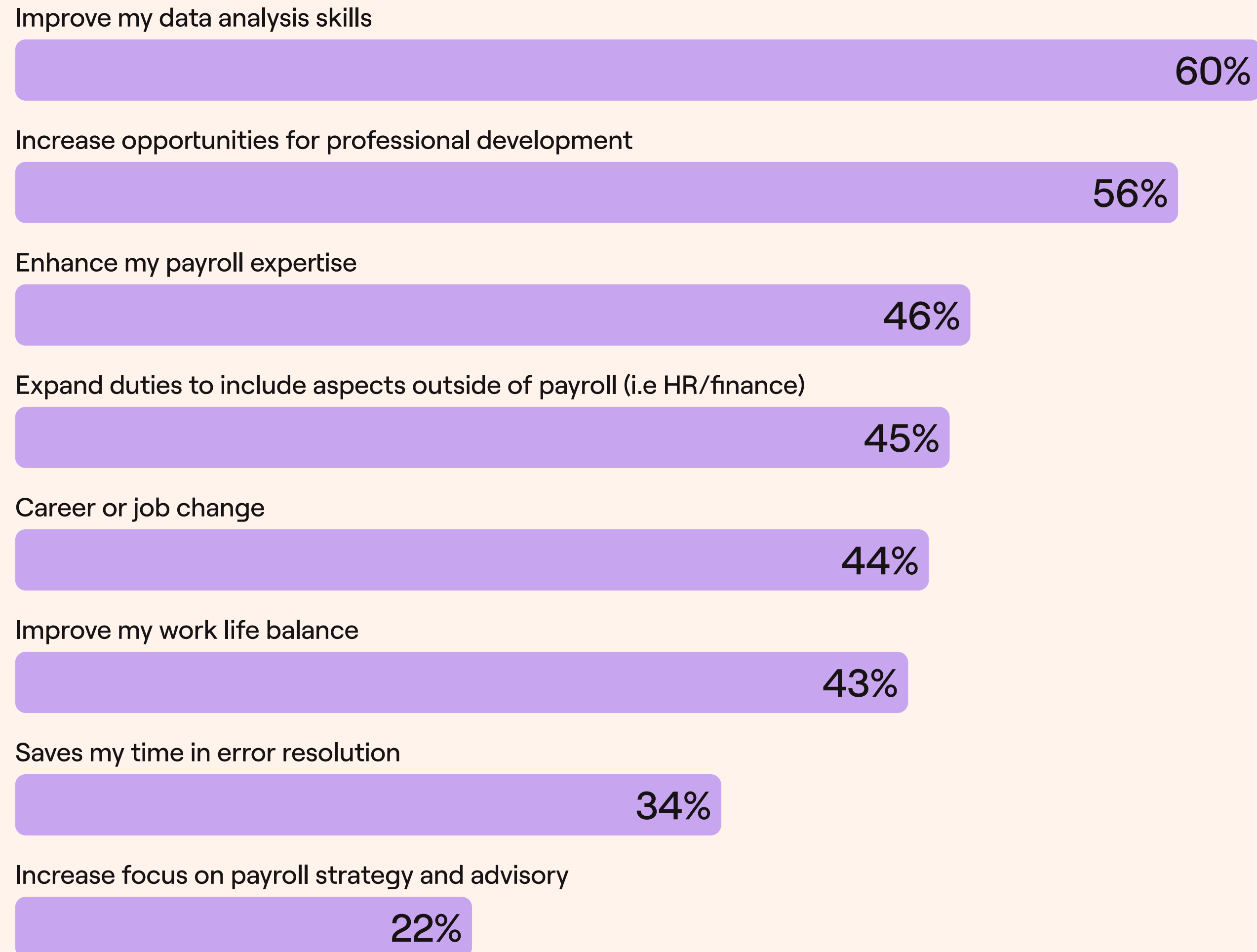
31%

Increase focus on payroll strategy and advisory

15%

Q As AI and automation advances, how do you envision your role evolving

MALAYSIA 



50% of respondents in Singapore and **56%** of respondents in Malaysia also believe that apart from data analytics skills, AI and automation will also increase their opportunities for professional development. As routine and repetitive tasks are automated, payroll providers can redirect their efforts towards value-added activities, such as employee engagement, talent management, and strategic workforce planning. This shift allows for the development of skills related to interpersonal communication, leadership, and a broader understanding of organisational dynamics.

AI and automation technologies are also dynamic and often undergo updates. Payroll providers will need to stay abreast of these changes, fostering a culture of continuous learning and adaptability. This environment encourages professionals to engage in ongoing education, attend training programs, and stay informed about the latest advancements in AI and automation within the payroll domain.

There's widespread enthusiasm among payroll providers in embracing AI and automation technologies – and with a positive mindset focused on the benefits and advantages they can gain from it, the industry is set for an exciting and transformative change.



CHALLENGES AND CONCERNS

There are still many operational challenges payroll providers are facing in 2024.



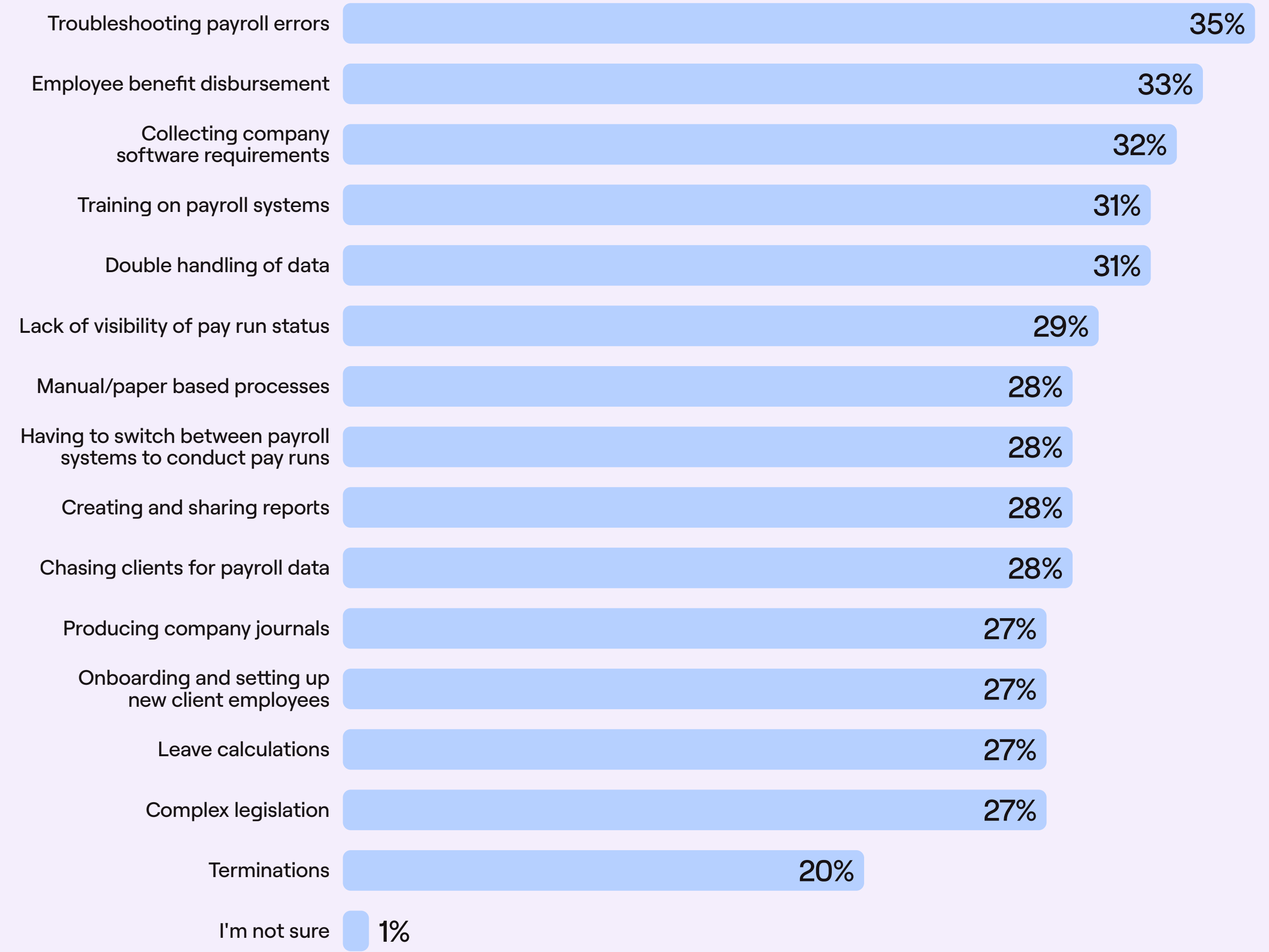
Troubleshooting payroll errors is the top challenge when managing payroll services for clients

One of the most prevalent issues identified by survey respondents across Singapore and Malaysia is troubleshooting payroll errors, with **35%** and **40%** respectively citing it as the most common payroll challenge. The majority of payroll providers spend 3-10 hours a week troubleshooting errors. In fact, **52%** of Singaporean payroll professionals and **56%** of Malaysian payroll professionals spend 3-6 hours per week on troubleshooting errors, revising or querying data. These errors not only disrupt operations, they can also result in non-compliance and erode the credibility of payroll service providers, so it's not hard to see why error detection is a core concern.



