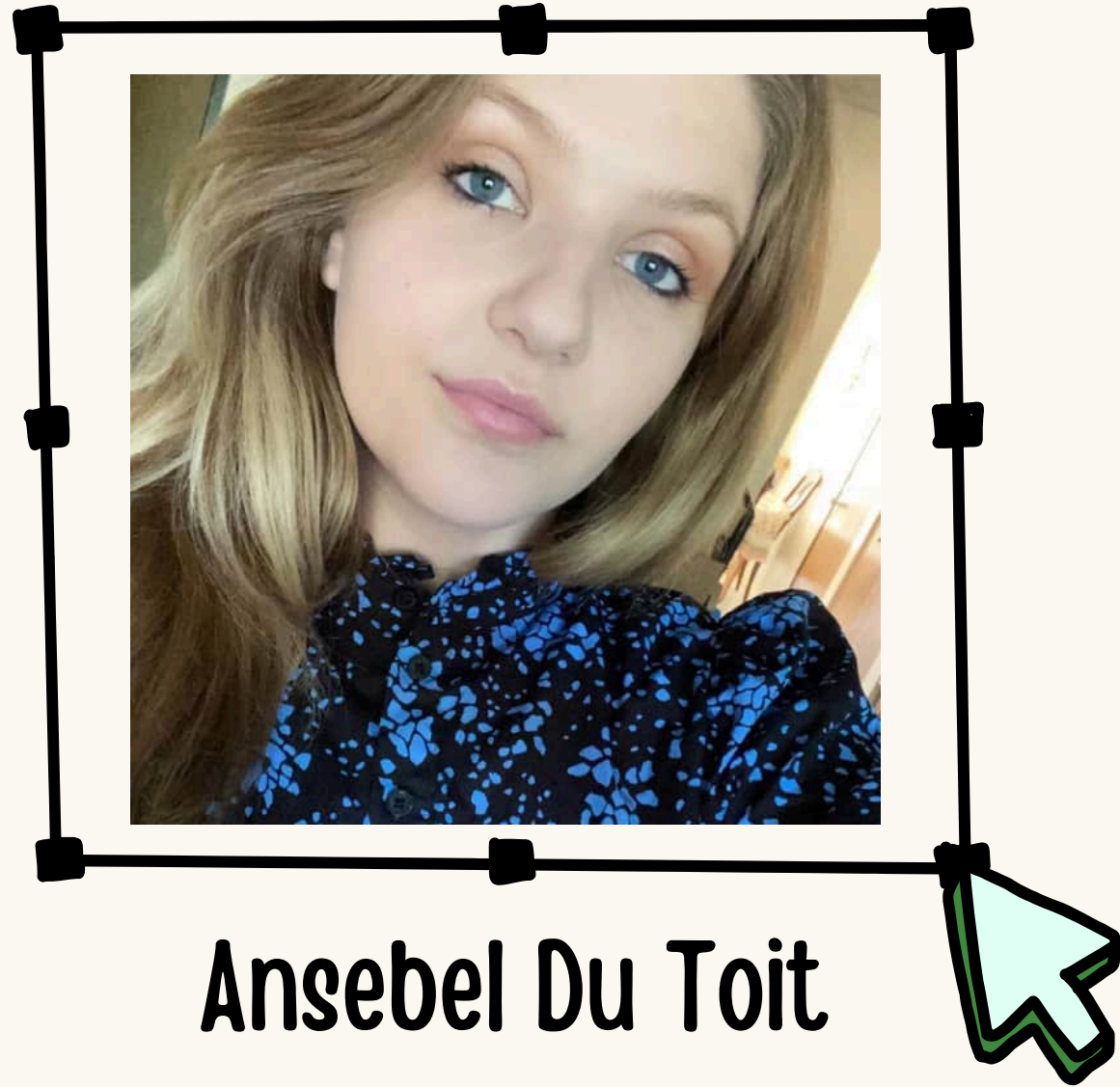


PAYROLL DATA AS PEOPLE ANALYTICS

Payroll as a Living Reflection of the Workforce

Presentation by Ansebel Du Toit, MBA, MIOP





Ansebel Du Toit



Introduction

Payroll and Human Resources professional, in the payroll industry for 5 years, with a master's degree in Industrial and Organizational Psychology and an MBA in People Management.





