Compliance and tech automation proving biggest challenges for payroll professionals

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The latest industry insight from [The Global Payroll Alliance (GPA)](link), has found that when it comes to the biggest challenges facing payroll employees today, both compliance and legislative requirements along with a drive towards greater tech automation top the list.

The GPA surveyed* UK payroll professionals on just what areas of their profession they find the most challenging in the current landscape.

The results show that two key areas topped the table – Compliance and legislation and technology and automation.

When asked specifically what areas of compliance and legislation they found to be the biggest challenge, pay rules for irregular and part-time workers proved the most problematic, along with HMRC regulations and compliance with PAYE and National Insurance – hardly surprising given the recent changes implemented by the Labour Government.

When it comes to the topic of technology and automation, the key concern amongst payroll professionals was the cybersecurity risk posed by a greater reliance on technology, particularly when it comes to data protection and GDPR compliance. The cost of upgrading payroll systems was also a predominant factor.

Beyond these two key areas, data accuracy and management also ranked as one of the key challenges facing payroll professionals today.

The manual process of populating spreadsheets and the risk of errors and inefficiencies was the key

concern with respect to data accuracy and management, along with the integration of this manual data collection with other systems.

Whilst cost control and employee expectation are less of a challenge, payroll professionals still cited the choice between outsourcing and in-house payroll as the biggest challenge with respect to cost control, whilst clarity of communication and the errors that can arise ranked as the biggest challenge with respect to employee expectations.

Melanie Pizzey, CEO and Founder of the Global Payroll Alliance, says:

"The payroll landscape is one that is evolving constantly, not just because of compliance and legislative changes, but also due to the evolution of payroll technology and a greater move towards automation in order to streamline operational requirements and cost.

But whilst these improvements bring a raft of benefits, it's understandable that they also pose some of the biggest challenges for today's payroll professionals, with the key concern being the potential cybersecurity risks that can arise due to a greater reliance on technology, as well as the cost of making these improvements.

Ultimately, any technology utilised is only as good as the payroll professional at the helm and so it's vital that as companies continue to digitise payroll, they also continue to invest in quality personnel to oversee the wider payroll process."

Data tables and sources

- *Survey of 2,907 UK payroll professionals carried out by ProperPR on behalf of The GPA via consumer research platform Find Out Now (27th May 2025)
- Full data tables and sources can be viewed online, here.