

The Vistra Payroll Report 2026

From *back office* to
strategic growth engine

VISTRN + iiPay



Foreword

Payroll has become central to how global businesses grow, adapt, and build trust. 93% of payroll leaders say the function is now a strategic enabler of growth.

We've seen this shift first-hand. Working with multinational organisations through periods of expansion, restructuring and regulatory change, we've watched payroll evolve from a back-office task into a source of clarity for boards and confidence for employees.

The driver for this change is the role of data. When payroll information is timely, integrated and reliable, it informs decisions that matter, such as where to hire, how to control costs, and how to support people through change.

Unified global platforms make that possible, turning fragmented data and processes into a single view that leaders can trust. The benefits are tangible: better workforce planning, stronger financial visibility, and a more engaging employee experience.

Yet, there are significant challenges. Regulation is moving quickly and differently in every market. That complexity intensifies as mobility grows and teams span borders,

time zones and employment models. Organisations that get this right gain time, trust and transparency.

To better understand the evolution of payroll, we asked a range of payroll leaders from across the UK and US to share their perspectives with us. This report continues Vistra's commitment to advancing payroll excellence globally, offering practical insight into how organisations can turn payroll complexity into an advantage.

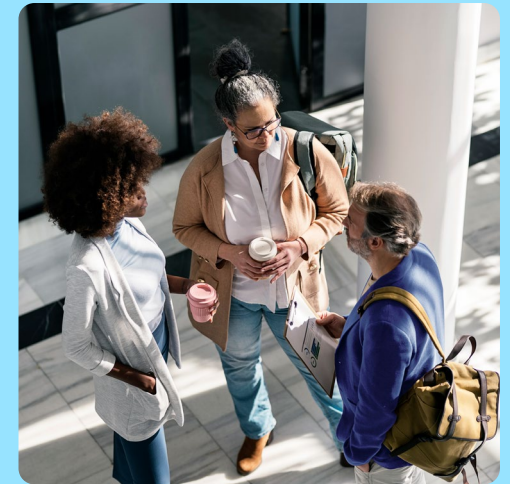
Our research highlights payroll at an inflexion point: ambitious about technology, from real-time processing to advanced analytics, but still working to integrate systems end-to-end. Many organisations are close; one in three have already connected payroll with HR, time and finance across markets. The next step is to use that connected data to anticipate, not just reconcile.

This year holds particular significance for Vistra. In June 2025, Vistra completed its acquisition of iiPay, the global payroll technology firm I helped lead. Bringing iiPay into the Vistra group unites the proprietary iiPay technology platform with Vistra's global scale, service excellence, and worldwide reach. This powerful combination creates one of

the world's leading providers of multi-country payroll services, uniquely delivering zero-touch automation in processing, single-source consolidation, and audit-ready data for complex international operations.

At the same time, our recent dual recognition as a Global Star Performer by Everest Group and a Leader in the NelsonHall NEAT for Payroll Services reaffirms our standing as a top-tier global payroll provider. These achievements reflect not only the strength of our platform, but the dedication of our teams worldwide to delivering accuracy, insight and value for every client.

Payroll should be accurate and compliant by default. The next step is to make it a source of intelligence and competitive advantage.



Curtis Holmes
Executive Vice President,
Global Payroll, Vistra

Introduction



Payroll has entered a new era. Once seen purely as an administrative function, it is now recognised as a strategic lever for business growth, workforce engagement, and operational agility. Yet while most leaders agree on payroll's potential, many are still navigating the complexity of turning strategy into action, as the function faces mounting challenges from regulatory uncertainty, rising compliance costs, and increasing expectations from a global workforce

This report draws on insights from an independent survey of 251 payroll leaders across the UK and US, exploring how teams are adapting to new technologies, compliance demands, and workforce expectations, as well as what this evolution means for the future of payroll.

