

ADP ReThink 2022 Miami

Defining the Future of Work



Defining the Future of Work

People have always been defined by the work they do, but the past few years have upended everything.

We now have the unique opportunity to take a fresh look at the entire world of work and decide what we want work to be — without the constraints of legacy concepts, physical distances or unchallenged conventions.

Today's tight labor market is forcing employers to get more creative. At the same time, workers are constantly reassessing their priorities. That means anticipating and adapting to change — by tapping into data insights, reimagining workflows, and identifying the right skills and tools to get the job done.



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The pandemic made it crystal clear how mission-critical ADP's role is. When the Covid issue started, we were faced with the question of how we are going to take care of our associates, who take care of our clients, who take care of the world. I think the resilience our people showed is really impressive.

Carlos Rodriguez, ADP CEO

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Event summary

Business leaders from around the world gathered at ADP ReThink in April 2022 in Miami to reconnect after two long years of pandemic working. Together with ADP executives, they shared their insights on the main stage and exchanged best practices in small-group breakout sessions. From the meeting rooms in Miami, these were the biggest takeaways for global HR and payroll in 2022:



Workers are willing to change jobs to get a better balance.

Before the pandemic in 2020, the ADP Research Institute (ADPRI) found that 11% of workers said they were actively job searching or had recently changed jobs. In 2021, it was 22%, and this year it is up to 30%.

The pandemic has provided the opportunity for people to re-assess their values. In an ADPRI survey, 53% of workers said that they would take a pay cut to get a better work-life balance. "The blurring of the lines between life and work has never been more crowded," says Nela Richardson, Chief Economist at ADP. "And people want to retain that feeling of autonomy and wholeness in bringing themselves to work." Employers are responding by offering more flexible time off and remote and hybrid working options.



Flexibility isn't just about remote work.

About 60% of all jobs cannot be done remotely, many in essential industries such as health care, manufacturing, retail and food service. "In general, workers want more autonomy, they want to feel respected by their managers, and they want to feel valued and understood by HR," says Marcus Buckingham, Head of ADP Research Institute, People + Performance.

"When we come back into the world of work, we want somebody to see us as a whole human," he says. Those personal interactions foster belonging and understanding and are an important driver of experience at a company.



It's also worth noting that while unemployment rates have fallen since early 2020, some of that decrease is due to people leaving the workforce. "Wage growth is happening in many markets, but much of the increase is being eaten up by inflation," Richardson says.

Inflation will come down globally as central banks become more focused on this issue and raise interest rates as supply chain shortages start to ease. But closing gaps between industry standards and your workforce's wages is crucial to retain talent, and bonuses are working in many consumer-facing industries to get people in the door.



Use payroll data for continuous improvement.

Producing meaningful analytics and insights is not easy — in fact nearly three-quarters of business leaders are unable to derive strategic value from payroll data, says Jeff Phipps, Senior Vice President, GlobalView, ADP. But consolidating your global payroll is the first step.

The data you need to improve your company's processes is already there — you just have to harvest it. By implementing a global payroll management system, where data is unified and easier to analyze.



Cybersecurity needs to be on point.

Increasing reports of cyberattacks and ransomware mean that every organization needs to check its cybersecurity preparedness. “Bad actors are becoming brazen,” says Chris Olsen, Chief Info Security Officer of ADP, “and payroll administrators are especially juicy targets for criminals.”

Employees should receive regular training on how to spot phishing attempts and other scams. Implementing multi-factor authentication (MFA) is essential for anyone with elevated access to financial systems, and ADP's Fraud Department is on call 24 — 7 to respond to concerns.



Use the upheaval as a catalyst for change.

During the pandemic, payroll went from being a given for most employers to being an issue at the forefront for governments and companies. And, for the first time, stakeholders are beginning to understand how complex global payroll is, giving business leaders an opportunity to elevate their payroll systems. The next few years are critical for business transformation, and “inaction has a cost far greater than the risk of change,” Phipps says.