Payroll is more than a transaction — it's a human signal, a cultural mirror, and a strategic instrument.



Payroll Data to Keep an Eye On



Pay rates, bonuses, commissions



Overtime, hours worked



PTO, sick leave, leaves of absence



Deductions (benefits, garnishments, retirement)



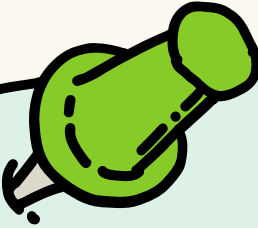
HR events that trigger payroll changes and Employment status (FT/PT, contractor, temp)





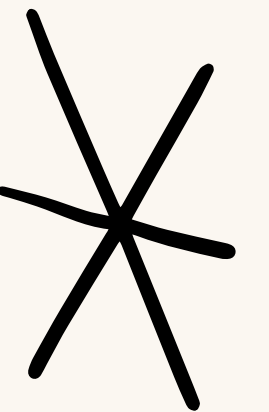
Poll Question:

How effectively is your organization using payroll data for HR decision-making?



Agenda

1. Payroll & Employees
2. Payroll as a Lens
3. Transactional vs. Transformational Mindset





Section 1:

The Hidden Language of
Payroll: What You're Really
Telling Your People

What Makes Us Feel Good About Our Work?

Dan Ariely – Behavioral Economics Research

Key Finding:

Even for the same pay, people in the meaningful condition built far more figures – simply because their work was acknowledged, not undone.

(Ariely, et al, 2008)

“People are not only motivated by money, but by meaning, fairness, and a sense of purpose. When compensation feels arbitrary or opaque, trust erodes.”

(Ariely, 2016).

– Dan Ariely



Each payday is a company-wide communication

Here's how our policies impact your real life.



We value your time and effort.



We are (or aren't) operationally competent.



We are (or aren't) fair and transparent.



This is our culture – in numbers.



This is how we reward performance and loyalty.



Case Study

Purpose-Driven Pay: How Chobani Uses Compensation to Reinforce Culture

- Within the company, Chobani cultivates a sense of **purpose**, **ownership**, and **belonging** for its employees through fair compensation, an equity sharing program, and a focus on DEI.



(Mainwaring, 2023)

Mini Audit Tool

How Clear is your Payroll Communication?

- Clarity
- Accessibility
- Consistency
- Empathy



Scan the QR Code to Open a downloadable/printable PDF of a Payroll User Experience Checklist

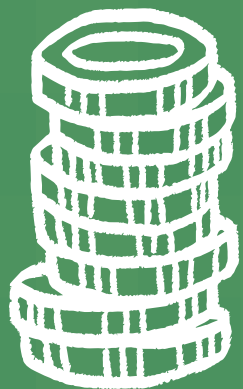


Section 2:

Payroll as a Mirror: What
Your Data Says About Your
People, Values, and Future.

What you say

- Aspirational values are shared in mission statements, town halls, and branding.
- Culture is described in words: inclusive, innovative, purpose-driven.



“Culture is not what you say it is. **It’s what people experience.**”

– Adam Grant (I/O Psychologist)

What you show

- Payroll and budget decisions reveal what the company truly prioritizes.
- Compensation, equity, and promotion data reflect lived employee experience.

PAYROLL IS THE EMOTIONAL PULSE OF THE ORGANIZATION



(Moriarty, 2024)

Signals of Burnout

Overtime, unused PTO, and sick pay reveal silent struggles.



Stagnation

Flat pay and no advancement signal stalled growth.



Engagement Levels

Incentive participation reflects who's leaning in—or checking out.



Validation & Acknowledgement

Bonuses and raises show who feels seen and valued.





The equity story your data tells.