The research clearly indicates that significant transformation in payroll is underway with five key themes emerging:

- 1. Payroll's evolution from back office to strategic growth engine**
- 2. Compliance complexity and the new regulatory landscape**
- 3. Technology as an operational and strategic enabler**
- 4. Payroll's role in a changing, mobile workforce**
- 5. Building future-ready, data-driven payroll strategies**

At this inflexion point, organisations that embrace technology and innovation will be best positioned to navigate regulatory complexity, support business growth, and deliver a superior employee experience.

1. Payroll's evolution – from back office to *strategic growth engine*

Payroll has matured beyond a back office function into a strategic function that underpins business performance, informs leadership decisions, and directly influences the employee experience.

93% of payroll leaders now view their function as a strategic enabler of growth, with 70% strongly agreeing. Almost all respondents, **96%**, see **unified global payroll platforms as vital** to achieving that goal. When asked about the strategic benefits of payroll solutions, organisations most frequently cited improved workforce planning (63%), greater financial visibility and cost control (63%), and enhanced employee engagement (60%).

Employee experience is equally central to payroll's new identity. The data suggests a disconnect: while 97% see payroll as key to their EVP, **31% of leaders still report employees frequently raising payroll concerns**, underscoring the gap between aspiration and delivery.

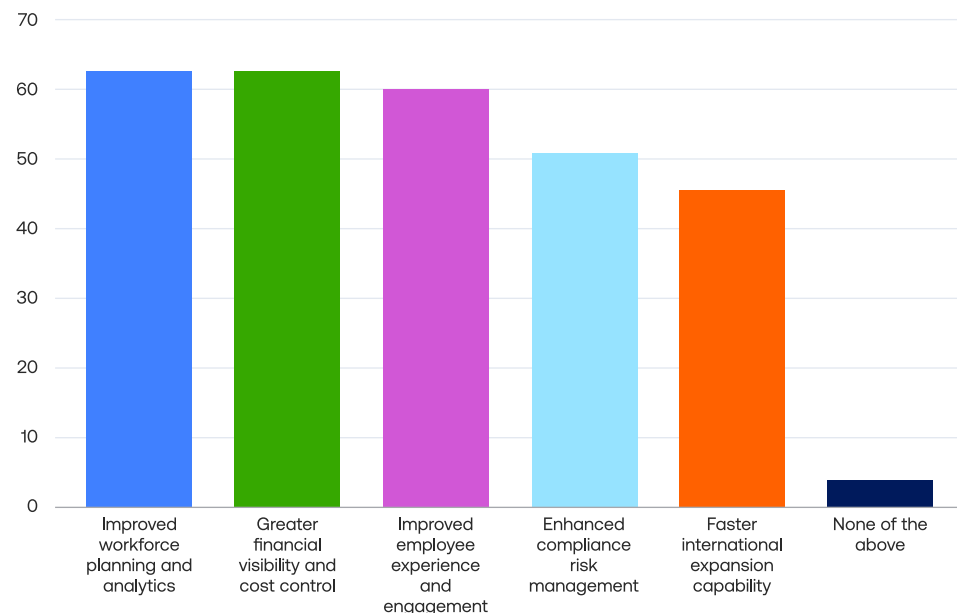
Employees most value easy access to payslips and tax documents, responsive payroll support, and financial wellbeing tools.

The biggest opportunity identified for the year ahead is enhancing employee satisfaction through innovative payroll services (25%). As competition for talent intensifies, getting payroll right is as important to retention as salary, culture, or flexibility.

97%

see payroll as key to their EVP

Which of the following strategic benefits does your global payroll solution currently provide?



Vistra SME/Client Quote

“As data becomes central to business strategy, payroll’s visibility and accuracy are now critical. Firms that **consolidate systems and standardise processes** gain a single source of truth across jurisdictions, allowing them to forecast workforce costs, identify inefficiencies, and plan for expansion with confidence.”

