



# Payroll Solutions

Understanding the  
power of pay on demand



## Introduction

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The past couple of years have placed a great strain upon us all. The Covid-19 pandemic has impacted millions of people – not just physically and mentally, but also financially. Damage to the economy has caused global instabilities within job markets, with research indicating that more and more people have found themselves living from pay cheque to pay cheque.



## Meeting the challenges ahead

As we move towards the future, payroll professionals across all sectors are faced with two major challenges:

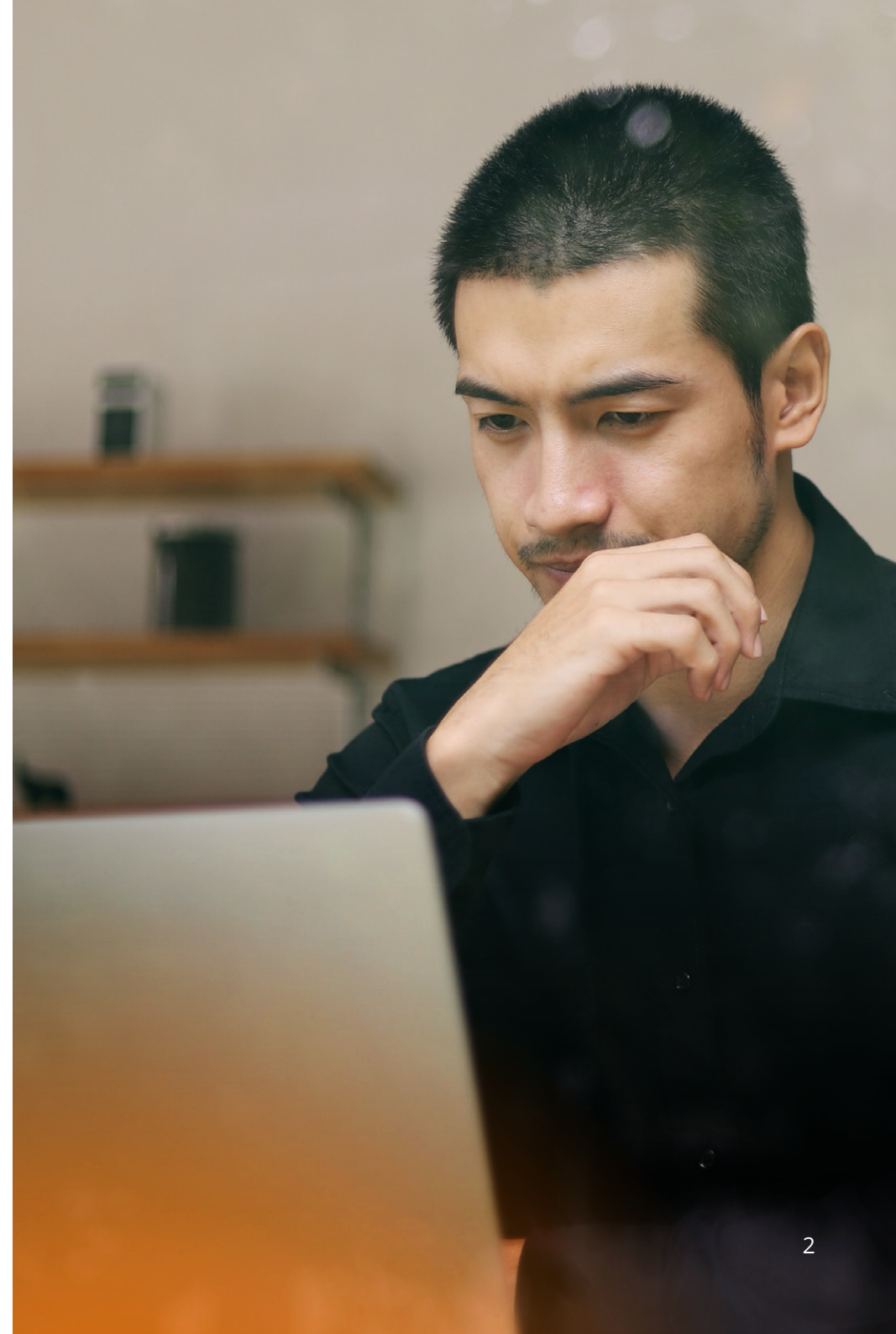
1. Safeguarding the financial wellbeing of their people after the uncertainty and disruption of the pandemic
2. Incentivising and rewarding employees who go above and beyond, as part of enacting future business strategies and driving productivity and profitability

Pay on demand could be the answer to both. There appears to be a renewed appetite for on-demand pay functionality across all regions and sectors. The pandemic era has taught businesses a great deal about the strengths of remaining agile and adaptive to challenges. Employees are now demanding that same level of flexibility be applied to other areas of their working life – particularly their wages.