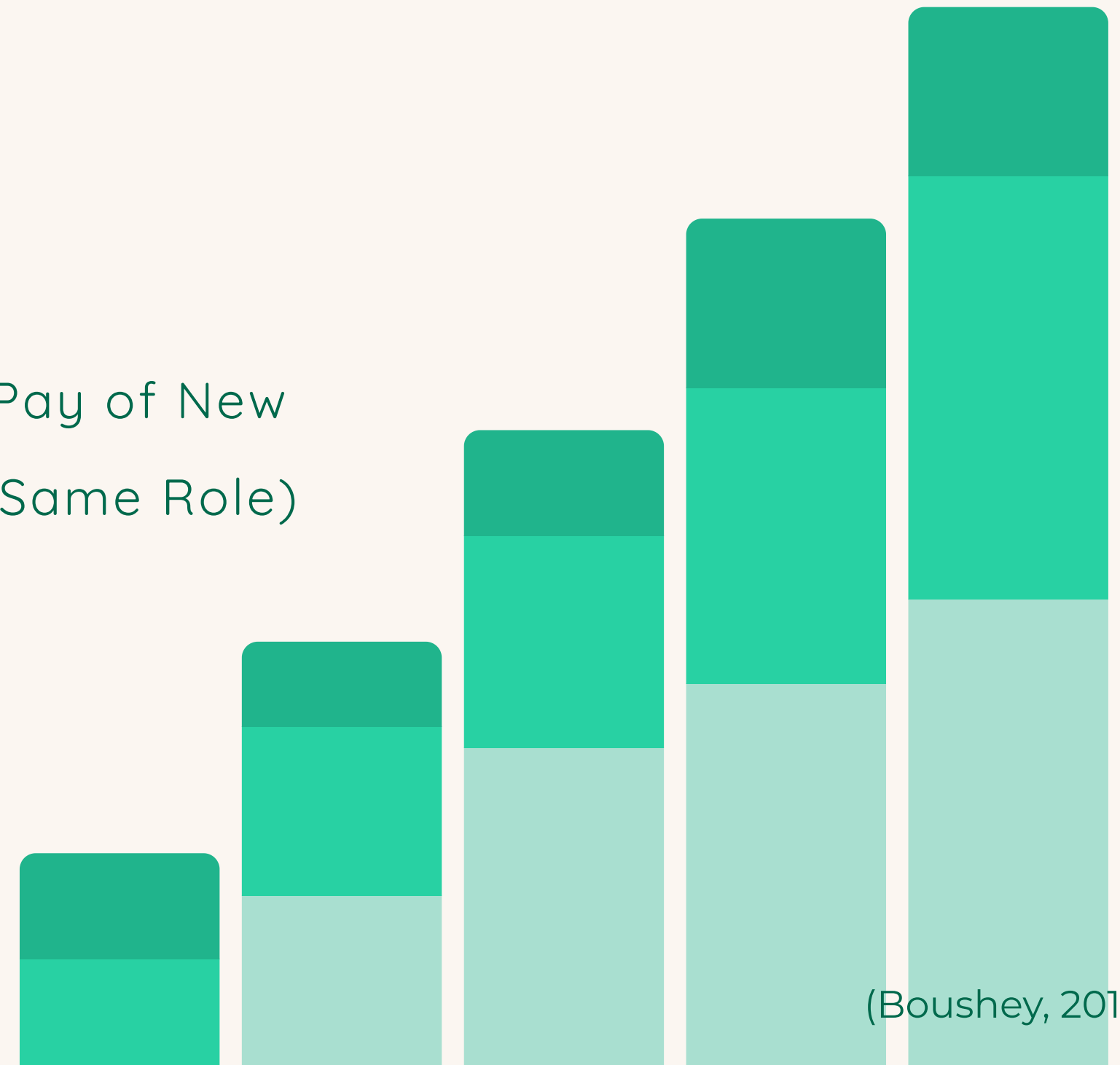
Payroll data can reveal **systemic patterns**.

- **Equity Metrics to Watch:**

- Pay gaps
- Pay compression
 - $\text{Compaction Ratio} = (\text{Average Pay of New Employees}) \div (\text{Average Pay of Experienced Employees in the Same Role})$
- Raise frequency and fairness

**“Wage inequality is not just a reflection of the market—
it’s a reflection of the choices companies make.”**

– Heather Boushey, Chief Economist



(Boushey, 2016)



Section 3:

“Transactional Payroll Mindset”

VS

“Transformational Payroll Mindset.”