2. Compliance *complexity* and the new regulatory landscape

As payroll gains strategic importance, compliance has become the biggest operational barrier to running payroll efficiently and accurately at scale. Frequent changes in regulation, the differing requirements of local jurisdictions, and rising expectations for transparency have created significant complexity.

Over three-fifths (61%) of payroll leaders report that projects have been delayed or changed due to regulatory uncertainty, with US firms most affected (70%). **Around a quarter (24%) identify managing frequent regulatory updates as their top challenge.** The barriers to upgrading payroll processes to keep pace with new compliance requirements are diverse. Nearly half (46%) cite the cost and difficulty of upgrading compliant technology, and 44% struggle to train and resource compliance teams effectively. **Payroll teams now dedicate around 16% of their time to monitoring new regulations,** and that figure climbs to 21% in large enterprises.

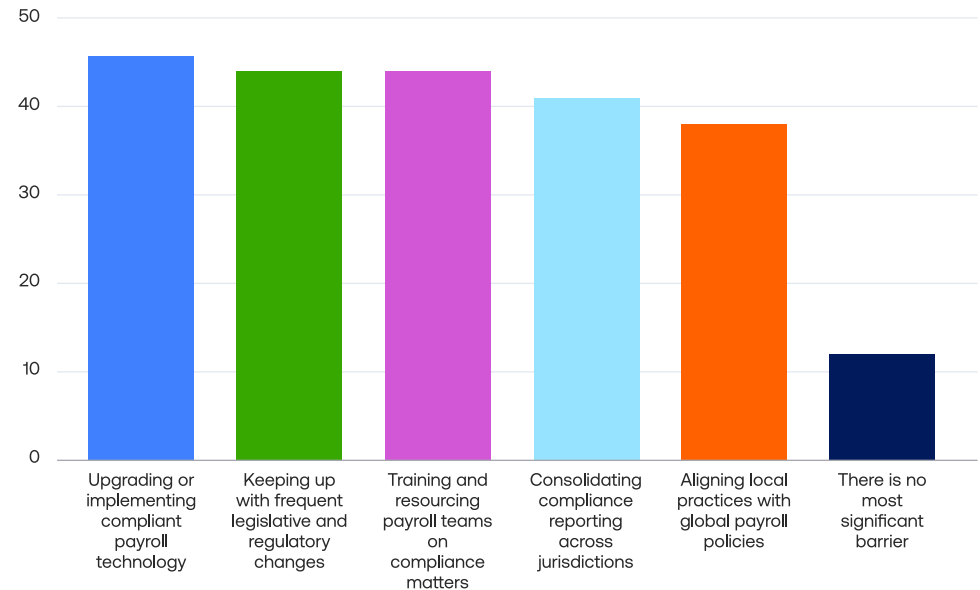
Accuracy and compliance are also decisive when outsourcing. Nearly half (47%) of respondents say these factors matter most when choosing a provider, and **71% express high confidence in their provider's ability to stay compliant** with changing rules. Worryingly, **just under a third (29%) admit they are less certain** of their provider's ability to stay compliant.

This risk could expose them to fines, reputational damage, and disrupted payroll operations at a time when compliance demands are only increasing.

24%

identify managing frequent regulatory updates as their top challenge

What are the most significant barriers your organisation faces when updating payroll processes or platforms to meet new or changing compliance requirements globally?



Vistra SME/Client Quote

“There is no single rulebook for global compliance. It’s the sum of countless local requirements, managed with intelligence and consistency. Those who master it earn what every business values most: **time, trust, and transparency.**”

3. *Technology* as an operational and strategic enabler

Technology sits at the centre of payroll transformation, driving accuracy, speed, and strategic insight. Yet the data shows that while adoption is widespread, full integration across HR, time, and finance systems across all their operations remains a work in progress.

Real-time payroll is delivering the most tangible gains, with 40% of payroll leaders stating it's their biggest efficiency improvement.