Thinking about the way you currently manage payroll services for your clients, what are your top challenges?

SINGAPORE



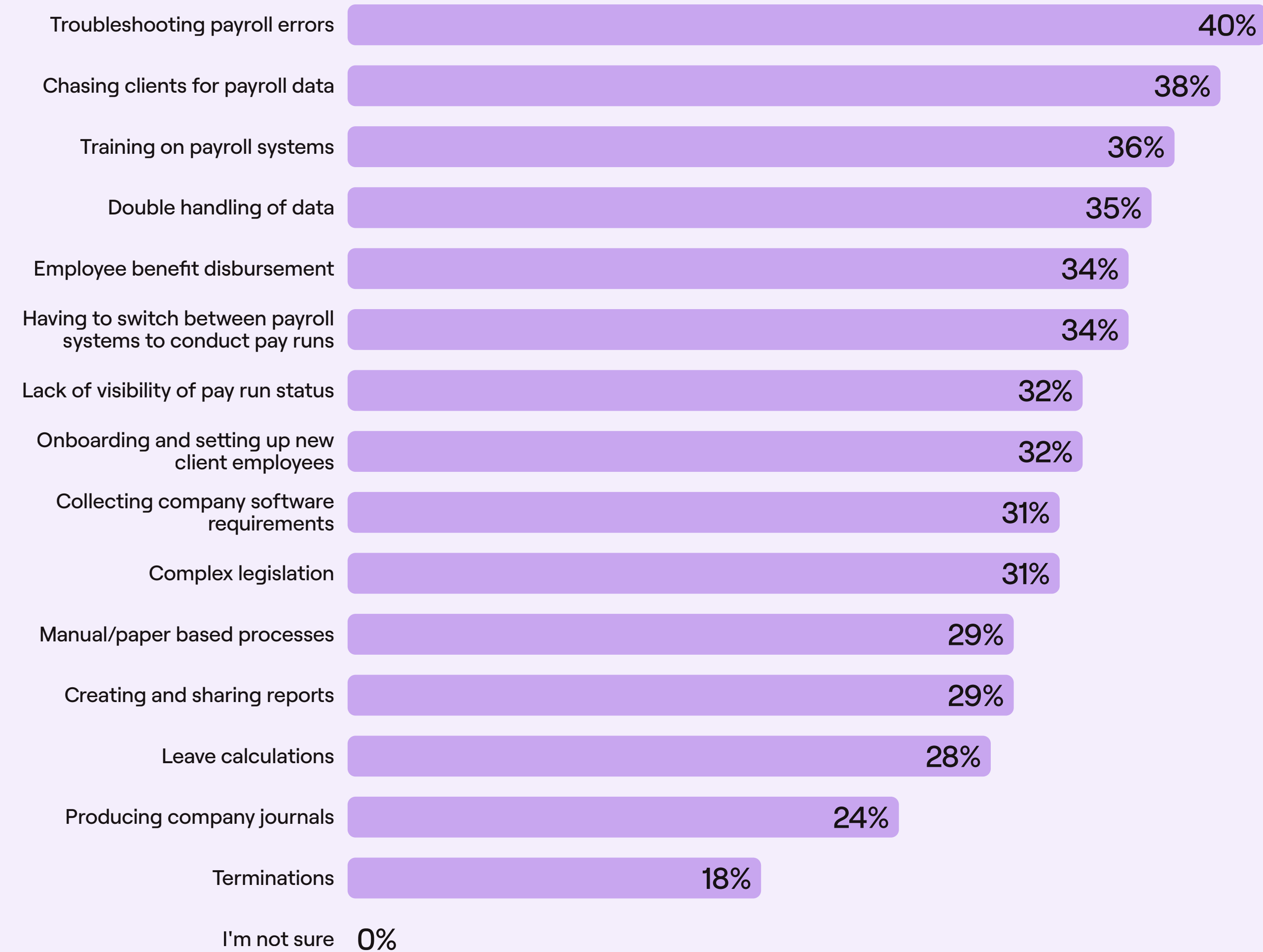
In Singapore, another challenge faced by payroll providers is employee benefit disbursement, identified by **33%** of respondents. Accountancy businesses, in particular, are significantly impacted by this challenge, with **43%** of them highlighting it as one of their top concerns. This is likely because companies often offer a variety of employee benefits, including bonuses, incentives, healthcare and retirement plans. Managing and disbursing these diverse benefits accurately requires a nuanced understanding of each benefit type, eligibility criteria, and tax implications.

For Malaysia, chasing clients for payroll data was the second most pressing challenge, as cited by **38%** of respondents. Financial practices and advisory businesses, in particular, are significantly impacted by this challenge, with **62%** of them highlighting it as one of their top concerns. This can be attributed to the fact that some clients may not have a proper record-keeping system for payroll data and hence payroll data collection is manual and slow, or they may prioritise other aspects of their business operations, relegating payroll data provision to a lower priority.

This further underscores the importance of having robust software that helps to streamline payroll data submission, so payroll providers don't have to waste hours of their time chasing clients.

Q Thinking about the way you currently manage payroll services for your clients, what are your top challenges?

MALAYSIA 



Employee data misclassification & poor record keeping are the most common payroll mistakes

Employee data misclassification was found to be the most common payroll mistake (**38%**) in Singapore, followed by mistakes in the disbursement of employee benefits and software outages (both **36%**). Singapore has a progressive tax system with different tax rates for varying income brackets – hence misclassification of employee data, such as incorrectly identifying tax residency status or applying the wrong tax rates, can easily lead to errors in payroll calculations.

