

Effective Payroll Leadership

NZPPA 11th Annual Payroll Leaders Summit 2025



Effective Payroll Leadership

In line with the summit theme, I wanted to talk about three areas of payroll leadership that I see (good and bad) from my position in NZPPA.

To start with, I will cover off a definition (of sorts) on what is "Effective Payroll Leadership"

- Effective Payroll Leadership refers to the ability to lead, manage, and oversee payroll functions within an organisation in a way that ensures compliance, efficiency, and alignment with broader business goals.
- It goes beyond just processing payroll—it involves leadership, strategy, communication, and continuous improvement.



Three Key Components of Effective Payroll Leadership

There are several key components of effective payroll leadership, but for this presentation, I will focus on only three:

- 1. Leadership & Team Management
- 2. Payroll Process Improvement
- 3. Compliance & Risk Management



Leadership & Team Management

- 1. Leading and developing a payroll team (Leading from the front).
- 2. Using the best payroll performer to train other team members.



Leading from the front

Being ex-military, I believed leadership was leading from the front, which meant to me being physically out in the front of my team.

David's lonely at the front example...

What does leading from the front really mean for payroll?

"Leading from the front" means demonstrating leadership through action and example, rather than just giving instructions. It involves being actively involved in the work, setting a positive example, and showing commitment to the team's goals.

"Leading from the front" can only be successful if the payroll leader is fully involved and includes their team.



Use the best performers to train other team members!

If you want to transfer the best behaviours, skills and knowledge of your best performer to a new team member, get them involved in the training of new team members:

- This should be seen as part of their professional development.
- Support them with basic training or coaching skills; it is a skill every future leader should have.
- Any training provided should be formally assessed and documented.



2. Payroll Process Improvement

Streamlining workflows for efficiency

Get the team involved, not just the Payroll Leader:

- 1. Create a payroll work environment where a team member owns their part of the process and they are tasked to review it to determine its efficiency.
- 2. Provide a documented process that the team member has to complete, and they have to provide evidence on their results (process is efficient or not, and why).
- 3. Get other team members involved in "peer review" of each other's assessment of processes

Shortcuts in payroll:

If a process can be completed using a shortcut and still meets all business and legislative requirements, it should be changed; if a shortcut breaks business rules or legislative requirements, it must be stopped.



3. Compliance & Risk Management

Ensuring payroll processes are audit-ready

A payroll audit should not be the last step before the cliff; payroll should be audit-ready at any time.

- Identify the high-risk areas of compliance in your payroll.
 - For example:
 - How a week and a day is defined for employees working variable hours, does the present setting in payroll reflect their actual week or day?
- Create ongoing checks for this area, a basic pay period check, quarterly, six monthly, and annually. It must be easy to do and based on the same methodology that any team member can apply and understand the results.
- The result must be in a usable format or plain language that can be provided to a stakeholder (internal or external, if needed).



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Certification is a core aim of NZPPA. For that reason, we are backing certification as an investment in the development and recognition of payroll as a profession in New Zealand, and to ensure that employers have certified professionals running their payroll.



Upcoming Events:

4th Annual Payroll Technology Showcase 2025 – 11 September 2025 FREE



NZPPA 18th Annual Payroll Conference – 4-5 December 2025 (Auckland)





If you have any feedback on this year's summit, please email me: david@nzppa.co.nz