Compliance, accuracy and visibility

The 3 non-negotiables in modern European payroll

forvis mazars

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Foreword

In today's rapidly evolving business environment, payroll is no longer a silent function operating behind the scenes. It has emerged as a strategic force, ensuring compliance across borders and unlocking critical workforce insights. This transformation is not just operational; it is cultural, regulatory and deeply human.

The European payroll landscape is undergoing a profound shift. As organisations face increasing regulatory complexity, rising employee expectations and the pressure to operate seamlessly across borders, payroll has become more than a transactional necessity. It is now a cornerstone of business resilience and employee experience.

This report offers a comprehensive and multidimensional view of payroll's evolution across Europe. Drawing on both quantitative data and qualitative insights, it reflects the experiences of payroll professionals, HR leaders, finance experts and compliance specialists across 13 European markets.

As a global leader in international payroll and compliance, I have witnessed firsthand how the role of the payroll professional is changing. No longer confined to processing and administration, payroll leaders are becoming controllers who interpret data, anticipate risks and guide decision-making but also strategic advisors to the HR and finance functions. This shift demands not only technical expertise but also strategic vision and cross-functional collaboration.
At the heart of this study, there are three non-negotiable parameters that define modern European payroll: **compliance**, **accuracy** and **visibility**. These pillars are not optional; they are essential to building trust, ensuring operational integrity and presenting the full potential of payroll as a strategic component.

Accuracy is the foundation of trust. Our research shows that nearly one in three organisations report payroll calculation errors and one in five admit that payroll issues have damaged employee confidence. In a competitive labour market, where talent retention is critical, even a single error can have disproportionate consequences. Payroll is the moment of truth between employer and employee — and when it fails, trust breaks. As one contributor noted, "If an employee's salary is paid incorrectly twice, they start looking for another job." Accuracy is not just a technical requirement; it is a reputational imperative.

Compliance, particularly in cross-border contexts, is the top challenge facing payroll leaders today. 60% of respondents struggle to keep up with changing labour laws and 62% cite frequent regulatory updates as a major issue. In a multi-country environment, each jurisdiction adds a new layer of complexity — different rules, deadlines, formats and languages. The concept of a single person knowing all the legislation across all countries is simply not feasible. This is why local expertise, layered governance and strategic partnerships are more critical than ever. Compliance is no longer a box-ticking exercise; it is a high-stakes balancing act that influences strategic decisions and operational confidence.

Foreword

Visibility into payroll data is a relatively untapped opportunity. 70% of business-critical data flows through payroll systems, yet many organisations still underutilise this resource. Payroll holds a wealth of information — from salaries and benefits to cost centres, time logs and attrition trends. This data powers forecasts, supports compliance, informs hiring strategies and flags operational risks. However, without proper integration and automation, organisations risk data silos, delays and security vulnerabilities. Payroll is not just a process — it is a live, data-rich system that connects people to performance.

Automation is reshaping payroll, but it cannot replace human judgement. While technologies such as RPA and AI offer efficiency gains, only 17% of respondents currently use automated compliance monitoring. Moreover, 45% cite process optimisation and cost reduction as top challenges. Automation can handle the heavy lifting, but it cannot interpret nuance, manage exceptions or provide strategic advice. Human insight remains irreplaceable. The future of payroll lies in the balance — combining intelligent automation with expert advisory to deliver speed, accuracy and strategic value.

Equal pay is rising as a strategic priority, driven by regulation and employee expectations. What was once an HR checkbox is now a boardroom conversation. 45% of HR leaders cite compensation as a major challenge and new EU directives are making equal pay audits essential. Payroll sits at the centre of this issue — holding the data, validating the numbers and ensuring transparency. Organisations are investing in infrastructure, audits and advisory services to meet these demands. Equal pay is not just about compliance; it is about values, reputation and talent retention.

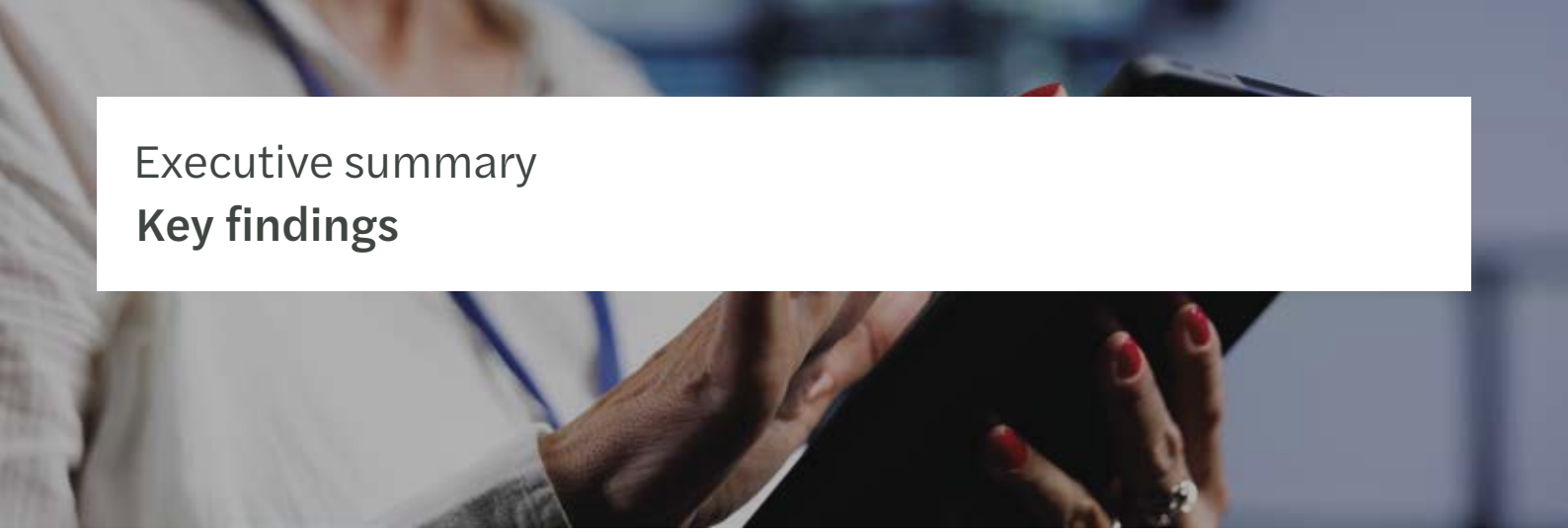
This study reveals a fundamental shift in how payroll is perceived and prioritised. Accuracy is expected. Compliance is strategic. Data must be leveraged. Automation must be guided by human expertise. Payroll is no longer a background function — it is leading from the front.