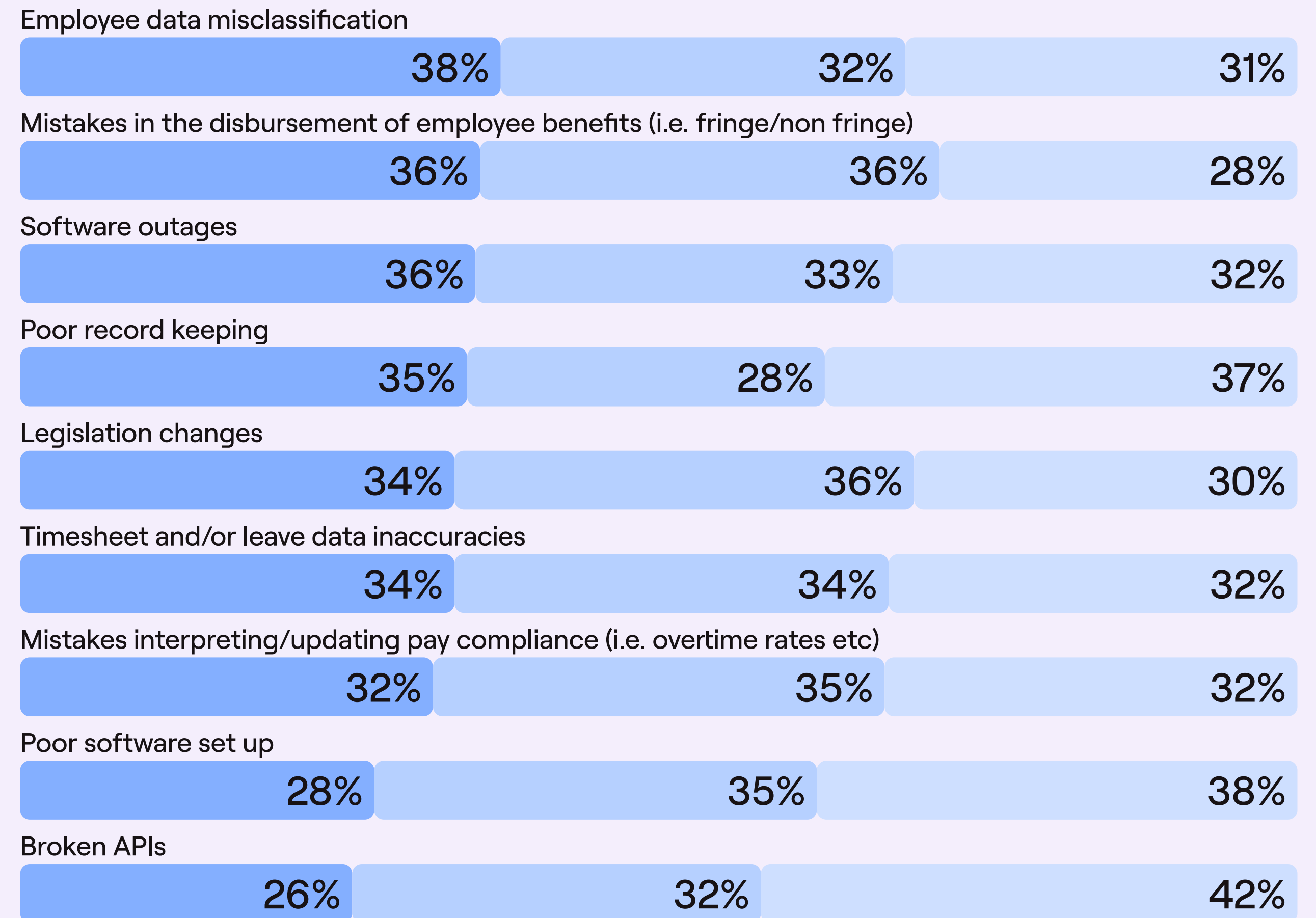
In addition, Singapore has a diverse workforce with a significant number of expatriates and foreign workers. Managing the tax implications, benefits, and allowances for this diverse employee base can be challenging, increasing the likelihood of misclassification errors.



What are the top 3 reasons mistakes occur during the provision of payroll services?

SINGAPORE

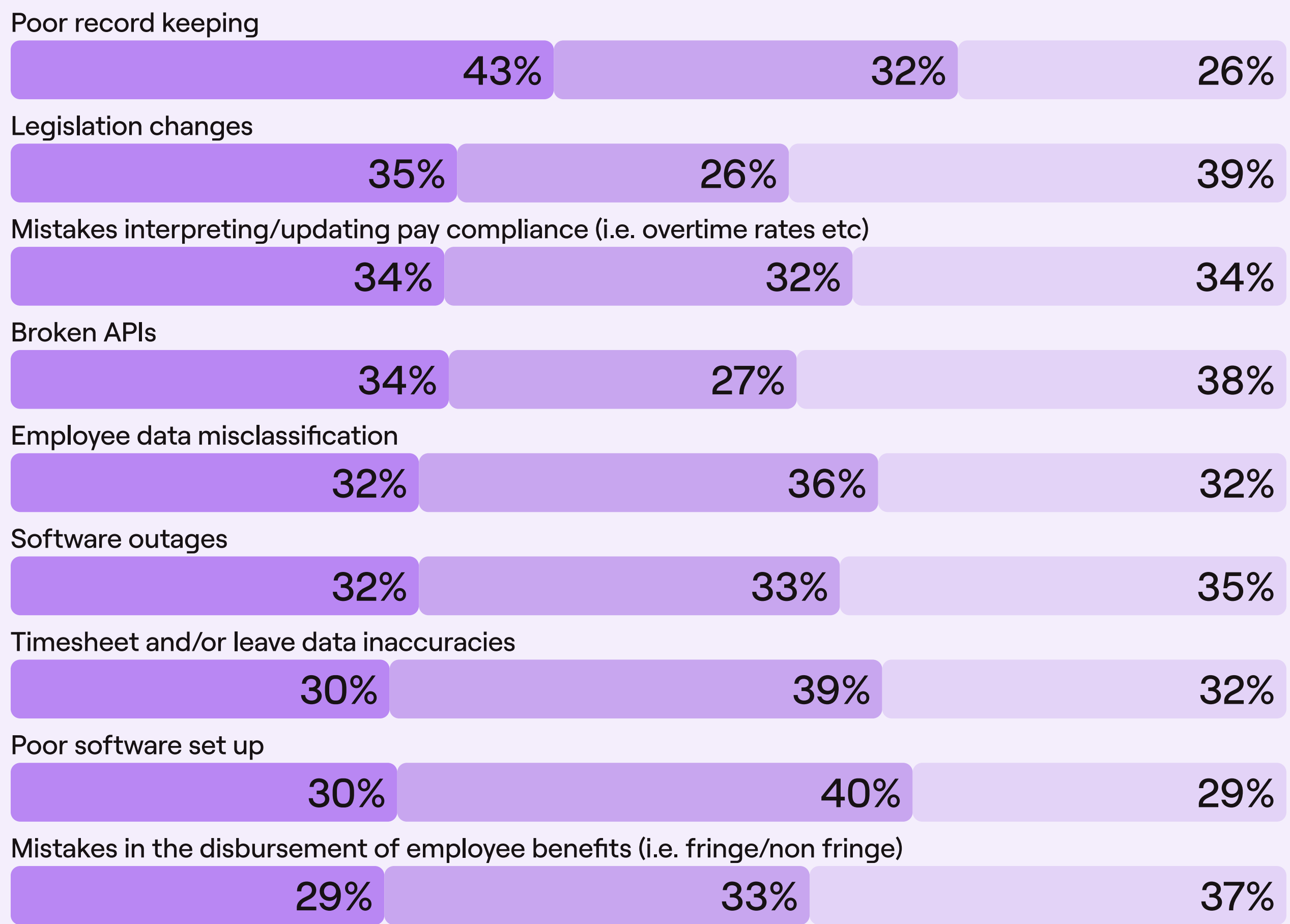
● 1- Most Common ● 2- Fairly Common ● 3- Least Common



Q What are the top 3 reasons mistakes occur during the provision of payroll services?

MALAYSIA 

● 1- Most Common ● 2- Fairly Common ● 3- Least Common



As for Malaysia, poor record keeping was the most common payroll mistake (**43%**) by a substantial margin, followed by legislation changes (**35%**), mistakes interpreting or updating pay compliance and broken APIs (both **34%**). Many companies in Malaysia still rely on manual record-keeping processes or outdated payroll systems, which can lead to errors and inefficiencies. Handling payroll information manually also increases the likelihood of mistakes, especially as the volume of data grows.

Frequent changes in the personnel responsible for keeping these records also make it difficult to maintain accurate and up-to-date employee information. On top of that, Malaysia has complex tax regulations, including various income tax rates and allowances. Poor record-keeping can result in errors when calculating tax deductions, leading to inaccuracies in employees' take-home pay.

If there's anything these findings reveal, it's that to address these challenges, businesses in Singapore and Malaysia need to prioritise investing in advanced payroll systems. AI and automation can help to identify any errors promptly and ensure up-to-date employee records are safely stored in one central and convenient location. This mitigates the probability of the abovementioned mistakes from happening and also contributes to more accurate and reliable payroll management.