Process automation follows at 24%, and AI or machine learning at 18%. While **95% of leaders say they are ready to adopt AI-driven anomaly detection and forecasting**, current integration levels suggest that readiness may be overstated. The technology exists, but the challenge now lies in true connection and integration.

Manual data entry is the biggest technology-related payroll frustration for 24% of teams, while 20% report system fragmentation or incompatibility, a figure that rises to 34% in the US. The high cost of upgrades (28%) and

concerns about security and data privacy (28%) are the top overall issues with payroll setups.

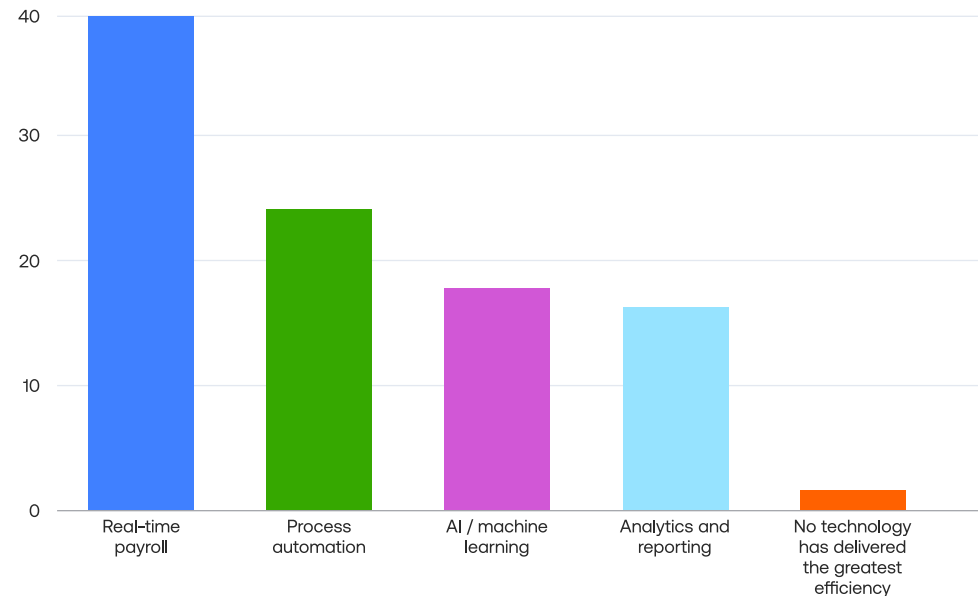
Only one in three organisations have fully integrated payroll functions with HR, time, and finance systems across all their operations. Just 16% have mostly automated their payroll processes, improving accuracy and timeliness, while **18% still rely on manual workflows.**

The picture is one of partial progress. Automation and AI are enhancing efficiency, but without proper integration, firms risk duplication, delays, and compliance blind spots.

24%

identify manual data entry as the biggest technology-related payroll frustration

Which payroll technology has delivered the greatest efficiency gains in your organisation?



Vistra SME/Client Quote

“Automation and AI are now essential for accuracy, insight, and speed. But AI isn’t a panacea. Without the right strategy and integration, it can create more problems than it solves, and only one in three firms has achieved full, effective adoption.”

4. Payroll's role in a changing, *mobile* workforce

Workforce dynamics are reshaping payroll operations. Generational change, flexible work patterns, and rising employee mobility are redefining what workers expect and how payroll teams must respond.

Employee mobility (23%) is the workforce shift having the greatest impact on payroll, followed by adapting to new employee benefits (22%) and changing work patterns such as part-time or flexible arrangements (20%).