Legislative changes during the pandemic came fast and frequently, and aren't likely to stop. The world has never changed this fast, and it will never change this slowly again.

Jeff Phipps, Senior Vice President of ADP GlobalView



Postcards from Miami

"In times of confusion, we must not lose our capacity to dare to be kind to each other."



"At the end of the day, not just for you and your teams, but for your clients, not taking a risk is the biggest risk you can take."

"Upstream victories are stories written in data, starring invisible heroes who save invisible victims."



His take:

Empathy is the secret ingredient for making a human connection.



Platon

World-renowned, award-winning photographer

Her take:

Conquering uncertainty is a team sport.



Carey Lohrenz

Author and the U.S. Navy's first female F-14 pilot

His take:

Downstream work is putting out fires; upstream work is finding out how to prevent those fires.

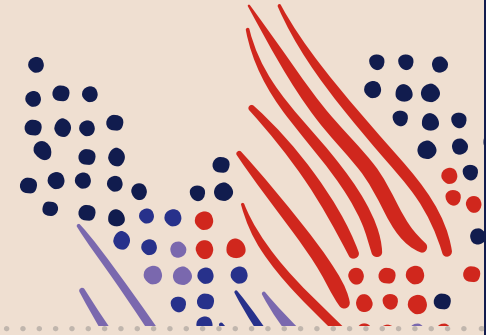


Dan Heath

New York Times best-selling author

How global payroll is changing

Although the world has never been more connected, the last few years have brought rapid changes for global business. ADP's country experts around the world shared the biggest changes affecting payroll this year.



Australia: Maintaining payroll compliance

The big story in Australia in the past five years has been underpayment. Stories of underpayment by the country's largest employers in hospitality, retail and the university sector have been front-page news, where it's not called "underpayment," it's called "wage theft."

Successfully addressing these issues requires building trust with employees by keeping pace with the complexities of the law. There are currently 122 "awards" in Australia, which classify employees according to skill level and qualification. Each award sets out minimum weekly wages, penalties and allowances.

To help with this, ADP reporting identifies PAYE variances from payroll to payroll, with auditing checks in place to ensure accuracy. Systems and processes are regularly updated to meet Australian Tax Office and Fair Work Commission legislation requirements. ADP has also templated 11 of the most common awards, which helps customers, especially small businesses, reduce payroll errors.



China: New data risks

In China, business legislation is constantly changing, often with short implementation periods. For example, there were only nine days to implement new tax reforms in 2019. When the new Personal Information Protection Law (PIPL) came into effect in November 2021, businesses had just 73 days' notice.

PIPL is the first comprehensive data privacy legislation in China's history, akin to GDPR in Europe, and applies to all companies who do business in China or who handle Chinese residents' personal data. Non-compliance can result in fines of up to 5% of a company's annual revenue or 50 million Chinese yuan (about U.S. \$7.5 million) — whichever is higher.

Thanks to the local dedicated legislative team in China, ADP was preparing for PIPL six months before it was finalized.



European Union: Managing differences

Businesses often think they can simply copy their business from one E.U. country to another, but each member state is very different. Localizing can mean a fundamental shift in business model.

For example, in the Netherlands, one global company needed to adapt a payroll of 4,000 independent contractors into an employee model within three months, or it would be subject to fines under new collective labor agreements. The company didn't have a local payroll team, but ADP helped them design the right structure, based on its in-country experience.

During the impacts of Covid-19 in Germany, ADP helped clients deal with *Kurzarbeit* — the government's short-time work scheme. ADP designed software to enable client requests to conform with government rules, ensuring financial relief from the scheme.

By June 2021 in Poland, the new "Polish Deal" (Polski Ład) tax and social security laws had been revised three times in six months. In line with these revisions, ADP has redeveloped its local payroll systems, advising both policymakers and clients alike during the implementation periods.



France: Handling complexity

France arguably has the most complex payroll regulation in the world — a payslip in France requires two full sheets of paper. This complexity comes from two key cultural ideas: transparency and social protection.