At Forvis Mazars, we believe payroll should be both **precise and proactive**. Backed by local expertise, global reach and a balanced approach to technology and talent, we help businesses transform payroll from an operational task into a competitive advantage. Our integrated model empowers payroll teams not just to process faster, but to think smarter — delivering clarity, confidence and strategic insight.

The research, insights, experiences and perspectives have shaped a report that goes beyond tracking change — it frames opportunity. Payroll is no longer just about correctly calculating salaries. It's about doing it right — securely, transparently and in a way that builds trust, delivers insight and creates resilience.

The future of payroll isn't hidden in the background. It's taking centre stage.

Ioana Vlad Rădulescu
Partner, International Payroll & Compliance, Forvis Mazars



Executive summary
Key findings

Executive summary

The European payroll landscape is undergoing a profound transformation. As organisations face growing regulatory pressure, rising employee expectations and complex operational demands, payroll has become more than a back-office function — it's a strategic pillar of business resilience and employee experience.

In 2025, Forvis Mazars commissioned Transiris to conduct a comprehensive analysis of payroll and HR trends across **13+ European markets**. This research-combined a large-scale quantitative survey with in-depth qualitative inteviews, offering both data-driven insights and on-the-ground perspective from experienced payroll leaders.

The quantitative study gathered responses from hundreds of payroll, HR and finance decision-makers in key European markets, including Austria, Poland, the Czech Republic, Hungary, Spain, Germany, the UK and more. In parallel, 10 expert interviews were conducted with payroll professionals from a range of sectors — from HR and operations to finance and compliance — capturing lived experiences and forward-looking views.

This report doesn't just track change — it frames opportunity. It offers practical insights for businesses seeking to modernise their payroll, remain compliant and build trust with their workforce.

Key takeaways

Accuracy is non-negotiable
Nearly **1 in 3** organisations report payroll calculation errors; **1 in 5** admit payroll issues have damaged employee trust.

60%

Cross-border compliance is the #1 challenge
60% of respondents struggle to keep up with changing labour laws and 62% cite frequent regulatory updates as a top issue.

70%

Payroll data is strategic
Around 70% of critical business data is processed through payroll systems, yet many firms still underuse it.

17%

Automation has limits
Only 17% of respondents use automated compliance monitoring and leaders stress technology must be balanced with human judgement.

45%

Pay equity is rising fast
45% of HR leaders cite compensation as a key challenge; new EU directives are making equal pay a strategic imperative.

Forvis Mazars is uniquely positioned at the intersection of local expertise, global capability, and strategic advisory — helping clients turn payroll from an operational task into a competitive advantage.

From compliance burden to strategic advantage: the evolution of payroll in Europe

This report reveals a striking truth: payroll has outgrown its back-office roots. Once seen as a transactional function, it now sits at the heart of business continuity, employee experience and strategic decision-making.

Across all markets, payroll leaders are navigating growing complexity, rising expectations, and the unmistakable need to evolve. Here are the five key insights shaping the future of payroll in Europe: Together, the insights reveal five dominant trends shaping the future of payroll:

1. Payroll is the first pillar of people experience — accuracy is non-negotiable and trust is at stake.

When payroll fails, trust breaks. For employees, being paid accurately and on time is non-negotiable. For organisations, it's the litmus test of reliability.

2. Cross-border compliance is the top challenge — complexity is rising, and local expertise is critical.

Multi-country payroll compliance is no longer just a technical concern. It's the #1 obstacle to operational confidence and peace of mind.

3. 70% of business-critical data lives in payroll — yet many still underestimate its strategic value.

Payroll isn't just a process — it's a live data system. It powers forecasts, flags risks and reveals what's happening in your workforce.

4. Automation can save time, but not replace judgement – human insight remains irreplaceable.

AI and RPA are shaping the future — but human insight still rules. Automation is a tool, not a substitute for judgement, context, or care.

5. Equal pay audits are rising as a strategic priority – driven by regulation and employee pressure.

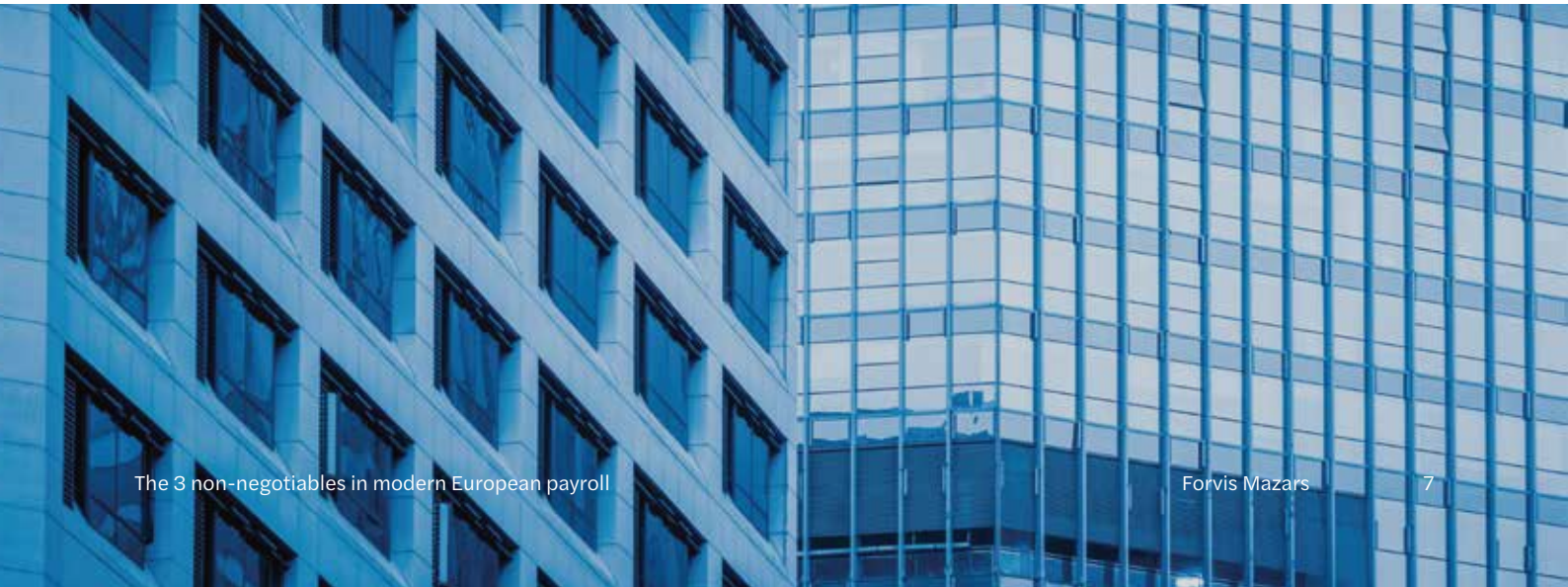
What was once an HR checkbox is now a strategic issue. Pay equity is being driven by regulation — and demanded by employees.