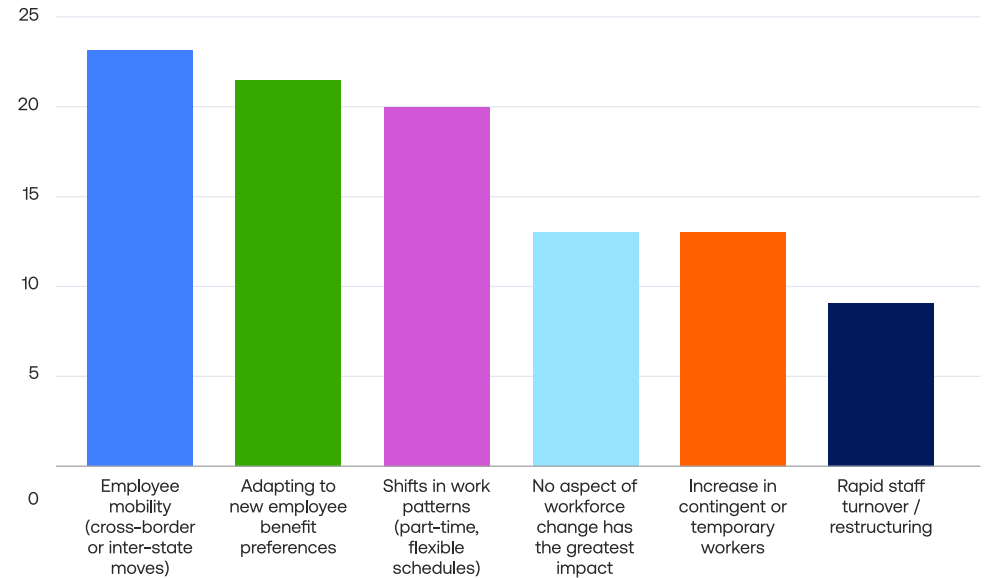
On average, **a third (32%) of respondents' workforces are paid across borders**, increasing to 41% for large firms and mobility is set to increase further. Over two-thirds (69%) of firms are planning to expand cross-border hiring in the next 12 months. This trend is particularly pronounced in the US, where 38% of leaders say employee mobility affects payroll processes the most, and 76% expect to expand cross-border hiring.

While 93% view EWA as important to their EVP, only 14% identified flexible pay as a feature employees value most. This suggests a potential misalignment in investment focus, where traditional factors like accuracy and responsiveness are still perceived as the highest priorities.

32%

of workforces are paid across borders

Which aspect of workforce change has the greatest impact on your payroll processes?



Vistra SME/Client Quote

“Mobility magnifies payroll’s importance. When people work across borders or time zones, **payroll becomes the bridge** between compliance, culture, and experience.”

5. Building future-ready, *data-driven* payroll strategies

The future of payroll lies in its ability to provide intelligence, not just accuracy. As automation matures and integration improves, payroll is becoming a strategic information layer, one that helps leaders anticipate change rather than react to it.

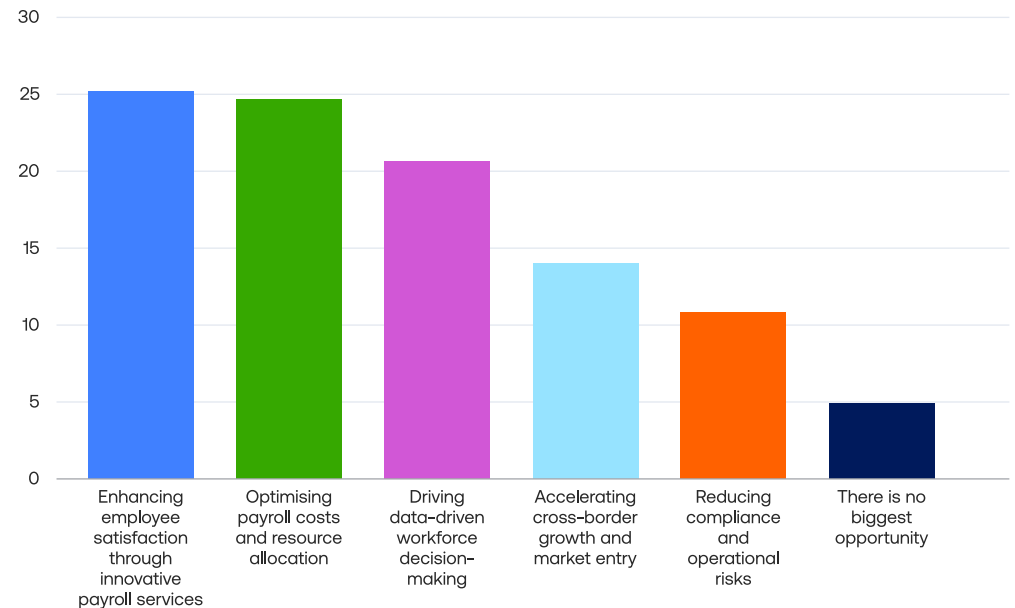
When asked about the biggest opportunity in moving payroll from a back-office function to a source of strategic insight and competitive advantage, 25% of payroll leaders identified enhancing employee satisfaction, 25% pointed to cost and resource optimisation, and 21% focused on data-driven decision-making.