Top 3 challenges when using automation are identical across Singapore & Malaysia

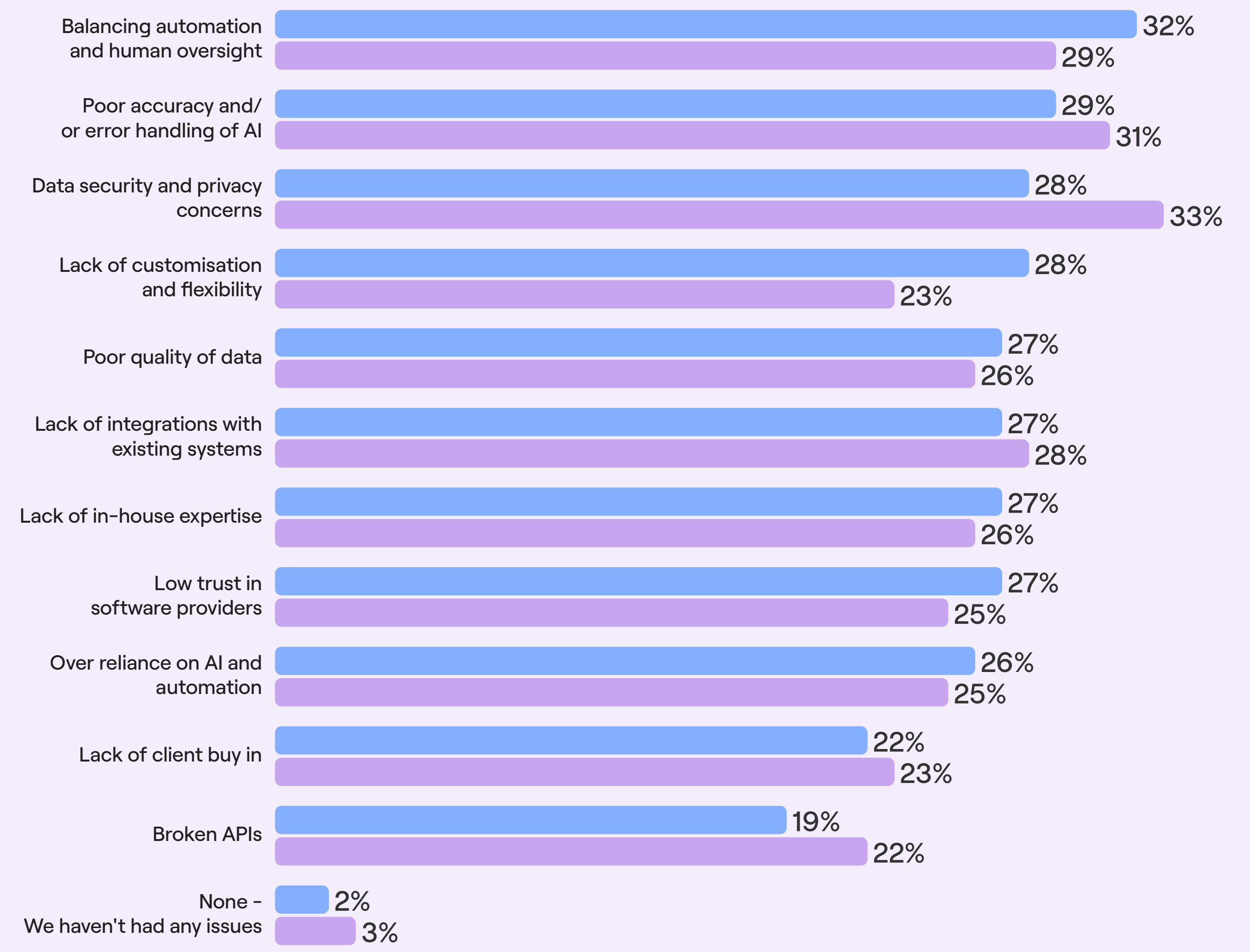
In addition to operational challenges, payroll providers in both Singapore and Malaysia also grapple with various concerns related to automation. Interestingly, the top 3 challenges faced were the same in Singapore and Malaysia, but ranked differently.

In Singapore, balancing automation and human oversight is the most common challenge (**32%**), followed by poor accuracy and/or error handling of AI (**29%**), as well as data security and privacy concerns (**28%**).

In Malaysia, data and security concerns emerged as the top challenge (**33%**), followed by poor accuracy and/or error handling of AI (**31%**), and balancing automation and human oversight (**29%**).



What are the most common challenges that you experience with automation? Please select your top 3 challenges





These concerns underscore the complexity of integrating automation technologies with payroll processes, while maintaining data integrity and compliance. Adopting the use of AI and automation is just the first step – there is a need for stronger cross-sector collaboration, two-way feedback and better education to help build pathways that enable both payroll providers and professionals to get the most out of these new technologies. It’s a steep learning curve, but it’s one that we all need to embrace.

Another interesting insight was the fact that payroll providers in Singapore struggled more with the lack of customisation and flexibility (**28%**) than their Malaysian counterparts (**23%**). This is likely due to Singapore’s thriving business environment with companies having varying needs, and offering a diverse range of employee benefits unique to each business. As such, it necessitates a more tailored approach in utilising AI and automation to fit specific requirements, which can be a struggle to find with most solutions being a one-size-fits-all product made for the masses.



FINDING BEST PRACTICES

In navigating the complexities of payroll provision, payroll professionals are constantly seeking out best practices. Drawing insights from our data and experiences shared by industry experts, several key best practices emerge, particularly concerning implementation.



Automating payroll reporting and pay calculations are top priorities

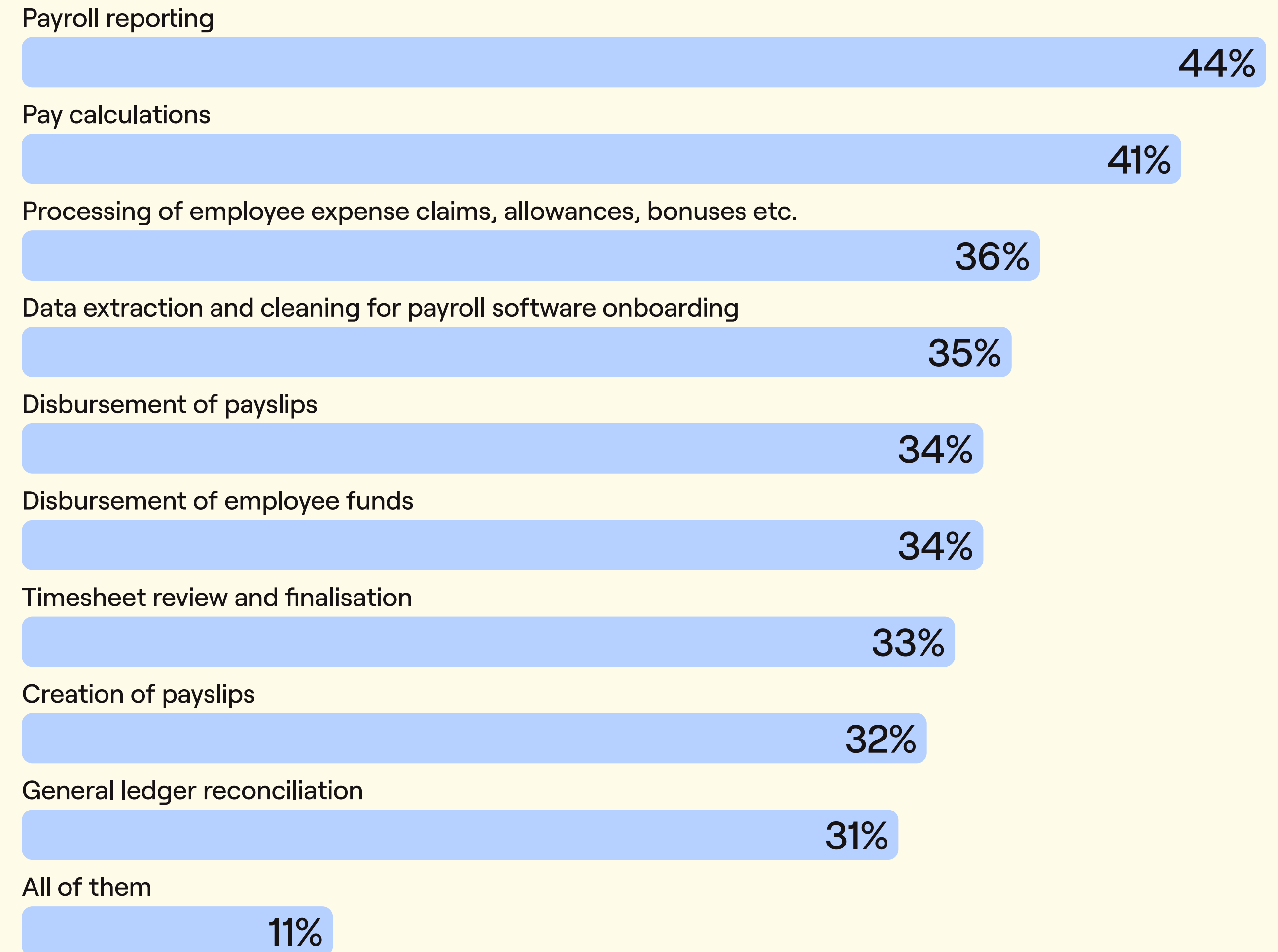
Our data revealed a consistent array of potential mistakes in payroll provision, emphasising the importance of meticulous attention to detail. As payroll experts consistently grapple with various challenges, it highlights the need for shared strategies to address multiple potential pitfalls.