What this means for business leaders

Modern payroll is no longer just about correctly calculating salaries. It's about doing it right, securely, transparently and in a way that builds trust, delivers insights and creates resilience.

To thrive, organisations must invest in payroll as both a compliance engine and a strategic partner — one that blends automation with human expertise, data with judgement and local knowledge with global scale.

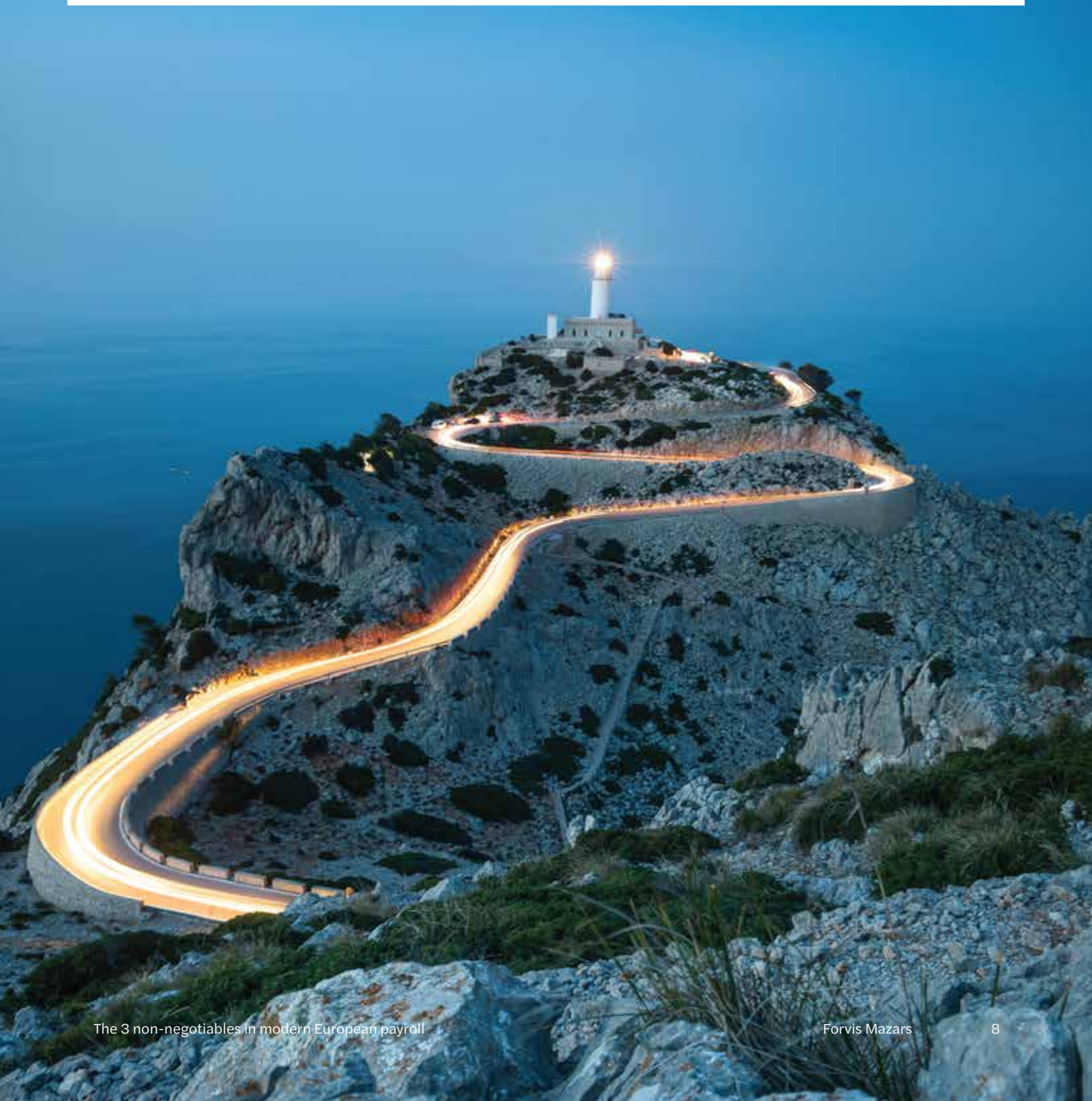
At Forvis Mazars, we're ready to meet that challenge.



Chapter one

Payroll is the first pillar of people experience

Payroll may not always be the loudest voice in the organisation, but it is undoubtedly one of the most powerful. When done right, it goes unnoticed. When done wrong, it becomes unforgettable.



Payroll is the first pillar of people experience
Accuracy can't fail

Payroll may not always be the loudest voice in the organisation, but it is undoubtedly one of the most powerful. When done right, it goes unnoticed. When done wrong, it becomes unforgettable. For employees, getting paid accurately and on time isn't just a matter of convenience — it's a matter of trust. That trust is fragile. The moment payroll fails, confidence crumbles. This is why accuracy is more than a technical requirement; it's the bedrock of the employee experience. Our survey confirms this with striking clarity: payroll accuracy is the most valued aspect of current HR and payroll providers, selected by 58% of respondents. Yet accuracy remains a daily challenge.

These issues do more than disrupt processes — they damage trust.

Nearly 1 in 5 leaders (20%) admit they've struggled to maintain employee confidence due to payroll-related concerns.

Leaders are aware of the consequences.

David Amigo
Labor Relations Lead & Payroll Lead, Spain — Unilever

Leading highly complex payroll operations in a multinational environment with many stakeholders involved

"Payroll... must be an invisible part of HR because everybody expects that it works properly. Payroll accuracy is the first pillar of the people experience, since everyone works to earn money. And if it fails, everything fails."

32%
Of organisations report occasional payroll calculation discrepancies.

11%
Still experience salary payment delays.

45%
Identify payroll accuracy in complex structures as a top imperative.

33%
Call out the difficulty of ensuring timely, error-free payment of salaries and benefits.

