

Payroll and Compensation Management - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

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Report description:

The Payroll and Compensation Management Market is expected to register a CAGR of 8.8% during the forecast period.

Key Highlights

- The growth of the IT industry increased demand for compensation management software due to its many features, including executive compensation, salary review, and policy, among others, as well as vendors focusing on and offering intelligence for compensation management software to help with compensation decision-making, among other factors, are all contributing to the market's expansion.
- The increased flexibility and scalability of cloud computing, which has allowed businesses to develop well-organized compensation management platforms through which employees' work-related data can be tracked and rewarded with incentives, has led to an increase in its use in recent years global scale. Due to their affordable pricing and high-speed internet, cloud-managed services are ideal for different IT organizations. The servers of various enterprises can access the public, private, and hybrid cloud technologies. These advantages have led to a spike in cloud computing, fueling the market's expansion.
- Expanding new businesses is another factor in the growth of compensation management systems. Because the compensation management systems improve data security, they are utilized by new companies. Organizations choose the compensation management platform for their growth and development because of advantages like increased retention, employee engagement, user-friendliness, etc.
- Before the COVID-19 pandemic, health motivation programs, in particular, significantly impacted compensation management system packages, and this position have recently emerged. Financial support for remote workers' workspace arrangements is also becoming increasingly important to pay the board. As management has become more dispersed globally and in different states, remote work has also exacerbated consistency difficulties. Benefits make up a substantial portion of a company's pay program; therefore, the compensation management system must be flexible enough to handle new advantages and modify old ones.

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Payroll and Compensation Management Market Trends

Cloud based systems to drive the Market

- The growing demand for automating the pay arranging process is anticipated to fuel the global market for compensation management systems. Utilizing a compensation management system results in less desk work during various cycles, greater effectiveness, and reduced cost and season for the company. Additionally, the growing acceptance of cloud-based arrangements and specialized advancement across small, medium, and large-scale projects are expected to boost market growth in the years to come.
- Significant disruptions to the working and commercial environment have been brought on by COVID-19. Although the worst pandemic is set to end, its legacy is anticipated to influence how business is done in the future. A rise in efforts to adopt more advanced automation processes, along with other smart and artificial intelligence technologies and cloud-based solutions, is one of the developments brought on by the epidemic.
- The relevance of flexible work arrangements, such as working from home and remote work, is anticipated to continue to be crucial in the upcoming year. The pandemic is also reported to have drastically changed employees' mindsets, making employee experience more essential than ever. These global developments can be seen at an industry-wide scale and will consequently have a big impact on the world of payroll in 2022.
- Automation and cloud-based solutions are projected to continue to grow in importance for international payroll operations. To create the best possible employee experience, self-service options and alternative payment methods like digital wallets will be crucial, and payroll data will become even more significant regarding company choices and workforce planning.
- Delegating certain routine tasks back to employees is possible with cloud-based payroll systems and employee self-service portals. Employees can submit evidence independently, and employers can evaluate and verify supplied proofs and decide whether to accept or reject them online.

North America to hold the Significant Share in the Market

- North America dominates the global payroll and compensation management market. The market is anticipated to grow during the examined time period due to the presence of a few suppliers of major business programming, expanded entry, and several virtual entertainment stages. Additionally, establishing a few new businesses in Canada and the United States is anticipated to boost the growth of the payment industry in the region.
- As the business becomes more globalized, there is an increasing requirement for automated compensation management systems, enhancing dependence on these systems and driving the growth of the worldwide compensation management system market. The compensation management system is being adopted quickly in comparison to traditionally manual processes due to advantages like increased transparency, improved efficiency, cost, energy, and time savings, a decrease in human errors, improved data protection, and user-friendly software, which is fostering growth in the global compensation management system market.
- The market for global compensation management systems is being driven by factors including increased workforce diversity, HR and business teams coming up with creative ways to plan and implement the distribution of total rewards, and rising demand for integrating efficient procedures. Further adoption is encouraged by the benefits, including greater business competitiveness, transparency, error reduction, decreased labor turnover, stability, happy staff, and the compensation management system. These elements work together to affect the compensation management system's explosive expansion.
- Additionally, the increasing demand for streamlined processes and the HR and business teams' ability to plan and implement

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the disbursement of total rewards in novel methods are all predicted to create potential opportunities for the worldwide compensation management system market.