Two Payroll Mindsets:

Transactional

- Focuses on simply processing paychecks
- Reactive to errors
- Operates in silos
- Admin tool

Transformational

- Surfaces workforce insights
- Predictive of trends
- Connects departments
- Strategic tool

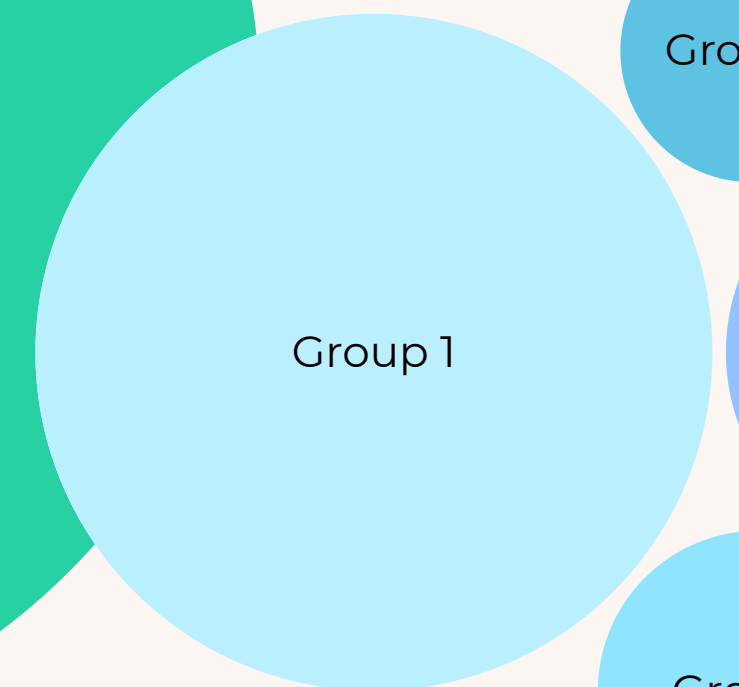
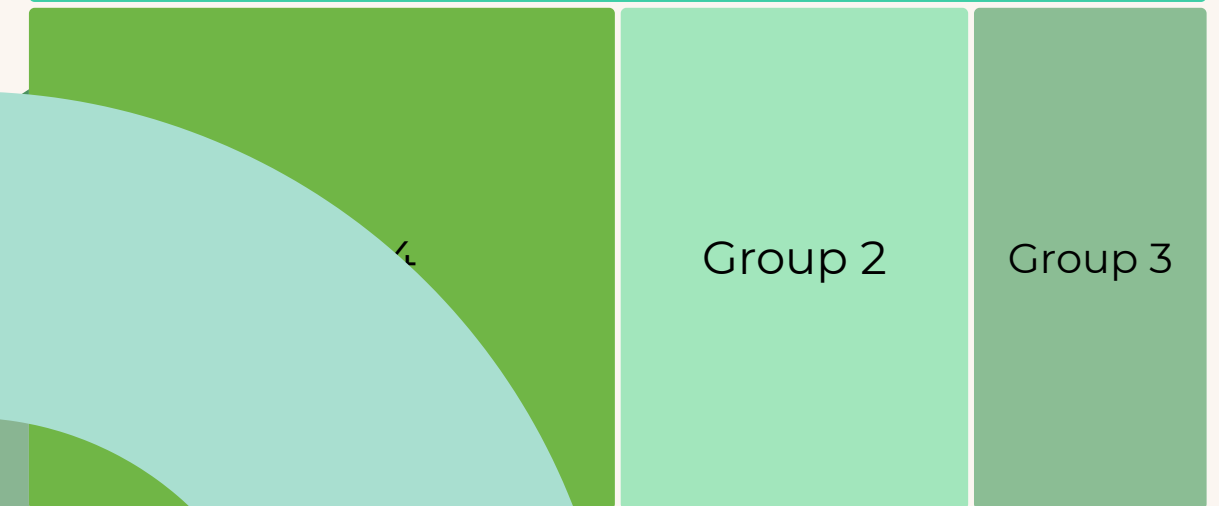
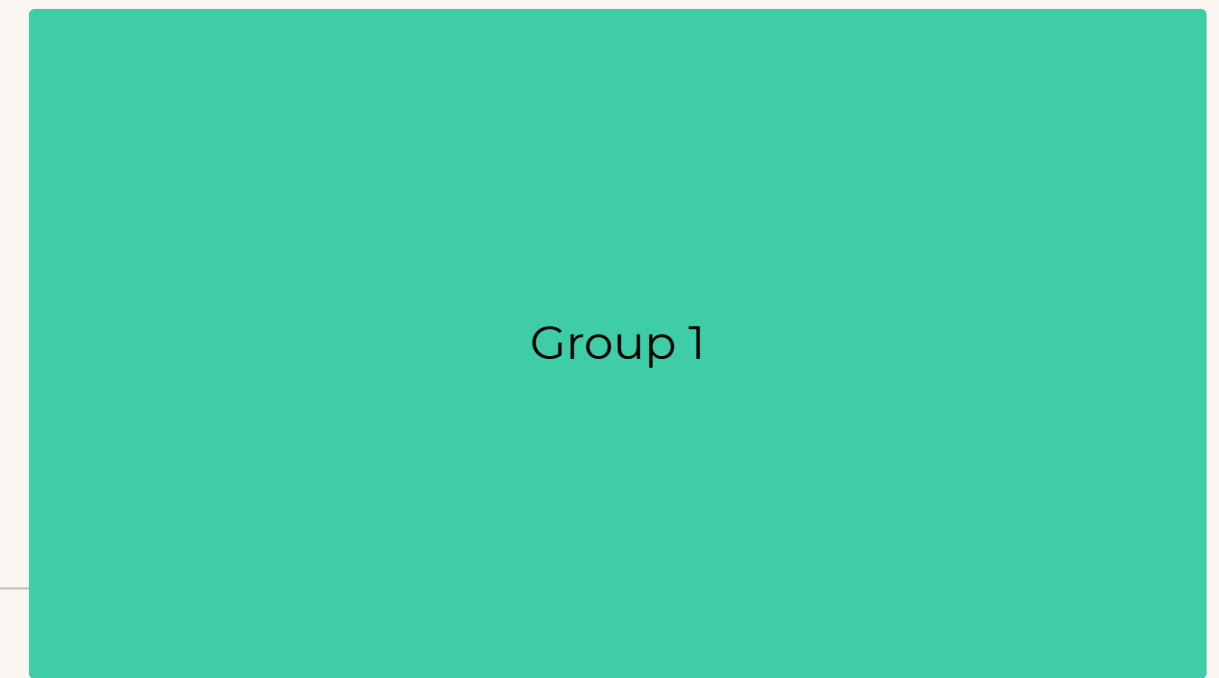