These priorities show how payroll is now viewed as a key contributor to strategic planning, employee engagement, and financial control.

25%

identified enhancing employee satisfaction as the biggest opportunity

What is the biggest opportunity your organisation sees in moving payroll from a back-office function to a source of strategic insight and competitive advantage?



Vistra SME/Client Quote

“The next wave of payroll transformation will be driven by foresight. When payroll data informs business strategy, it moves **from transactional to transformational.**”

Conclusion

Payroll has reached a defining moment. It has evolved beyond compliance and administration to become a strategic growth engine, one that powers decision-making, operational effectiveness and employee trust.

Organisations investing in integrated, insight-led payroll operations are already realising tangible benefits, including greater accuracy, faster compliance response, and stronger engagement. Unified global platforms bring visibility across regions, while automation and analytics deliver agility.

Payroll has become a foundation of business intelligence – essential to planning, forecasting, and sustainable growth in a changing global landscape.

As global workforces evolve, Vistra will continue to lead the way in building payroll operations that are connected, compliant, and built for growth.

How Vistra can help

Vistra partners with multinational firms to turn payroll complexity into a competitive advantage.

With the ability to deliver payroll in over 170 countries and with 96% of payroll delivered in-house, Vistra combines local expertise with global coordination to deliver compliant, transparent, and insight-driven payroll operations.

Through unified platforms and data-driven advisory services, Vistra helps organisations gain complete visibility, consistency, and control across all markets.

Vistra's dual recognition as a Global Star Performer in the Everest Group Multi-Country Payroll PEAK Matrix® 2025 and a Leader in the NelsonHall NEAT for Payroll Services 2025 reaffirms its position as a partner of choice in the global payroll landscape.

Its teams support clients in streamlining processes, managing compliance, and transforming payroll from a cost centre into a source of strategic value.

As businesses grow and workforces become increasingly global, Vistra remains a trusted partner, helping organisations build payroll operations that are connected, compliant, and ready for what comes next.



About the research

The Vistra Payroll Report 2026 presents findings from a survey of 251 payroll leaders at UK and US corporates. Conducted between 25 September and 10 October 2025, the study explores how organisations are transforming payroll to meet new technological, regulatory, and workforce challenges.

About **Vis**tra

Here at Vistra, **our purpose is progress**. As a close ally to our clients, our role is to remove the friction that comes from the complexity of global business.

We partner with companies and private capital managers along the corporate and private capital lifecycle. From HR to tax and from legal entity management to regulatory compliance, we quietly fix the operational and administrative frustrations that hamper business growth. With over 9,000 experts in more than 170 countries, we can accelerate progress, improve processes and reduce risk, wherever your ambition takes you.



Talk to an expert

vistra.com/contact-form

Scan the QR code to visit our website and get in touch – we'd love to discuss how our payroll services could support your business.