- Benefits include increased administrative effectiveness, staff retention, adherence to the law, cost control, guaranteed equity, and behavior rewards. Despite the fast acceptance of the compensation management system and its contribution to the expansion of the global compensation management system market, there are still some difficulties it must overcome. Union influence, ineffective pay and salary potential, a lack of productivity, the prevailing wage rate, and the limited adoption of the compensation management system are impeding the market for compensation management systems.

Payroll and Compensation Management Industry Overview

The Payroll and Compensation Management Market is Fragmented with the presence of multiple local and global vendors.

- November 2021 - ADP, a multinational technology firm that offers human capital management (HCM) solutions, recently announced that it had acquired Integrated Design, Inc. (IDI), a software provider of HCM solutions tailored to certain industries with the goal of streamlining challenging workforce data issues. The two companies have had a long-standing collaboration for the past 20 years, which is now marked by this transaction. Clients will gain access to a superior payroll and HR experience that will help them grow and scale their businesses by further integrating IDI's expertise with ADP's extensive HCM and Workforce Management products and its extensive worldwide reach.

- October 2021 - Benefits enrollment and administration, onboarding, and human resources information system (HRIS) provider Flock, based in San Francisco, has been acquired by Paychex, Inc., a leading provider of integrated human capital management software solutions for human resources, payroll, benefits, and insurance services. Paychex gains cutting-edge benefits administration software as a result of the acquisition, which is consistent with the company's commitment to fostering innovation and offering a range of digital services.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

Table of Contents:

1 INTRODUCTION

1.1 Study Assumption and Market Definition

1.2 Scope of Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

4 MARKET INSIGHTS

4.1 Market Overview

4.2 Value Chain/Supply Chain Analysis

4.3 Porter Five Forces Analysis

4.3.1 Threat of New Entrants

4.3.2 Bargaining Power of Buyers/Consumers

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- 4.3.3 Bargaining Power of Suppliers
- 4.3.4 Threat of Substitute Products
- 4.3.5 Intensity of Competitive Rivalry

5 MARKET DYNAMICS

- 5.1 Market Drivers
 - 5.1.1 Growing needs for Payroll Cost Visibility
- 5.2 Market Challenges
 - 5.2.1 Consistent Automation
 - 5.2.2 Statutory Compliance & Legislation Issues

6 MARKET SEGMENTATION

- 6.1 By Type
 - 6.1.1 Software
 - 6.1.2 Services
- 6.2 By Application
 - 6.2.1 Payroll
 - 6.2.2 Employee Benefits
 - 6.2.3 Tax Filings
 - 6.2.4 Performance Review
 - 6.2.5 Time And Attendance
 - 6.2.6 Leave Management
 - 6.2.7 Reimbursement And Loans
- 6.3 By Deployment
 - 6.3.1 On-Premises Deployment
 - 6.3.2 Cloud Hosted Deployment
- 6.4 By End-User Industry
 - 6.4.1 BFSI
 - 6.4.2 Retail
 - 6.4.3 Manufacturing
 - 6.4.4 Transportation & Logistics
 - 6.4.5 IT & Telecom
 - 6.4.6 Healthcare
 - 6.4.7 Others
- 6.5 By Region
 - 6.5.1 North America
 - 6.5.2 Europe
 - 6.5.3 Asia-Pacific
 - 6.5.4 Rest of the World

7 COMPETITIVE LANDSCAPE

- 7.1 Company Profiles
 - 7.1.1 Automatic Data Processing, Inc. (ADP)
 - 7.1.2 SAP SE
 - 7.1.3 Sage Group plc.
 - 7.1.4 Paychex, Inc.
 - 7.1.5 Ramco Systems Limited

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- 7.1.6 TMF Group Holding B.V.
- 7.1.7 Kronos Incorporated
- 7.1.8 Paycor, Inc.
- 7.1.9 Paycom Software, Inc.
- 7.1.10 Paylocity Corporation
- 7.1.11 Ultimate Software Group
- 7.1.12 Oracle Corporation
- 7.1.13 Jobvite, Inc.
- 7.1.14 Intuit Inc.
- 7.1.15 TriNet Group, Inc.

8 INVESTMENT ANALYSIS

9 FUTURE OF THE MARKET

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