During a major tax reform effort two years ago, French policymakers came to ADP for guidance on possible legislative reform, and to find out if the new legislation would actually work. ADP road-tested the potential changes to model its effects on the private sector.



Spain: New working-time directive

Spain has introduced more than 100 legislative changes during the pandemic, many with short notice periods. Notably, businesses must register a new employee with the government within 48 hours of the moment they're hired.

In 2019, the European Court of Justice heard a case brought by a Spanish labor union, ruling that E.U. member states must implement mandatory worktime recording that is objective, reliable and accessible to individual employees. Spain implemented a stricter version of this just before the onset of Covid-19, when work-from-home arrangements meant that employee overtime wasn't as visible to employers.

In Spain, businesses must be vigilant in tracking overtime — an employee cannot exceed 80 hours of overtime a year. The ADP Mobile Solutions app, where employees can record their start and finish times and their breaks during the day, provides employers with the certainty they need to log working hours and to monitor overtime. With these fixed records, managers can plan accordingly using ADP Workforce Manager software.

India: Simplification and standardization

In the 2014 World Bank ranking of countries by ease of doing business, India was 142. In 2020, India had made it up to place 63. This was made possible through different government reforms that aimed to simplify and standardize processes, including the consolidation of 29 central labor laws into four acts in 2019.

One of the biggest changes was to standardize the definition of “wages” and its statutory components. For employers, this means reassessing salary structure, and for employees this means an increase in retirement corpus. Employers in India now have to make final wage payments to employees within two days of termination.

Although some laws are still pending implementation, ADP has already started working with clients to interpret legislative requirements and configure new payroll structures to ensure a seamless transition when the new laws go into effect.



Latin America: Cybersecurity and trust

Cybersecurity is the most urgent risk facing Latin America. With an increasingly digital-savvy population, booming smartphone penetration and many local fintech start-ups, Latin America is one of the fastest-growing e-commerce markets in the world. But Mexico and Brazil, the two largest economies, also rank among the most complex countries for payroll in the world.

In many of Latin America's 33 countries, there are more adults who have a smartphone than a bank account, and 60% of Latin America's e-commerce was mobile in 2021. But this digital revolution has a price: In Brazil there are millions of victims of online scams every year, and in Mexico, more than 80% of all businesses reported cyberattacks last year.

ADP Latin America has deployed a robust global security framework to ensure businesses and their employees are safe. And cybersecurity is about people just as much as tech, so ongoing education is essential to beat phishing and other cybersecurity threats.



Global payroll transformation in action

Some of ADP's global payroll clients shared their experiences at ADP ReThink 2022 in Miami.

Mondelez: Rebuilding after a cyberattack



You might not recognize the Mondelez name, but you know our brands: Oreo, Ritz, Milka, Toblerone. About half of our workers are in manufacturing, and about half of our employees are in developing countries. Every paycheck has to be correct and on time.

When I first joined the global business services team, nobody wanted payroll. So I took it on, and I discovered that we had 66 different payroll processes for our people across 82 countries, some of it outsourced, some of it internal.

Very few vendors could handle our global footprint, and it was difficult to justify the future operating costs, but we were able to consolidate our payroll process in Latin America. We tried to make the business case to do the same in Europe, but the operational need wasn't there — until a global malware attack took down our systems.


With long days and weeks for our payroll and IT teams, it took us about three months to get every country's payroll back to a state of stability. Everyone suddenly saw that we had to get our payroll system in order. We were lucky that our employees understood the malware situation was out of our control — but you only get such understanding once. **ADP's cybersecurity experience helped us justify the investment of our payroll project.**

Our relationship with ADP was strong even before we signed a contract; they supported us throughout the malware attack. We wanted to start with Poland, where we'd had a particularly difficult time, and ADP was the only provider who agreed to work with us on one country before expanding across Europe. Now our partnership with ADP lets us adapt to new situations like acquisitions and make sense of it all.