When it came to what payroll professionals wanted to see automated in their businesses, payroll reporting and pay calculations were the most popular aspects identified. **44%** in Singapore and **39%** in Malaysia expressed a desire for automation in payroll reporting, followed by **41%** in Singapore and **38%** in Malaysia for automated pay calculations.



Thinking about the next 12 months, what aspects of payroll would you like to see automated?

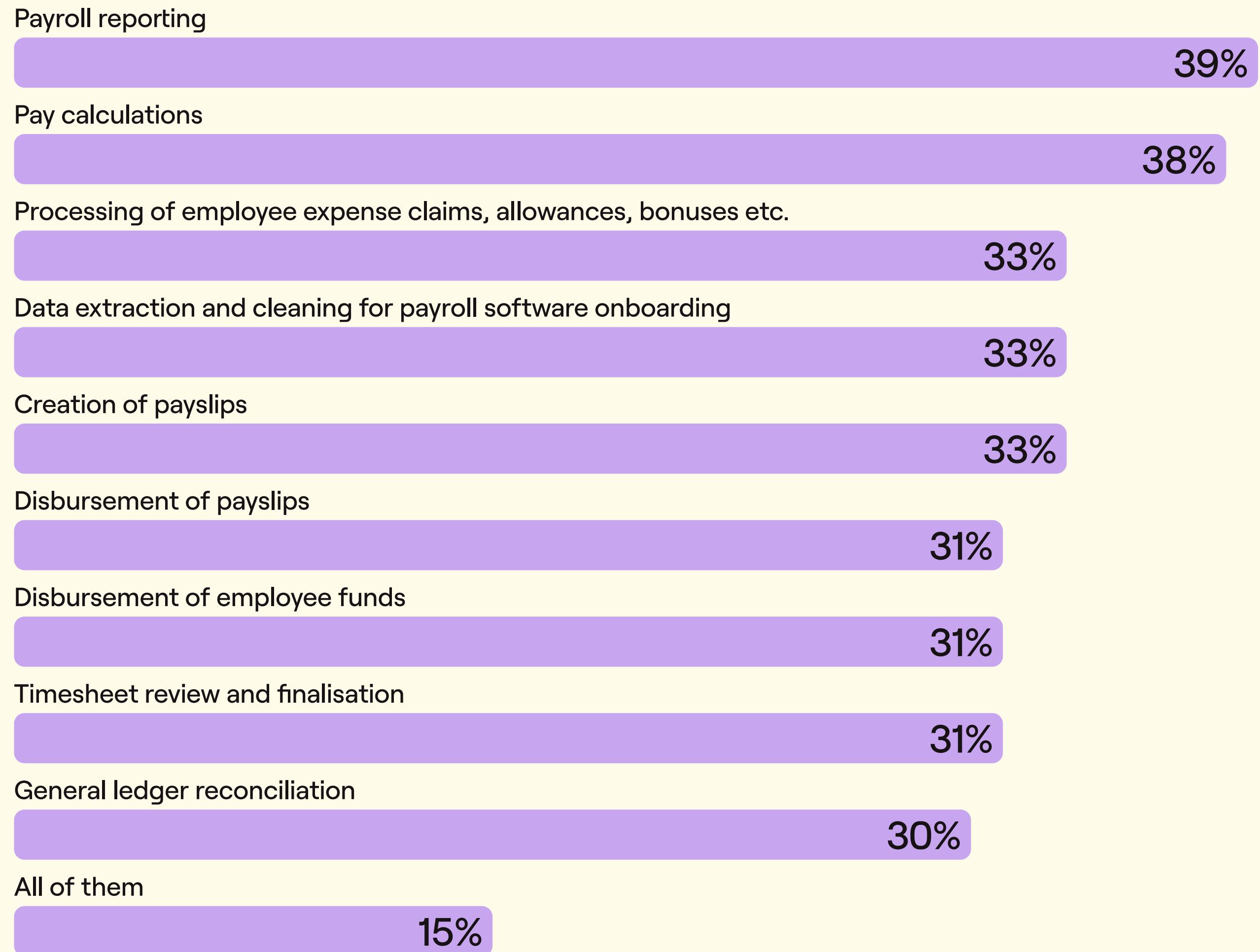
SINGAPORE





Thinking about the next 12 months, what aspects of payroll would you like to see automated?

MALAYSIA



Interestingly, **34%** of respondents in Singapore also expressed a strong interest in the disbursement of payslips, while a similar portion of respondents in Malaysia (**33%**) focused on the creation of payslips, indicating a persistent need to streamline this aspect of payroll provision.

We spoke to Vance Lim, Head of Partnerships (SEA) at Employment Hero to find out why some businesses may be holding back from automating pay calculations, payroll reporting and payslips (as this technology is already available).



Some of the reasons that could contribute to this are — having a small number of employees, fixed monthly salaries, and the perceived benefits of automation which might not outweigh the software cost. Because of that, businesses may stick with manual processes despite inefficiencies and risk being non-compliant.



Vance Lim, Head of Partnerships (SEA)
at Employment Hero

Average implementation time of payroll software is more than 3 months

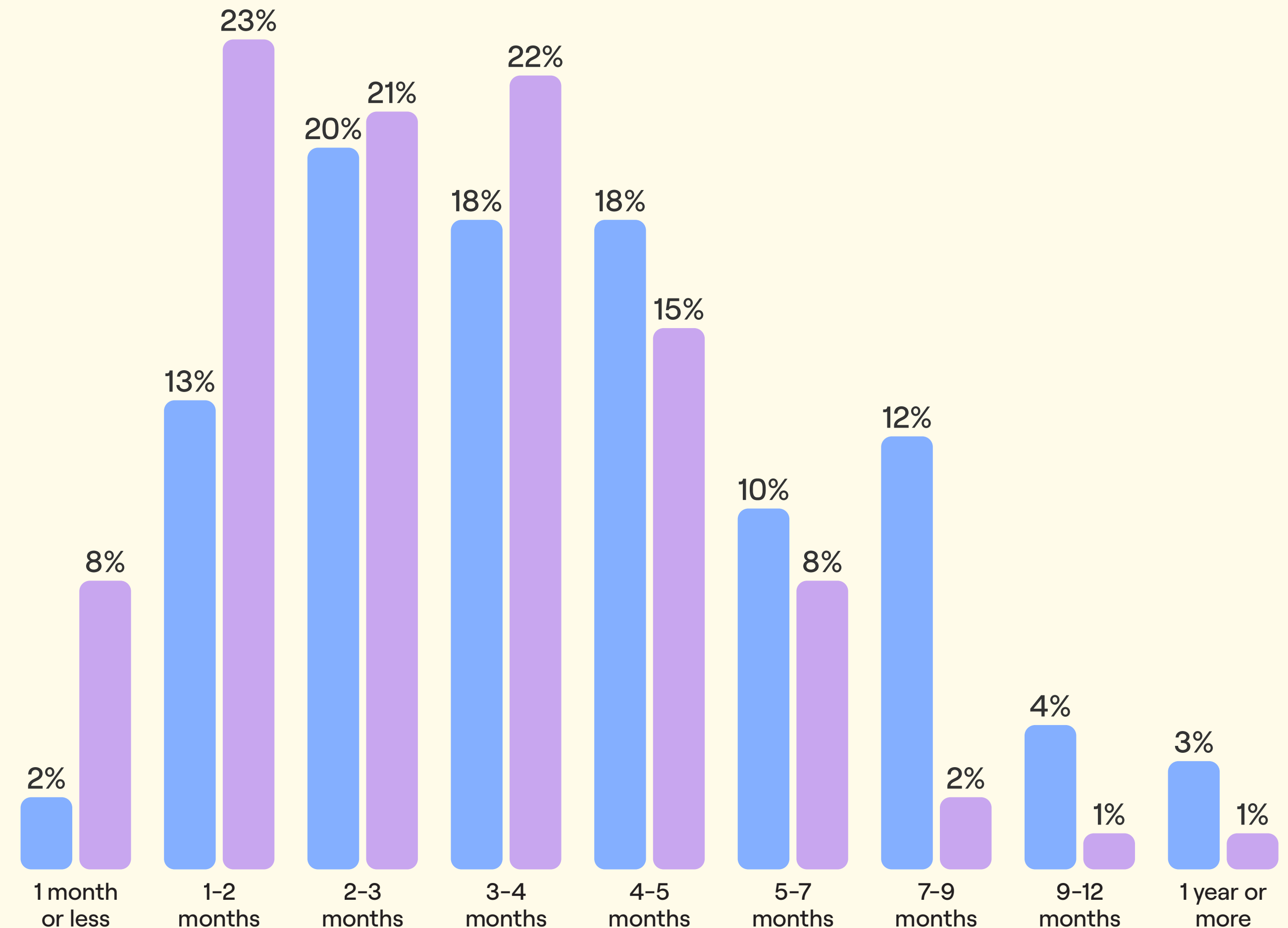
Implementing a new software, especially for payroll processing, is a complex and time-consuming process involving multiple stages and numerous stakeholders. As such, it is not a process that can be easily rushed into – especially when doing so can lead to more complex problems.