Payroll is the first pillar of people experience
It's not just payroll, it's the foundation of trust and reliability

Accuracy and compliance consistently came up as the most important factors when evaluating external providers. However, close to 40% of respondents noted that they've experienced inconsistency in these areas — highlighting the importance of choosing partners who can deliver reliably.

In response to increasing risk, businesses are taking proactive steps to reinforce internal controls.

43%

Still use in-house payroll teams as part of their accuracy and compliance approach.

47%

Conduct regular internal or external audits.

Accuracy is no longer a differentiator. It is an expectation. In today's complex regulatory landscape, the true value comes from partnering with payroll providers who embed compliance and control mechanisms into their processes by design, rather than treating them as an afterthought.

And with the scale and experience of serving multiple clients across different industries, outsourcing providers can go even further — becoming data-powered organisations that leverage cross-sector insights, benchmarking, and best practices to deliver consistency and resilience.

Miroslav Koblih
Head of Human Resources CZ/SK & PL for Carl Zeiss, Czech Republic

"Everyone expects that it will be accurate and it will be correct (payroll)... so this is a must."

In the era of talent shortages and increased competition for skilled workers, payroll becomes a core part of employer branding.

Melanie Pizzey
CEO, Global Payroll Association

"If an employee's payroll is paid incorrectly twice, they start looking for another job."

It's simple: payroll is the moment of truth between employer and employee. It's where operational reliability meets emotional impact.

Jana Boštíková
Partner, HR & Payroll Services, Forvis Mazars, Czech Republic

"Payroll accuracy is non-negotiable – even a single error can have a disproportionate impact on employee trust and morale, and ultimately the employer-employee relationship"

Chapter two

Compliance across borders

For global businesses, payroll compliance isn't just a box-ticking exercise — it's a high-stakes balancing act. Across different time zones, tax codes and employment laws, ensuring payroll accuracy means navigating a constantly shifting regulatory landscape.

Compliance across borders
The top challenge for international payroll

For global businesses, payroll compliance isn't just a box-ticking exercise — it's a high-stakes balancing act. Across different time zones, tax codes and employment laws, ensuring payroll accuracy means navigating a constantly shifting regulatory landscape. And it's only getting more complex.

In our survey, nearly **60% of respondents cited keeping up with evolving labour laws and tax regulations as their biggest challenge in managing HR and payroll**.

Another **30% pointed to the burden of handling payroll for global or multi-country workforces** — a figure that reflects how widespread and difficult this issue has become.

The complexity doesn't stop at the border. In fact, it gets worse there. 62% of respondents say that frequent regulatory updates and staying compliant with them are among the most common payroll issues they face.

From late-breaking legal updates to inconsistent government guidance, the challenge is not just to comply — it's to do so quickly, accurately and without disrupting employee pay.

This challenge isn't theoretical — it's operational. **24% of participants specifically flagged cross-border payroll complexity as one of their main concerns**.

And that's understandable: different rules, different deadlines, different formats and different languages mean every country adds a new layer of risk.

Claudia Tudor
Payroll Manager-Europe, Middle East and South Africa (EMEA), NSF

Manager Payroll, championing payroll as a strategic enabler in multi-country operations and workforce analytics.

"Companies face legal challenges in multi-country payroll compliance... it can be very risky when you don't know when there's a change in legislation. You need to stay up to date with new regulations and also ensure that year-end activities are both timely and accurate."

Compliance across borders
Global payroll compliance isn't just complex, it's constant

The pressure to stay compliant also shapes major strategic decisions. When deciding whether to manage payroll in-house or outsource it, **48% of organisations said compliance with evolving regulations was a key factor.**

When switching providers, **51% said they would only move if stronger compliance expertise was on offer**. That's because getting compliance wrong is not an option. Whether it's a missed update, a misclassified benefit, or a late filing — the financial and reputational costs are real.

These findings point to a major opportunity: in a landscape where compliance is a daily obstacle, the value of an expert partner has never been higher. Accuracy, flexibility and on-the-ground local knowledge are no longer nice-to-haves — they're essential.

Ioana Vlad Rădulescu
Partner, International Payroll & Compliance, Forvis Mazars

"The concept of having one person that would know all of the legislations in all the countries does not exist."

So how are companies coping?

Through partnerships, layered governance and specialist expertise.

53%
Work with external payroll providers to ensure compliance and accuracy.

53%
Consult legal and tax advisors for deeper regulatory guidance.

47%
Use audits and internal controls as an added layer of compliance assurance.

Chapter three

70% of business-critical data lives in payroll

Think of payroll as more than a payslip engine. It's your organisation's data goldmine — packed with the numbers, patterns and signals that drive smarter decisions across HR, finance and operations. And yet, too often, its true value is underestimated.

70% of business-critical data lives in payroll
An untapped source of strategic insight

Think of payroll as more than a payslip engine. It's your organisation's data goldmine — packed with the numbers, patterns and signals that drive smarter decisions across HR, finance and operations. And yet, too often, its true value is underestimated.
Today, payroll holds an enormous share of sensitive and business-critical information — employee records, tax IDs, salaries, benefits, cost centres, time logs, attrition trends and more. In fact, it's no exaggeration to say that 70% of your company's data either flows through or lives within payroll systems.

This data isn't just about paying people — it powers cost forecasts, supports compliance, informs hiring strategies and flags operational risks.

According to our survey, **21% of respondents ranked security and data protection** as one of the most valuable aspects of their current payroll and HR providers. And a further **15% highlighted integration with HR and finance systems as a priority** — a clear call for connected, streamlined systems that maximise payroll's full potential.

Despite payroll's strategic potential, many organisations still rely on patchy integrations or manual reporting. This leaves them vulnerable — not only to data silos and delays, but to security breaches and service gaps.
In fact, nearly **60% of respondents** working with external payroll providers reported issues with responsiveness and service levels. And **23% cited regional inconsistency in service quality** — cracks that can quickly become fault lines in data continuity.

Claudia Tudor
Payroll Manager-Europe, Middle East and South Africa (EMEA), NSF

Manager Payroll, championing payroll as a strategic enabler in multi-country operations and workforce analytics.

"At least 70% of your company's data is in payroll... it can show you what's happening in the market, in different countries, in retention, in headcount. So, my advice is: stop seeing payroll as just a number cruncher and start seeing it as a strategic tool."

70% of business-critical data lives in payroll
Payroll is where business intelligence begins

To manage risk and reinforce trust, companies are building layered governance frameworks:

53%
Use external payroll providers for accuracy and compliance.