Volker Schrank,
Senior Director Employee Experience
and HR Technology

-  **Name:** Mondelez International
-  **Industry:** Food and beverage
-  **Established:** 1923, as Kraft Foods
-  **Employees:** 90,000 in 82 countries
-  **Headquarters:** Chicago, Illinois
-  **Website:** mondelezinternational.com

 Watch the Mondelez transformation story



Four Seasons: Shared services for lightened workloads



We have 118 luxury properties in 47 countries, but Four Seasons ultimately is a people company. What differentiates us is the quality of the customer experience. We're the operators of other people's assets, which is a tremendous fiduciary responsibility. Every decision we make is with someone else's asset and someone else's money.

Opening the doors on a new Four Seasons property is a journey that takes five to seven years, but payroll is part of it from the first day. We started down a road toward shared services and outsourcing about a decade ago.

The financial benefit was almost a happy side effect. The real benefit lies in taking away some of the mundane work that people at our properties have to do. You standardize it and let it be done invisibly by others so the management teams on the ground can focus on the creative, value-adding work.

As we were expanding the shared services model outside North America, I was responsible for the Hotel George V in Paris. We thought, "If we can standardize and outsource payroll in France, then the rest of Europe will be easy after that." **The transition happened smoothly, and that proven business case has led us to expand our work with ADP** to the U.K., the Bahamas and St. Kitts & Nevis.

Of course, the hospitality industry was hit hard by the pandemic. But because we'd built this infrastructure of shared services and solid technology, our payroll function continued without missing a beat.



118

luxury properties in **47** countries.



Robert Dunigan,
Senior Vice President,
Operations Finance

 **Name:** Four Seasons Hotels and Resorts

 **Industry:** Hospitality

 **Established:** 1961

 **Employees:** 45,000 in 47 countries

 **Headquarters:** Toronto, Canada

 **Website:** [fourseasons.com](https://www.fourseasons.com)



Watch the Four Seasons Hotels and Resorts transformation story

Raytheon Technologies: Patenting payroll innovations

Raytheon Technologies is comprised of four different business units: Pratt & Whitney, which makes jet engines, Collins Aerospace, that makes pretty much everything else in a plane, Raytheon Missiles & Defense, and Raytheon Intelligence Space.

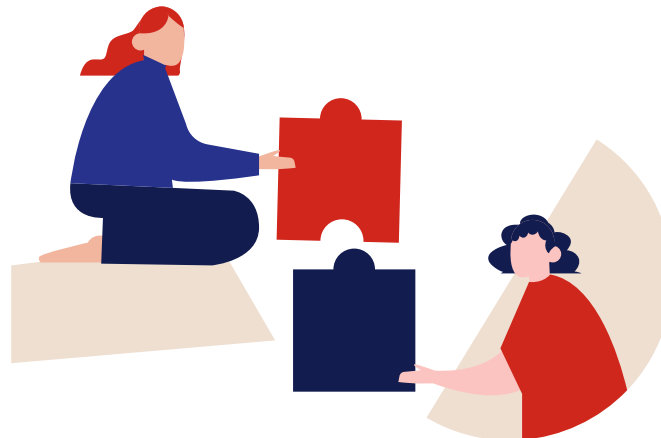
When I came onboard in a payroll tax planning position 15 years ago, we were running about 100 different payrolls in the U.S., with registers being printed out and reconciled in pencil. I knew there had to be a better way. The only provider we found that was effectively leveraging technology was ADP. Their business process management technology could capture the whole process end-to-end and automate many activities and controls.

We launched our global expansion with ADP around 2012. At the time, we had more than 100 payroll solutions in our top 15 countries. My goal was to implement one consistent global solution and process for the company — that allows us to refocus our attention on the high-value-add tasks.

For example, after seeing that ADP offered standalone tax services, I wondered if we could figure out a way to remit taxes on a daily basis without running a daily production process. That collaboration between ADP and Raytheon ultimately achieved \$20 million in tax risk mitigation. And it resulted in the first patent application that Raytheon ever filed for an innovation from our payroll and tax team.