65% of respondents in Singapore and **48%** in Malaysia said that the average implementation time of payroll software for clients is more than 3 months. Only **2%** in Singapore and **8%** in Malaysia said that they could implement their payroll software in one month or less. But what are the key factors contributing to this long implementation period, and what can be done to facilitate smoother transitions and reduce implementation times?



You said your organisation provides sales and implementation of payroll software, how long does the implementation process take for your average customer?

SINGAPORE 
MALAYSIA 





Businesses often face challenges with payroll software implementation due to complexity of the software, data migration, integration difficulties and training needs. Compliance with statutory requirements also adds another layer of complexity.

To ensure successful payroll software implementation, thorough planning and clear communication would be crucial. All stakeholders must be updated and aligned with the implementation process and requirements. Detailed data validation and comprehensive training will minimise disruptions throughout the process while maximising the benefits of payroll software.



Chalsy Lee, Payroll & Implementations Team Lead at Employment Hero



Payroll processes involve numerous intricate details, including tax regulations, benefit calculations, and compliance requirements. Configuring payroll software to align with the specific and often complex payroll processes of an organisation can be time-consuming. What's more, many organisations have unique payroll needs based on their industry, size, and specific employee benefits. Customising payroll software to meet these specific requirements takes time and careful consideration to ensure accurate and compliant results.

It also needs to integrate seamlessly with existing HR, accounting, and other enterprise systems. Ensuring a smooth integration and data flow between different systems requires thorough planning and execution, contributing to an extended implementation timeline. On top of that, migrating data from legacy systems or paper files to the new payroll software can be a complex and time-consuming task. Ensuring the accuracy and completeness of data during migration is crucial to avoid errors in payroll calculations.

Rigorous testing is also essential to validate the accuracy and reliability of the payroll software. This includes testing different scenarios, tax calculations, and benefit computations to identify and rectify any issues before the system goes live. Introducing new payroll software requires training employees on how to use the system effectively. Ensuring that users are comfortable with the new software and understand its functionalities is crucial for a successful implementation too.

Despite careful planning, unforeseen challenges and delays can arise during the implementation process. Issues such as technical glitches, data inconsistencies, or unexpected changes in organisational priorities, all contribute to an extended timeline.

With all that said, what tips do you have in terms of optimising implementation processes? Our partner, Chermaine Ng from Cantonment Partners, shared that to address these challenges and reduce implementation times, organisations should invest in thorough pre-implementation planning, engage in effective communication with stakeholders, collaborate closely with the software vendor, and prioritise a phased approach to implementation. Additionally, dedicating resources solely to training and support of this change management will facilitate a smoother transition and faster adoption of the new payroll software.





FUTURE OUTLOOK

Efficiency remains a focal point for payroll providers — unsurprising given that most professionals still require 1–5 days to complete a pay run.



Striking the balance between optimism and caution

92% of respondents in Singapore and **93%** of respondents in Malaysia who anticipated AI usage to increase, were more likely to aspire to reduce payroll processing time to mere minutes through automation.

While a significant portion of respondents —**45%** in Singapore and **49%** in Malaysia— exhibited enthusiasm for adopting new technologies as soon as they emerge, **28%** in Singapore and **25%** in Malaysia chose a more cautious approach, preferring to wait a little before embracing new technology. This cautious stance reflects a prudent approach to technology adoption, balancing the allure of innovation with considerations of reliability and proven efficacy.

The appetite for automation is palpable among payroll providers, with payroll providers expressing a desire for comprehensive automation across various aspects of payroll operations, from timesheet review and finalisations to general ledger reconciliations. This aspiration highlights the growing recognition of automation as a key enabler of efficiency and productivity within the payroll domain.

Looking ahead, changes to employee wellbeing and benefits are anticipated to increase in the next 12 months, reflecting evolving workforce priorities and regulatory requirements. Against this, **71%** of respondents in Singapore and **78%** in Malaysia anticipate an increase in the use of AI and automation within their organisations, albeit with varying degrees of significance.

Notably, managed/outsourced payroll services businesses as well as technology and HR consultancy businesses stand out in Singapore, with an overwhelming **79%** expressing confidence in the uptick in AI and automation adoption.



Quinn's Hero Tip

We're developing technology that'll bring pay runs down from days to seconds. We've already automated pay runs, and have clients that are completing pay runs in hours instead of days.

But a seismic shift is coming to the way payroll professionals manage pay runs, as Employment Hero prepares to launch AutoPay — a revolutionary technology that'll bring pay runs down from hours to just seconds! Our mission is to enable you to automatically pay employees, so you can move from processing payroll to efficiently managing, optimising and advising payroll strategies. And this technology is closer than you think.



Timesheets & overtime calculations



Expenses



Salaries



Leave



Approve pay run

The same is seen in Malaysia, where **91%** of respondents from financial practice and advisory businesses and **87%** of respondents from managed/outsourced payroll services businesses were more likely to say that AI and automation use will increase in the year ahead.

However, despite the growing momentum towards automation, challenges persist regarding digital skills readiness. Research from [Gallup](#) revealed that **82%** of leaders in Singapore and **85%** of leaders find it difficult to recruit workers with the right digital skills, posing a potential barrier to the full realisation of the benefits offered by digital technologies.

How do you think having fully automated payroll could benefit you?

Human errors are pretty time-consuming, depending on the severity of it. As payroll providers, we will need to explain the situation to clients and rectify it immediately, which can be very tedious when our clients are rushing us to get it done. Having a fully automated payroll would be an absolute gamechanger as it would enable us to minimise the occurrence of human errors, and allow us to focus our efforts on forging better relationships with our clients as well as supporting them in optimising their payroll processes.



Chermaine Ng, Corporate Secretarial & HR Executive, Cantonment Partners



Thinking about technology to help service clients, which of the following best describes your attitude?

SINGAPORE

I like to try new technology as soon as it emerges

45%

I like to wait a little before trying new technology

28%

I will try new technology once it becomes mainstream

18%

I will try new technology only when someone I know has recommended it

8%

I am often hesitant to try new technology before it's widely used

2%

I'm unlikely to try new technology, I will stick to what I know and trust

0%

According to the [Salesforce Global Digital Skills Index](#), only **36%** of Singapore workers are very prepared with workplace digital skills, and **71%** don't feel equipped for the future. Despite that, only **29%** are actively involved in digital skills learning and training programmes today. Similarly, in Malaysia, a survey by [Economist Impact](#) revealed that digital skills (**65%**) are the top focus for employees in Malaysia, with most still prioritising basic digital skills (**83.1%**). However, the most significant obstacle to upskilling in Malaysia is cost, with **39%** of employees reporting that expensive courses prevent them from acquiring new digital skills.