53%
Consult legal and tax advisors for complex data and regulatory decisions.

47%
Apply regular audits.

43%
Still use in-house payroll teams as part of their accuracy and compliance approach.

However, automation remains underused. **Only 17% reported using automated systems** for monitoring and compliance — a missed opportunity when considering the scale and sensitivity of payroll data. Better automation could mean real-time reconciliation, integrated reporting and early warning systems for anomalies.

This shift in perception is long overdue. Payroll is no longer a back-office cost centre — it's a live, data-rich system that links your people to your performance.

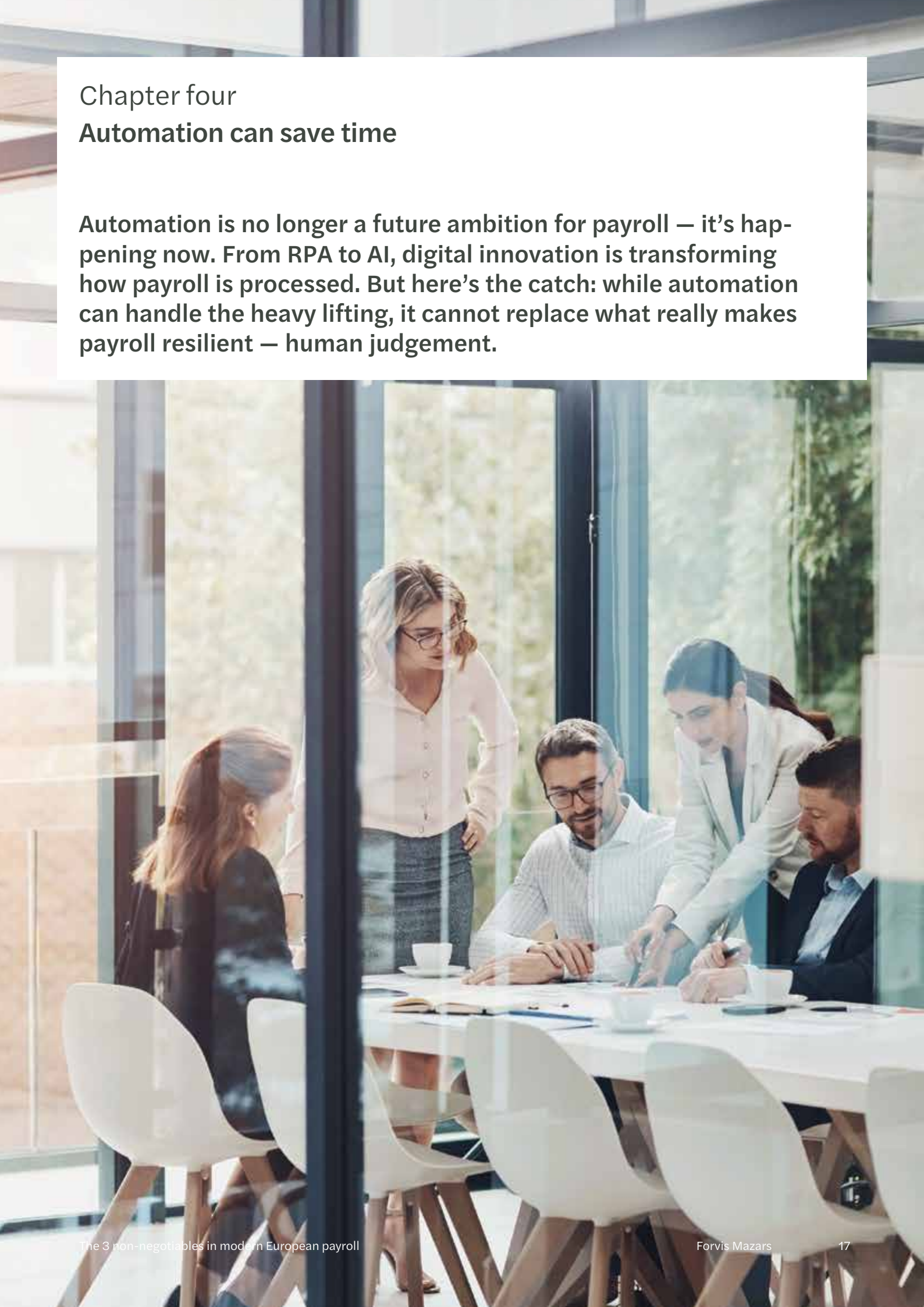
Getting it right means investing in tools that ensure security, clarity and integration. Getting it wrong can mean fractured reporting, mistrust, or even legal exposure.

In today's data-driven environment, payroll isn't just a processor — it's a powerhouse. And for organisations ready to treat it as such, the rewards go far beyond compliance.

Chapter four

Automation can save time

Automation is no longer a future ambition for payroll — it's happening now. From RPA to AI, digital innovation is transforming how payroll is processed. But here's the catch: while automation can handle the heavy lifting, it cannot replace what really makes payroll resilient — human judgement.



Automation can save time
Yet it can't replace human judgement in payroll

Automation is no longer a future ambition for payroll — it's happening now. From RPA to AI, digital innovation is transforming how payroll is processed. But here's the catch: while automation can handle the heavy lifting, it cannot replace what really makes payroll resilient — human judgement.

Despite growing interest in streamlining operations, **only 17% of respondents say they currently have payroll systems with built-in compliance monitoring**.

Meanwhile, 46% cite optimising processes and reducing costs as a top challenge. Clearly, there's appetite for efficiency — but also a recognition that technology alone isn't enough.

These realities explain why nearly a third of companies (31%) feel held back by a lack of proactive payroll advisory services.

While automation solves for speed, **only 11% of respondents say that advisory is a strength of their current provider** — a figure that highlights a glaring opportunity for companies ready to blend tech with human-led insight.

Automation can only go so far. It doesn't interpret nuance. It doesn't explain legal grey areas. It doesn't negotiate deadlines, handle exceptions, or calm a frustrated employee.

That's where human expertise steps in. It's no surprise then, that **over 53% of organisations still turn to external payroll providers** and a similar percentage lean on legal and tax advisors for compliance and interpretation.

Claudia Tudor
Payroll Manager-Europe, Middle East and South Africa (EMEA), NSF

Manager Payroll, championing payroll as a strategic enabler in multi-country operations and workforce analytics.

"At least 60% of the payroll process involves manual pre-payroll tasks... there's still a lot of work to be automated. In the next 5 to 10 years, we'll probably have more advanced technology and manual processing is one of the areas that needs to be automated."