It's not hard to see why. 'Streaming' wages gradually to employees as their needs dictate, rather than tying them to the next payday, gives them an unparalleled degree of freedom to manage their finances. For employees, it means they won't be caught out by those unwelcome, unforeseen costs that have a habit of cropping up.

## The future of payroll

We believe that pay on demand represents the future of payroll as we know it. In this guide, we'll explore how on-demand pay functionality can not only look after your people's financial wellbeing, but also serve as an entirely new way to reward your people for going above and beyond.



A close-up photograph of a person's hands working at a desk. The person is wearing a light-colored sweater. Their right hand holds a black pen, poised over a black calculator. Their left hand is holding a smartphone. The desk is cluttered with various items, including a stack of papers and a pen. The lighting is warm and focused on the hands and the desk.

Money worries cost the  
UK economy £120 billion and 17.5  
million lost hours of work

# What makes pay on demand important

**59%** of workers feel that financial worries impact their performance

Pay on demand can make a huge difference to your people and your business, at a difficult time. Here's how it can help you meet three key challenges:

## 1. Supporting your employees

On-demand pay functionality is designed to provide employees with a degree of flexibility and security when it comes to their finances. When an unexpected expense hits, it can be a long wait for payday – as all the while, the employee carefully guards outgoing spend. With many employees experiencing reduced income and hours over the course of the pandemic, this level of financial strain will only have been exacerbated for many. Looking towards the future, organisations need to be aware of this – and cannot afford to take their eye off the ball when it comes to the financial wellbeing of their employees.

## 2. Filling necessary positions

The twin impacts of Brexit and Covid-19 have made waves across various industries, most noticeably hospitality and leisure. Workers are leaving their positions at an alarming rate, largely due to concerns around the instability of the sector and health and safety in customer-facing roles. Concerned about how to fill key positions and stay operational, business owners are now scrambling to find ways of making work within the hospitality and leisure sector more attractive. Pay on demand may offer the solution, offering them the flexibility to pay staff as and when they pick up extra shifts or work unsociable hours.

## 3. Rewarding and retaining staff

After a prolonged period of global disruption, the finances of many businesses are on a knife-edge. Many will focus solely on driving productivity and profitability for the future, with very little capacity available for traditional financial rewards and incentives. Even if you, like many organisations, are tightening your belt, pay on demand can allow you to acknowledge and reward your people without compromising your finances.



## What pay on demand can do for your business

As we move into the new working world, it's clear that there is an appetite to leave behind the older, more rigid structure of pay. With almost one-third of UK workers living from pay cheque to pay cheque, having some flexibility in how they receive their wages will be of the utmost importance to people who want to stay in control of their finances and not be blindsided by unexpected costs. Similarly, businesses will find that pay on demand not only offers them the flexibility to incentivise overtime, but also the ideal way to reward their people during a period where finances and reward schemes may be leaner than ever.

Regardless of the needs of your business, it's evident that the working world is crying out for more flexibility in how it runs payroll. Here are some of the ways that pay on demand can help transform your pay cycle:

### **Reduce stress and improve performance**

Concerns around finances can seriously impact the wellbeing and performance of your people: one in four workers say they lose sleep over money worries. For many workers, waiting for that next pay cheque is a pain – especially after the festive period, or when sudden demands such as emergency repairs crop up. Pay on demand offers employees the flexibility to receive money as and when they need it, keeping their pay cycle agile enough to meet unexpected costs without the agonising wait.

## Boost your people's financial wellbeing

Sometimes, emergency expenses mean that employees simply cannot wait until the next pay cycle to cover sudden costs. The desperate wait can lead to your people taking desperate measures to keep their heads above water – which will likely only exacerbate stress and uncertainty in the long run. In recent years, there has been an increase in money-lending organisations offering payday loans, which provide quick cash with hefty interest rates and fees – and can saddle borrowers with crippling debt in the long term. By offering flexibility within your organisation's pay cycle, you can give your people access to their money as and when they need it, steering them away from creditors and other lenders who can affect their finances negatively for years to come.

## Enhance recruitment

One of the biggest challenges facing businesses in the future will be sourcing and retaining the right talent. In a competitive job market, you'll have to seek out every advantage you can in order to distinguish your organisation from your competitors.

On-demand pay functionality could be what sets you above the rest. Demonstrating your commitment to a more flexible form of pay can help position you as modern, forward-thinking organisation with a clearly defined commitment to safeguarding its people's financial wellbeing. Many workers are seeking out organisations who aren't simply resetting to old ways of working, and pay on demand can be an example of your willingness to adapt and evolve.