100+

payroll solutions in our top
15 countries



Marc Fafard,
Executive Director of Payroll

-  **Name:** Raytheon Technologies
-  **Industry:** Aerospace and defense
-  **Established:** 1922
-  **Employees:** 180,000 in 50 countries
-  **Headquarters:** Waltham, Massachusetts
-  **Website:** [rtx.com](https://www.rtx.com)

 Watch the Raytheon Technologies transformation story

Dow: Collaborating for success

Two years ago, Dow was in a tough place: struggling with day-to-day payroll operations, focusing too much on long-term strategy, and not collaborating effectively. We had cracks in our Latin American payroll operations that were showing, and our teams were getting burned out.

ADP has been Dow's strategic payroll provider for over 20 years, supporting more than 80% of Dow's workforce in 16 countries. Sometimes at Dow we like to think that DOW actually stands for "Do it our way!" We realized we had to redefine how we work together to reset our relationship. That meant having some tough conversations internally to get a fresh start.

So just before the pandemic started, we got **a new ADP client success partner who helped reshape the relationship to tackle those challenges**. We shifted our attention from long-term strategy to operational excellence and long-term sustainability.

Within a year we managed to solve the key problems and stabilized payroll operations in Latin America. And now we could start to focus on more long-term service offerings. We went live with ADP GlobalView payroll and Enterprise eTIME in the U.S. and Canada in January 2020, and eTIME is going live in China and the Netherlands this year, with more countries going live in the next 24 months.

The past two years have been primarily about the pandemic, but all the efforts we put into strengthening our partnership made this easy for us. Dow and ADP now feel like one team — one payroll organization.

80%

of Dow's workforce in **16**
countries supported by ADP.



Laurie Tremper,
Global Payroll Director

 **Name:** Dow


 **Industry:** Chemicals

 **Established:** 1897


 **Employees:** 36,000 in over 60 countries

 **Headquarters:** Midland, Michigan

 **Website:** dow.com

 Watch the Dow
transformation story


Bristol Myers Squibb: Removing distractions

 Working in HR and payroll for Bristol Myers Squibb, it's important that we do our job really well, so others can do theirs. We don't want to distract our employees from discovering, developing and delivering innovative medicines that will help patients prevail.

Most of Bristol Myers Squibb's growth has been organic, but we acquired Celgene in 2019, which meant we were adding 8,000 employees in more than 20 countries. We were coming up to the end of our existing payroll contract at the same time, and we were considering finance integration, benefits integration and changes in payroll.

But we needed to make sure our payroll process would serve both new and existing employees without interruption. And we wanted to make sure they only felt it once.

The thing that differentiates ADP is the way they collaborate with us. We wanted to provide a better payroll experience for our employees, with more transparency and efficiency. In our relationship with our ADP account managers and project managers, we hold each other accountable.

After rolling out ADP GlobalView, we got phone calls from employees marveling at the new dashboard and tools. That's the first time in my life I've ever heard someone call payroll "cool." Now we're upgrading our ADP Celergo platforms, and we expect to see even more efficiencies. I'm really looking forward to being able to serve our employees more holistically across the HR services spectrum, and I believe ADP can help us in a big way with that. 

8,000

employees in more than 20 countries were added in 2019.



Kelsi Black,
Senior Director,
HR and Payroll Service Line

 **Name:** Bristol Myers Squibb

 **Industry:** Pharmaceuticals

 **Established:** 1887

 **Employees:** 30,000 in over 42 countries

 **Headquarters:** Lawrence, New Jersey

 **Website:** bms.com

 Watch the Bristol Myers Squibb transformation story

Relive ReThink 2022 in Miami

If you missed the live event or want to refresh your memory, you can watch all of the expert sessions and client stories from ReThink 2022 in our **video library**.

Now get ready for 2023

The next few years are critical for business transformation, and inaction has a cost far greater than the risk of change. The next ADP ReThink event will take place in Malta — January 31 – February 2, 2023. Registration opens in September at **rethink.adp.com**

Learn more: **adp.com**



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