Automation can save time
However, human expertise delivers confidence

Inflexible automation models can also backfire. Over half (52%) of respondents cited inflexible service models as a major issue when working with payroll providers — proof that without human-led problem-solving, tech risks becoming another roadblock.

The future of payroll isn't about machines replacing people. It's about machines amplifying people. And it's in this sweet spot that real value is unlocked: combining automated execution with the judgement, flexibility and advisory that only human experts bring.

At Forvis Mazars, we believe in enabling both. Our model merges intelligent automation with deep regional expertise — empowering payroll teams not just to process faster, but to think smarter.

Fran Lopez
Senior Payroll Specialist, Booking.com

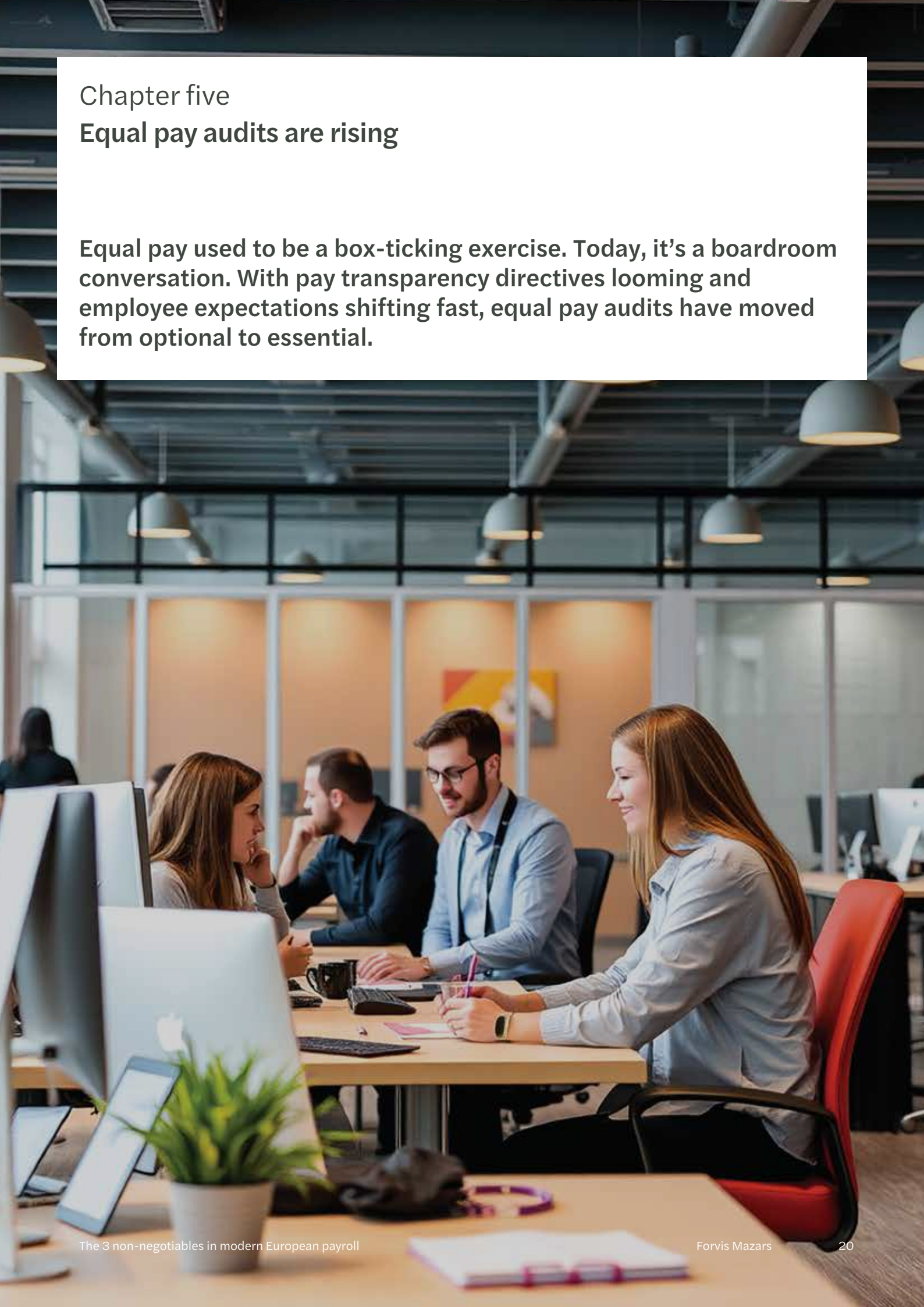
We are not just client and supplier, but human beings performing effective conversations on a natural and friendly way

"The more you automate, the more questions you get from employees if errors happen. You need human review. Most of the time, it's not something AI can solve; you need people to investigate, explain and resolve these issues."

Chapter five

Equal pay audits are rising

Equal pay used to be a box-ticking exercise. Today, it's a boardroom conversation. With pay transparency directives looming and employee expectations shifting fast, equal pay audits have moved from optional to essential.



Equal pay audits are rising
A strategic payroll priority driven by transparency and risk

Equal pay used to be a box-ticking exercise. Today, it's a boardroom conversation. With pay transparency directives looming and employee expectations shifting fast, equal pay audits have moved from optional to essential.

They are no longer the sole responsibility of HR — they're a strategic payroll priority with compliance, reputation and fairness at stake.

Ioana Vlad Rădulescu
Partner, International Payroll & Compliance, Forvis Mazars

"Equal salary certification is a new service... we see it evolving and being demanded more and more."

45%

Compensation & benefits as a major HR challenge

Our data confirms this transformation. 45% of HR leaders cite compensation and benefits as a major challenge, while another 32% point to labour agreements and legal compliance — clear evidence that pay equity is no longer just a moral imperative but a business-critical concern.

51%

Would switch for better compliance support

And while compliance may be seen as a baseline requirement rather than a differentiator, it quickly becomes a decisive factor when gaps emerge: **over half (51%) of organisations would switch providers for stronger compliance support.** This shift is not only about accuracy — it's about trust, accountability and staying ahead of regulatory pressure.

Equal pay audits are rising
Audits don’t just reveal numbers; they reveal values

And it's not just about preparing for new legislation. The pressure is coming from employees too — who increasingly want to know how their compensation is calculated, where they stand and whether fairness is embedded into the system.
Payroll is at the centre of that conversation. It holds the data, delivers the numbers and validates the promises.