Nevertheless, there's plenty of positive outlook where the potential of AI and automation to improve work-life balance is concerned. **44%** of payroll providers in Singapore and **43%** in Malaysia expressed confidence in the transformative impact of these technologies. Respondents overwhelmingly expressed a desire to automate various aspects of payroll processes, with **11%** in Singapore and **15%** in Malaysia hoping to automate all payroll processes.

In summary, the future outlook on payroll provision carries both optimism and caution; with plenty of businesses seeing its potential and wanting to be early adopters; while others remain more wary as skills gaps and limited resources are making an impact on their ability to adopt new tools effectively.



Thinking about technology to help service clients, which of the following best describes your attitude?

MALAYSIA

I like to try new technology as soon as it emerges

49%

I like to wait a little before trying new technology

25%

I will try new technology once it becomes mainstream

16%

I will try new technology only when someone I know has recommended it

8%

I am often hesitant to try new technology before it's widely used

3%

I'm unlikely to try new technology, I will stick to what I know and trust

0%

CONCLUSION

Our exploration into the future of payroll provision has shown that there's considerable appetite across Singapore and Malaysia to leverage new technology and navigate change, and that the landscape is set for more AI and automation use in the months ahead.

There's a notable demand among payroll professionals for enhanced AI capabilities to reduce payroll processing time significantly. As organisations continue to pursue automation solutions, software providers must evolve their offerings to incorporate advanced AI features for improved payroll reporting, payroll calculations and claims processing; this is where the main demand lies.

Tailoring the tools available to accommodate different business sizes is crucial as well, given the obvious disparity in automation levels. Software vendors should offer scalable solutions with flexible pricing models and features, so small and medium businesses can access the automation tools they need without worrying about budgets and competition from larger enterprises. And we'll need to continue leading with education and collaboration to see these tools get adopted.

Overall, payroll providers are keen to evolve in their roles — improving their data analysis skills, jumping on more opportunities for professional development, and embracing expanded duties outside of payroll such as HR and finance. Ultimately, this will all contribute towards better work-life balance and also enhance their payroll expertise, taking it to the next level with more strategic and data-driven thinking. Less time will also be wasted on error resolution, as software providers will continuously update the platform and features with any legislative changes, and further optimise automated processes.

In conclusion, the journey towards optimising payroll provision through automation and AI requires a commitment to integration, innovation, scalability, data integrity and employee well-being. By embracing these principles and leveraging emerging technologies effectively, you'll be able to stay agile and stand out from the crowd.

METHODOLOGY

The survey was conducted by Cint, a global software leader in digital insights and research technology, with fieldwork in Singapore and Malaysia from 23 January 2024 to 5 February 2024.

The survey length was 10 minutes in length on average. The total number of eligible respondents in Singapore was 537, and the total number of eligible respondents in Malaysia was 544.

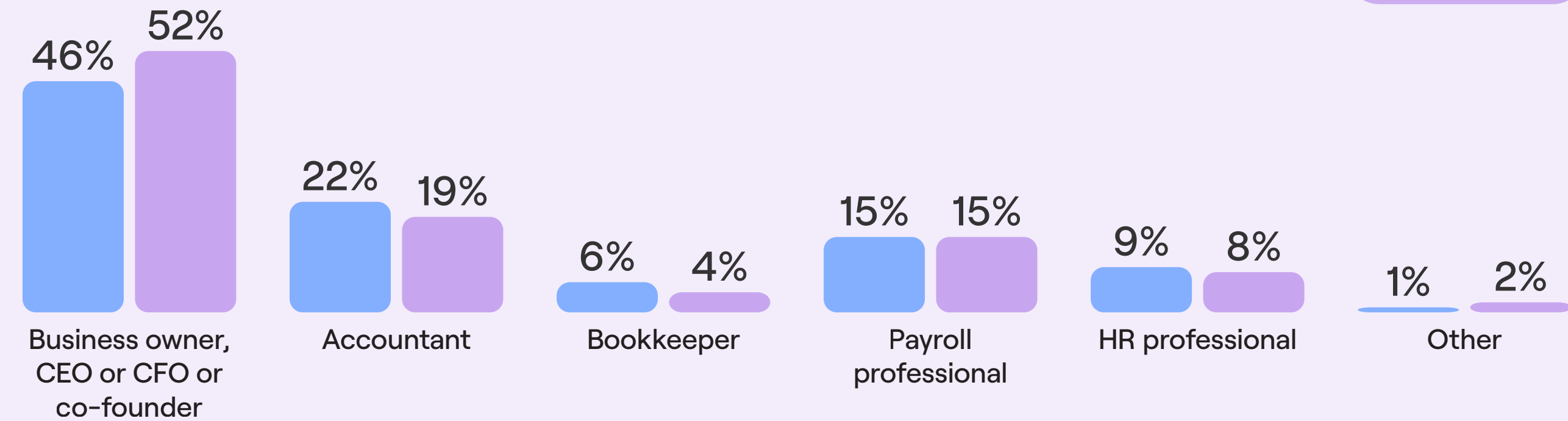
Respondents had to be aged 18+ and be working in one of the following areas:

- Accountancy businesses
- Bookkeeping businesses
- Managed/Outsourced payroll services businesses (i.e. selling payroll services to other businesses)
- Professional services providing payroll services (Technology/HR consultancy businesses or Financial practice & advisory)

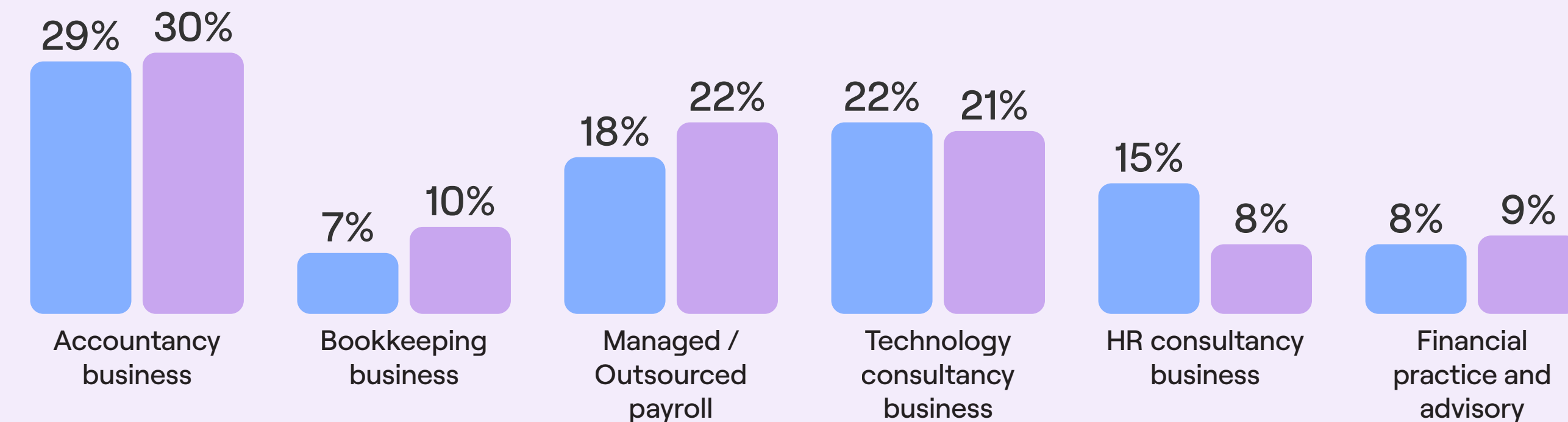
Respondents by job title

SINGAPORE 

MALAYSIA 



Respondents by practice type



ABOUT EMPLOYMENT HERO

With SMEs making up 99.9% of all businesses, digital transformation has never been more pertinent. Take your business to the next level today with our [all-in-one, cloud-based HR and payroll platform](#).

Our customers tell us that we save 80% of their administration time by automating manual tasks and auto-populating data across the platform. Singaporean and Malaysian businesses who implemented Employment Hero also experienced a **173%** and **158%** return on investment respectively by the end of their first 3 years. We take the hard work out of people management so employers can grow their teams and businesses with confidence.

Over 300,000 businesses (and counting!) use our platform today. Speak to one of our business specialists to find out more.

