

# Two thirds of payroll professionals predict AI growth, but is the sector ready?

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Tuesday, 6 February 2024

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Global payroll experts predict that the extensive adoption of artificial intelligence (AI) will be the leading trend in the industry in 2024. Businesses, however, must be prepared for its incorporation and embrace its arrival, according to CloudPay.

A survey by the global payroll provider revealed that 64% of payroll professionals predict a rise in AI and advanced technology use within the next year. Meanwhile, 18% foresee a growth in innovative models like earned wage access (EWA), and 16% anticipate a broader strategic focus.

While it could be argued that AI in payroll is still in its infancy, organisations globally have already begun applying advanced technologies to boost efficiency and provide an improved employee experience. With many anticipating a growth in the adoption of AI, 2024 could provide a learning curve for the industry. In line with this, CloudPay recommends that firms establish a strong foundation to fully harness the potential of artificial intelligence in payroll before its broader application.

Matt Hillier, EVP, Products at CloudPay, commented:

“Our survey provides an interesting insight into the direction that the payroll sector is taking. AI, akin to its impact in various industries, is emerging on the horizon. However, it’s evident that we’re at the onset of a transformative era, where AI and similar advanced technologies lay the groundwork for significant changes. It’s highly unlikely that AI will reduce the need for human input, if anything it should offer an opportunity for payroll professionals to apply their skills to other, more strategic, tasks. Clearly, Payroll prioritizes accuracy and precision, and current AI platforms have yet to achieve the necessary level of detail required.”

“AI is already being applied to reduce friction in data movement, and to provide more accurate predictive insights. However, before we see more widespread adoption, all businesses need to ensure that they have the right foundations in place if they want to maximise the full potential of artificial intelligence in payroll.”

“At a broader level, our survey revealed that payroll is looking to the future. Much of the sector has remained fairly static for some years, however we are now seeing real change, driven partly by AI, but also the changing nature of the world of employment, alternative attraction and retention methods and the growth of more innovative payroll models, like EWA. We anticipate this also being a significant area of focus in the short to medium term future as more employers look to align their payment strategies with the ease of use and access seen in other walks of life.”