Indeed, many organisations are already investing in the infrastructure to respond. Over 53% work with external payroll providers and an equal share consult legal and tax advisors to ensure payroll is fully compliant. 47% conduct regular audits, embedding rigour into their pay systems. These numbers are only set to rise.

What’s clear is this: equal pay is becoming a defining issue in employer branding, legal compliance and operational transparency. It’s not just about passing audits — it’s about proving your values, retaining your talent and staying ahead of reputational risk.

Forvis Mazars is well-placed to guide businesses through this evolution, offering the audit frameworks, advisory expertise and local insight needed to transform pay equity into a strategic advantage — not just a legal requirement.

Claudia Tudor
Payroll Manager-Europe, Middle East and South Africa (EMEA), NSF

Manager Payroll, championing payroll as a strategic enabler in multi-country operations and workforce analytics.

"We still have discrepancies in pay between men and women... To reach equal pay, you need accurate data and a good reporting tool... Payroll has this data. Without the ability to run proper reports, you’ll never truly have visibility into the numbers and you won’t know the extent of the gender pay gap.”

Equal pay as a new standard
From obligation to opportunity

Equal pay between men and women has long been on the European agenda, but only with the adoption of the EU Pay Transparency Directive 2023/970 has it gained clear contours and a concrete timeline. The directive introduces the obligation for employers to regularly evaluate pay gaps and, in case of identified inequalities, take corrective action.
From our experience with projects across the CEE region, we see that this is not only viewed as another regulatory burden — companies increasingly see it as an opportunity to review and streamline their entire remuneration system.

From gender pay gap calculation to action

The first step in most projects is the calculation of the gender pay gap (GPG). We use tools such as Logib, which enable detailed data analysis and comparisons of male and female salaries in comparable positions. While the calculation itself is essential, its interpretation is even more critical.
The directive sets out that if the pay difference exceeds 5% and cannot be objectively explained, the employer must take action and ensure correction within six months. In practice, this opens the door to revising internal policies — from pay bands to bonus and benefit structures.

Transparent and structured pay

One clear trend is the increased demand for transparency. To comply with the directive, companies must establish a clear grading and job structure, prepare specific job descriptions and define objective, gender-neutral criteria for pay (skills, responsibility, working conditions).
Transparent pay systems not only ensure compliance but also strengthen employee trust. In practice, we have seen companies that introduced more open pay criteria achieve higher employee satisfaction and retention.

Preparing for reporting and control

Large companies (250+ employees) must publish their first report for 2026 already in June 2027. Companies with 150-249 employees will report every three years, starting in 2027 and those with 100-149 employees will follow in 2031.
Reports must include not only overall GPG but also differences in complementary or variable pay and across employee categories. This requires well-structured HR systems and high-quality data. In our experience, many companies do not yet have their data organised to meet these requirements.
Therefore, projects often include setting up processes for future reporting, involving employee representatives and defining internal roles in compliance control.

The role of management and HR

Another crucial element is training managers and HR professionals. The directive strengthens employee rights — they will be able to request information about their pay as well as average pay levels by category. This puts significant pressure on managers to communicate effectively about pay issues.
Our experience shows that targeted training significantly reduces risks and fosters trust between employees and leadership.

"Soft measures" as a complement

Data alone cannot close the gap. Increasingly, companies are introducing soft measures to support equality and diversity, such as flexible working conditions for parents of young children, equal treatment for part-time workers, mentoring and development programmes for women in top management and fair pay policies for employees returning from parental leave.
These measures not only reduce the gender pay gap but also strengthen employer branding and competitiveness in the labour market.

A worthwhile investment

Our early project experience shows that implementing the directive is not just about meeting legal requirements. It is an opportunity to create a fairer and more effective pay system, improve transparency and build employee trust.
The EU's equal pay directive brings companies not only obligations but also opportunities for positive change — ultimately becoming a competitive advantage in the labour market.

5 key takeaways

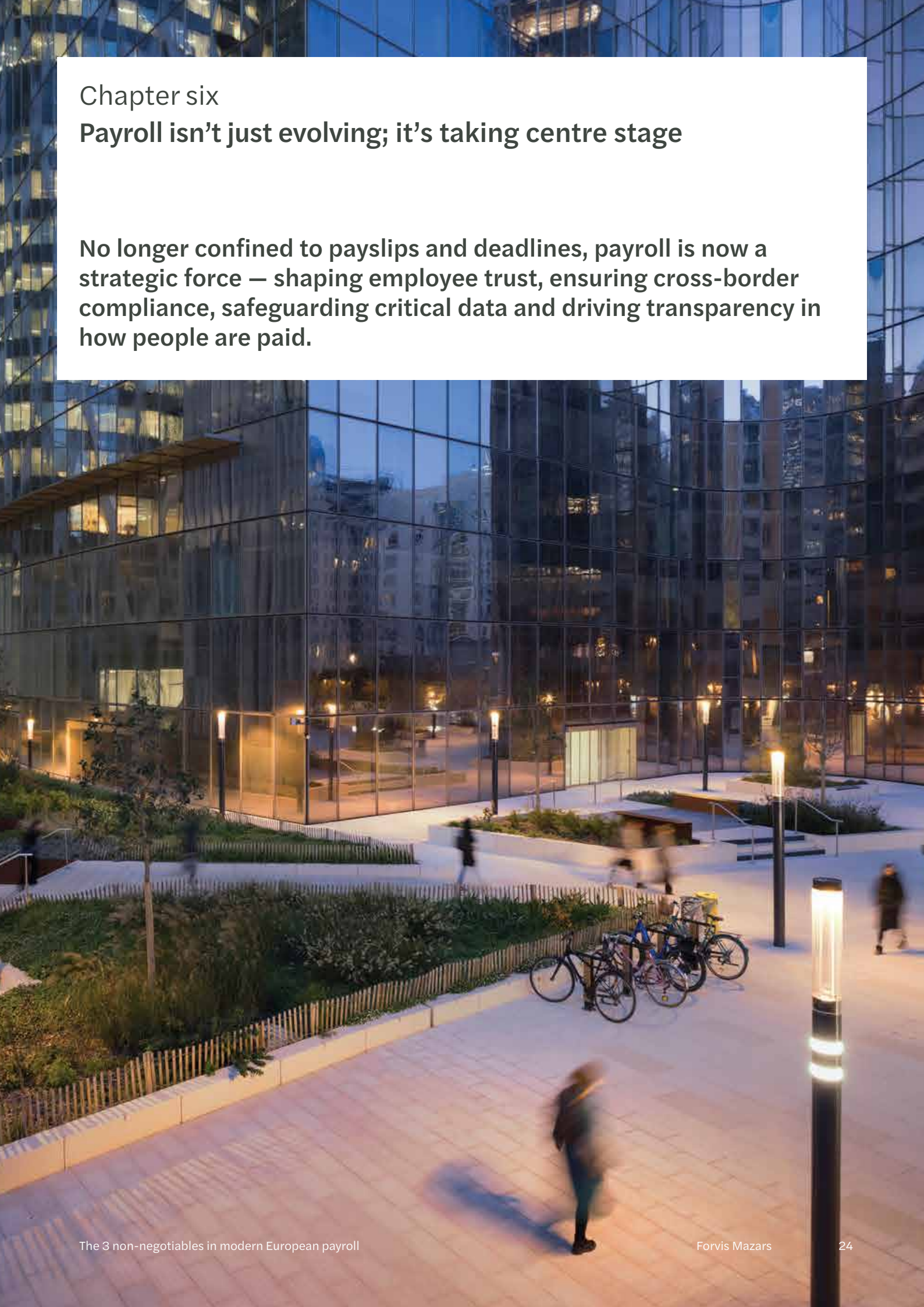
GPG calculation is only the beginning — interpretation and corrective action matter most. Transparent pay structures are crucial for compliance and employee trust, whilst reporting obligations starting in 2027 require robust HR systems and data readiness.
Managers and HR must be prepared to communicate openly about pay and soft measures such as flexibility, mentoring and equal conditions complement data and enhance employer attractiveness.