## Reduce employee absences

There is increasing evidence that stress-related sick leave may be more closely linked to financial worries than previously thought. A rigid pay cycle may only serve to exacerbate financial stress, leaving your employees struggling between pay cheques and anxious about making ends meet. Introducing a degree of flexibility will give your people the ability to more effectively manage their outgoing costs.

You should never be in the dark about your people's wider needs. Being vigilant and looking after their financial wellbeing can greatly minimise the stressors that can lead to them being absent from the workplace. Alongside pay on demand, you should also consider having conversations with your people around their finances, as well as offering them access to supplementary material to help them more effectively manage their money.

# What to look for in a pay on demand service

To fully understand how pay on demand function can help transform not only your people's financial wellbeing but also your organisation as a whole, you should consider how it aligns with the wider considerations of your pay cycle and the systems that you use.

**Here are some factors to bear in mind:**

## Data accuracy

Streaming a portion of wages to your employees means running a microcosm of the pay cycle throughout the working month. This creates complications from an accuracy and compliance standpoint, with rigorous checks required to make sure payments are accurate. Considerations around on-demand pay functionality are usually folded into discussions around upscaling your payroll software, as your systems will need a degree of complexity if you're to avoid burdening your pay teams with manual checks and balances.

## Automation

Being beholden to a specific pay cycle run date is largely due to the need for accuracy and to collate payroll data ahead of time. On-demand pay functionality upends this structure, requiring accurate and instantaneous processing of payments. Making the most out of pay on demand means looking at your existing systems and assessing the level of automation they offer. Real-time payroll calculations will be absolutely vital in order to make the flexibility of pay on demand a reality. Without a sufficient degree of automation, you'll run the risk of bogging down your payroll people with manual processes.

## Implementation

Your current service provider may not be able to offer on-demand pay functionality, or the level of complexity you require. This will inevitably mean looking for alternative suppliers. When sourcing a new system, look beyond base functionality and consider the wider issue of implementation:

- Consider whether you need a bespoke solution built for your company, or if an out-of-the-box product will be good enough
- Ask potential suppliers difficult questions around installation, setup time, customer support and technical maintenance
- Try not to be blinded by the bells and whistles and make sure that whoever you choose can get you up and running ASAP

## Communication

Although introducing a pay on demand policy will be of benefit to your employees, it still falls on your organisation to clearly and effectively communicate how it will work. Offering the option to draw down pay can mean a slight risk of employees finding themselves short of cash when their regular pay cycle comes around. Talk to your pay team about setting out clear parameters and a structure for how pay on demand will work in your business.





Advanced Payroll offers you the scalability and flexibility you need to completely transform the way you run payroll

## How Advanced Payroll can help

Our payroll system, [Advanced Payroll](#), was designed by pay experts to tackle the specific challenges faced by pay professionals across all sectors.

### **Advanced Payroll gives you:**

- Real-time calculations – get instantaneous gross-to-net calculations for up to 10,000 employees in just 20 seconds
- Super-fast processing – calculate BACs in under 20 minutes
- Pay on demand – allow employees to draw down earned pay, as they need it
- Reporting – simply build your own reports and make decisions fast
- Employee online access – put data, documents and payslips at your people's fingertips

Advanced Payroll offers you the scalability and flexibility you need to completely transform the way you run payroll. It's capable of working effortlessly across multiple sites and pay grades, whether operating as a standalone system or integrated with our time and attendance, HR and access control solutions, to form a comprehensive workforce management suite.

Have peace of mind with comprehensive reporting, GDPR auto-processing, audit trail capability and ongoing support. Our helpful professional service consultants are always on hand to help make sure you're getting the most out of your system.

Advanced Payroll is the only solution you'll ever need to source again.





## Your next steps

As modern working culture undergoes a fundamental transformation, there is an appetite for even more evolution, particularly among the more static elements of business. The pay cycle is one area ripe for transformation, and pay on demand offers businesses the ability to free their employees' wage stream from its traditionally rigid confines.

Putting pay on demand at the heart of your business' strategies can give you a greater understanding of your employees' financial wellbeing, as well as an unparalleled ability to incentivise and reward the people who go above and beyond.

If you'd like to discover more about how Advanced Payroll can help transform the way you run your payroll, our friendly and helpful team of experts are always on hand to help. [Get in touch](#) today.





## We would love to hear from you


If you would like to find out how our payroll software can help you secure your people's financial wellbeing through our innovative pay-on-demand functionality, we'd love for you to get in touch with us today.

[Book a Demo](#)

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