Payroll Is a Living, Dynamic, Organization- Wide Dataset



Unlike static surveys, payroll is ongoing, quantifiable, and touches every employee.

It connects directly to business outcomes like attrition, DEI, workforce planning, and ROI.



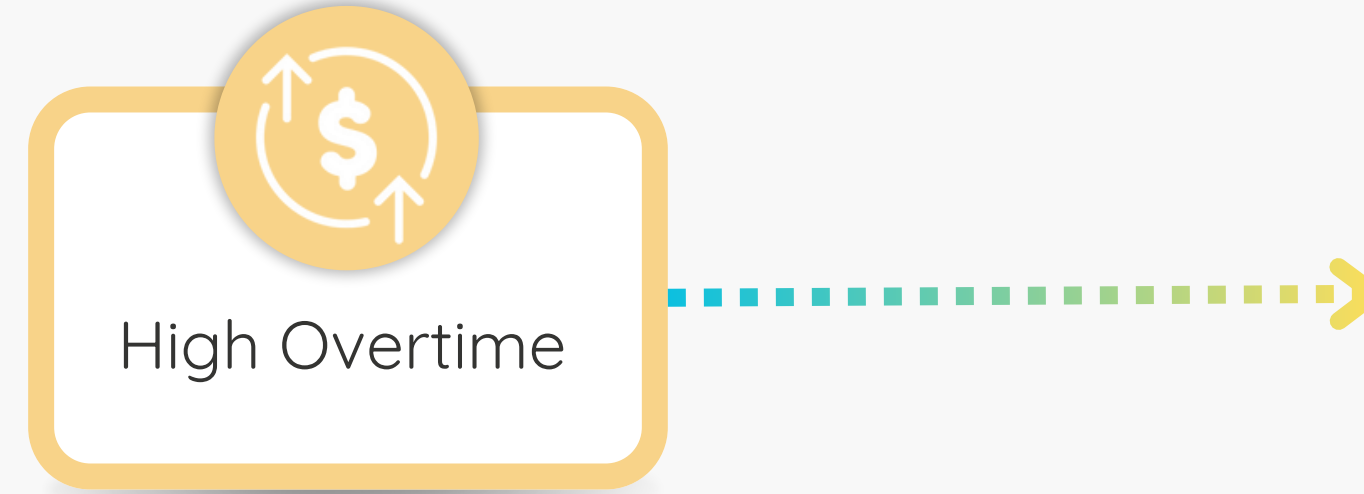
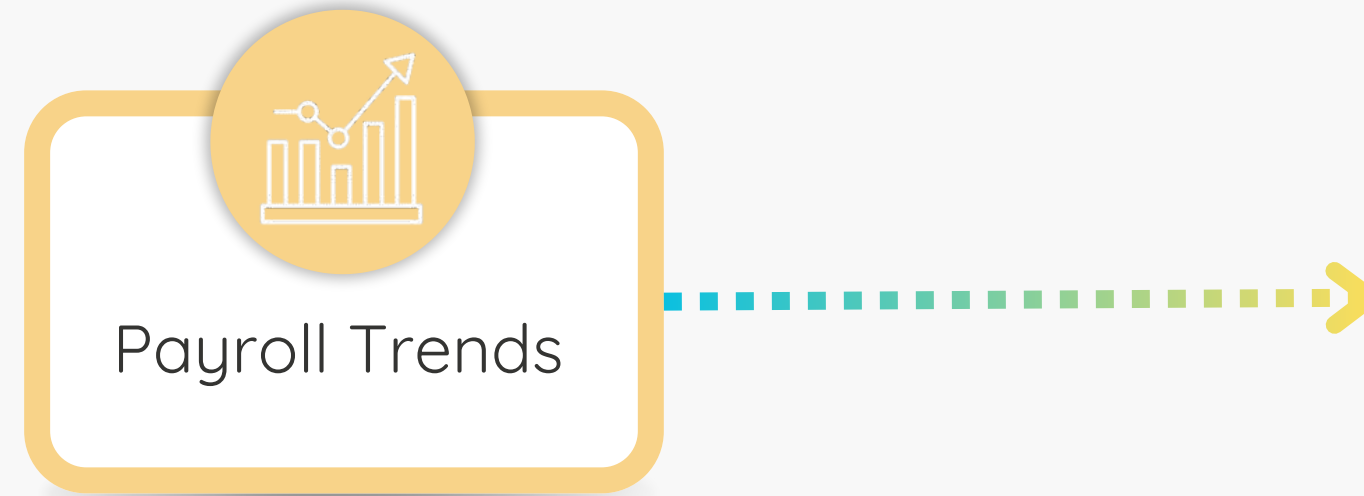


TRANSFORM INSIGHT INTO ACTION

Move from reactive reporting to predictive strategy.



(Bonifacio, 2025)



Cost Comparison Model : Hire someone part time or have existing employee work overtime?

Option A: Cost of Overtime

$$\text{Overtime Cost} = \text{Employee's Hourly Rate} \times 1.5 \times \text{Overtime Hours}$$

Option B: Cost of New Hire

$$\text{New Hire Cost} = \left(\frac{\text{Annual Salary} + \text{Benefits} + \text{Hiring Costs}}{\text{Annual Hours Worked}} \right) \times \text{Projected Hours Needed}$$

(Zhou, et al, 1997)

- Include onboarding/training time for new hires
- Factor in fatigue or burnout risk for overtime
- Consider long-term needs vs short-term spikes in demand

Using Payroll Data to Predict Turnover

Walmart

Walmart analyzed payroll and scheduling data, combining payroll, attendance, and shift data, to identify stores with high early attrition (first 90 days).

- Inconsistent hours and pay volatility were strong predictors of quitting.
- Adjusted onboarding schedules. More consistent scheduling. Pay schedule improvements

(Tian, 2024)



Connecting Payroll to Other Departments



(Miller, 1998)
(Rice, 2025)




Concluding Thoughts

Payroll is Communication

Data is your diagnostic tool

From a process to a people
strategy





**“Numbers have an important story to tell.
They rely on you to give them a clear and
convincing voice.”**

– Stephen Few, Data Visualization Expert

The background is a dark green color with various white line-art icons scattered around. These icons include stacks of money, individual coins, a dollar sign, a calculator, a piggy bank, a bar chart, a hand holding coins, a pen, and a document with a dollar sign. The central text is contained within a dark green rounded rectangle.

Thank you!
Any Questions?

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