Jana Boštíková
Partner, HR & Payroll Services,
Forvis Mazars, Czech Republic

Chapter six

Payroll isn't just evolving; it's taking centre stage

No longer confined to payslips and deadlines, payroll is now a strategic force — shaping employee trust, ensuring cross-border compliance, safeguarding critical data and driving transparency in how people are paid.



Payroll isn’t just evolving; it’s taking centre stage
Shaping trust, compliance and people insight

Across Europe, the role of payroll is being redefined.

No longer confined to payslips and deadlines, payroll is now a strategic force — shaping employee trust, ensuring cross-border compliance, safeguarding critical data and driving transparency in how people are paid.

What our survey and interviews reveal is not just a list of operational pain points, but a fundamental shift in priorities.

Accuracy is no longer a differentiator
It’s expected.

Compliance isn’t just a legal hurdle
It’s a strategic risk.

Data isn’t just stored
It must be leveraged.

And automation?
It’s only valuable when guided by human insight.

As organisations look to build more resilient, people-centric and data-driven operations, payroll will be one of their strongest levers. But only if they treat it as more than a function. It must be seen — and supported — as a strategic pillar.

At Forvis Mazars, we believe payroll should be both precise and proactive. Backed by local expertise, global reach and a balanced approach to tech and talent, we help businesses turn payroll into a driver of confidence, clarity and competitive edge.

The future of payroll isn’t hidden in the background. It’s leading from the front.

Methodology and demographics
Combining data and dialogue for deeper insight

Methodology
This report is based on both quantitative and qualitative research conducted by Transiris on behalf of Forvis Mazars in 2025.

Quantitative Research
A large-scale survey was carried out across 13 European countries and regions: Austria, Poland, Czech Republic, Hungary, Adria Region (Croatia, Serbia, Slovenia), Spain, Switzerland, Romania, Slovakia, Germany, Netherlands, Italy and the United Kingdom.

The survey collected a total of 1,037 responses, of which 780 were completed in full and used for analysis. The data collection ran for approximately 2 months.

The top countries by volume of completed responses were Romania (85), the Adria Region (76), and Spain (72).

The majority of respondents identified with senior or decision-making roles across finance, HR and payroll, including titles such as Manager, HR Director, CFO, CHRO, Payroll Lead and Finance Manager.

Qualitative Research
To complement the survey data, 10 in-depth interviews were conducted with payroll and HR decision-makers across Europe, including C-level leaders, regional heads and payroll specialists from both global enterprises and local entities. These experts offered detailed perspectives on the operational challenges, regulatory complexities and evolving strategic role of payroll across different European markets.

Where anonymity or confidentiality was required, participants were referenced using general descriptors.

Demographics

Country	% of completed responses
Romania	10.9%
Adria Region	9.7%
Germany	9.4%
Spain	9.2%
Czech Republic	8.7%
Switzerland	8.6%
UK	7.6%
Italy	7.4%
Hungary	6.3%
Netherlands	6.0%
Poland	5.5%
Austria	5.5%
Slovakia	5.2%

Respondents were primarily decision-makers in payroll and HR functions, with strong representation from finance and operations as well.

The report combines statistical insight with expert perspectives to provide a multidimensional view of payroll's role in modern business.

Forvis Mazars HR & Payroll Leaders
in CEE & Western Europe

Group
Ioana Vlad Rădulescu
Partner
International Payroll & Compliance
ioana.vlad.radulescu@forvismazars.com

Adria Region (Croatia, Serbia, Slovenia)
Vladimir Nol
Partner
Audit & Assurance, Tax
vladimir.nol@forvismazars.com

Austria
Monika Raidl
Partner
Head of HR & Payroll
monika.raidl@forvismazars.com

Czech Republic
Jana Boštíková
Partner
Head of HR & Payroll in Czech Republic and CEE
jana.bostikova@forvismazars.com

Germany
Oliver Theobald
Partner
Audit & Assurance, Tax
oliver.theobald@forvismazars.com

Hungary
Dávid Szegő
Partner
Head of Outsourcing
david.szego@mazars.hu

Italy
Peter Ernst
Partner
Outsourcing
peter.ernst@forvismazars.com

Netherlands
Reinier Burghout
Director
Payroll
reinier.burghout@forvismazars.com

Poland
Aneta Jurkiewicz
Partner
HR & Payroll
a.jurkiewicz@forvismazars.com

Romania
Cătălina Călinescu
Partner
Outsourcing, HR & Payroll
catalina.calinescu@forvismazars.com

Slovakia
Jarmila Rovanová
Partner
Outsourcing
jarmila.rovanova@forvismazars.com

Spain
Yolanda Díaz
Partner
Payroll
yolanda.diaz@forvismazars.com

Switzerland
Jean-Marc Favre
Executive Director
Head of HR & Payroll
jean-marc.favre@mazars.ch

UK
Katie Sharpe
Partner
HR & Payroll
katie.sharpe@mazars.co.uk

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