Our features include:

Employee happiness scores

1:1s

Applicant tracking system

Policy templates

Recognition

Objectives and Key Results (OKRs)

Performance reviews

Feedback

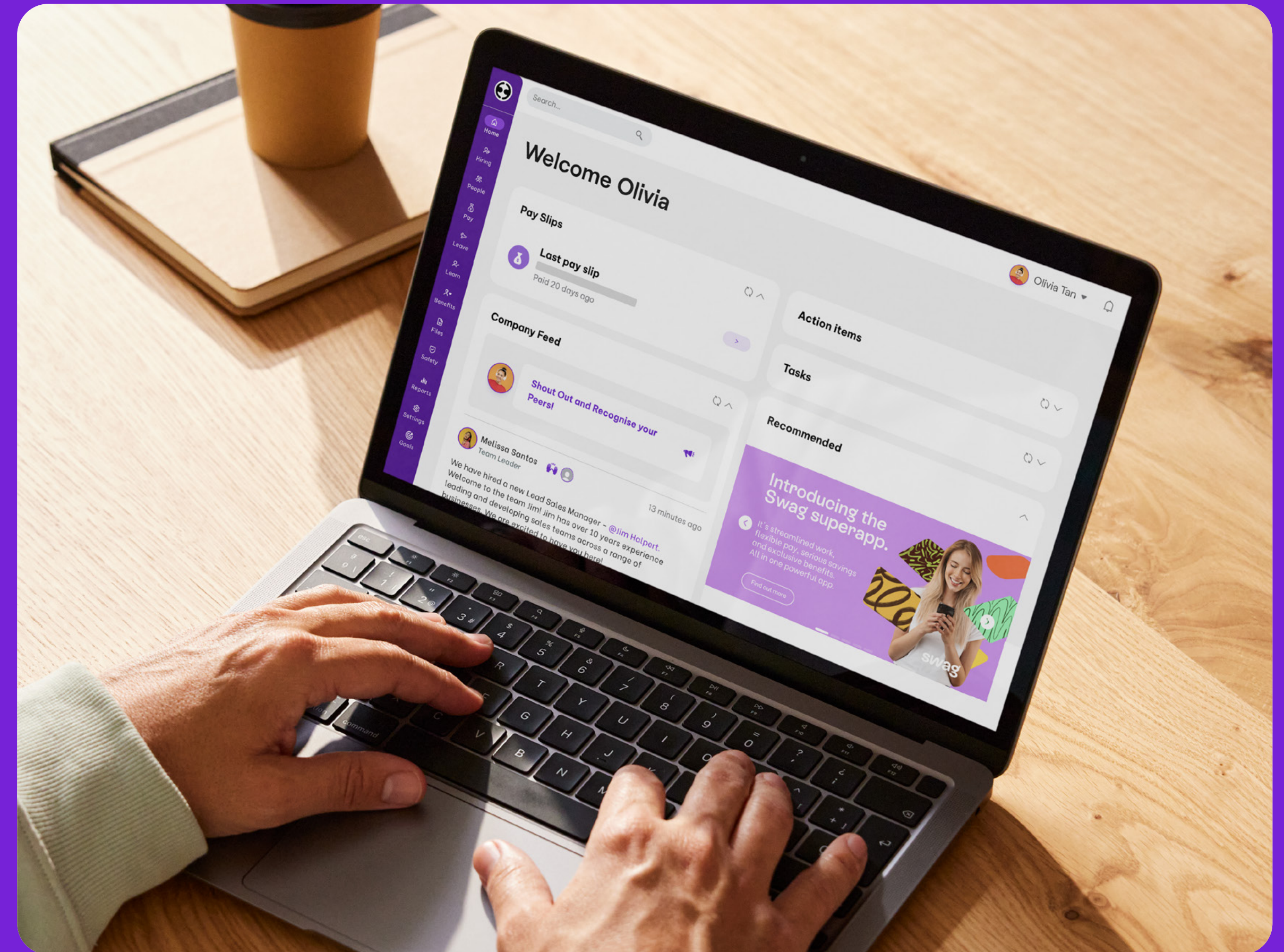
Letter templates

Shout Outs (Peer to peer recognition)

Custom surveys

Learning management system (LMS)

And so much more...



For more information on how we can help transform your business, book a demo today.

SINGAPORE



MALAYSIA



Include

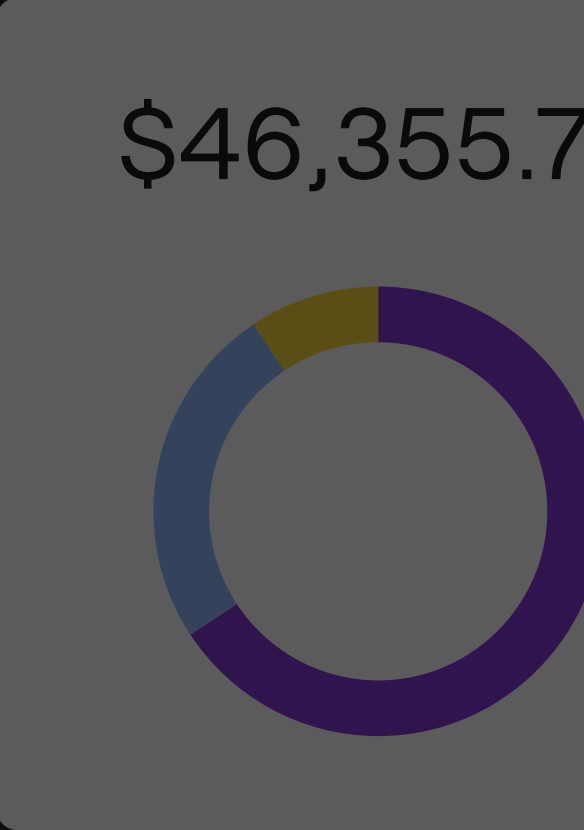
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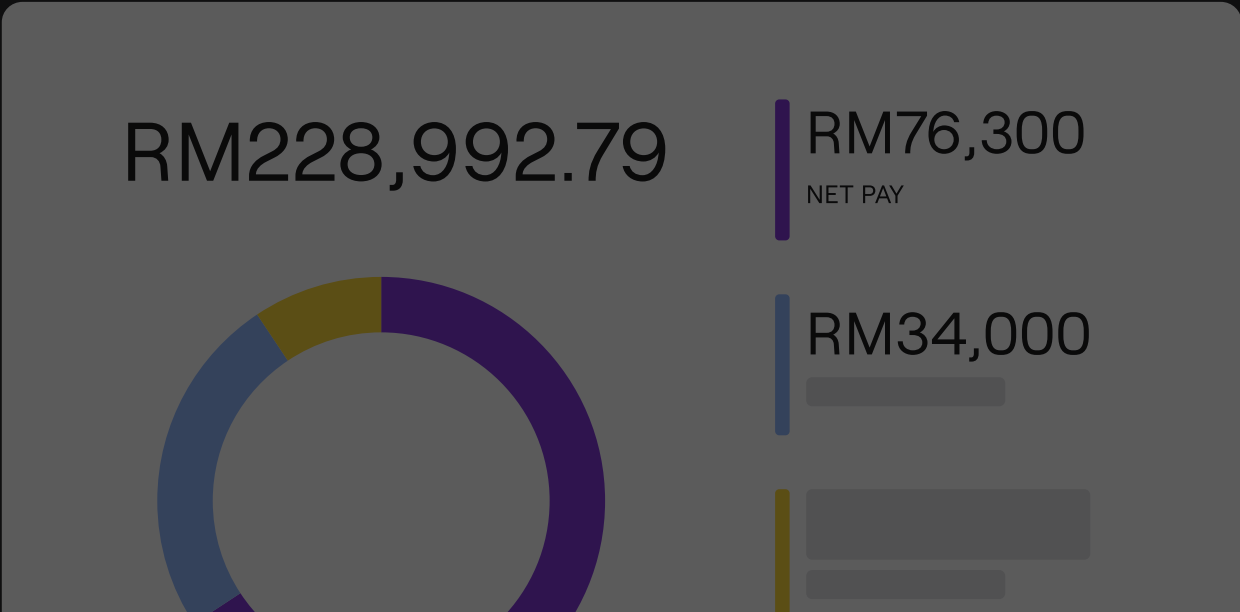
🕒 Review Data



Approve Pay Run



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This report was designed with love from the Design Studio and Marketing teams at Employment Hero.

Pay Run Audit Report

Pay Schedule

All Pay Schedules

Pay Run

[Redacted]