

AI and automation set to make a mark on payroll: but experts need to differentiate between the two

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AI and automation will help to transform payroll technology in the future, but experts need to be able to differentiate between the two tools. That's according to leading payroll specialist, CloudPay.

In a recent survey, CloudPay found that 43% of respondents said AI and automation payroll technology excites them the most, ahead of real-time payroll processing (32%), cloud-based pay systems (14%) and advanced analytics (10%).

CloudPay's recent Payroll Efficiency Index (PEI) report found that emerging technology is having a positive impact on the sector and contributing to a reduction in error-making, as well as more issues being picked up at validation and checking stages. However, CloudPay has warned that too often, AI and automation are confused as the same tool, when in reality they are two separate entities.

John Pearce, Chief Customer Officer at CloudPay, commented on the findings.

"It's no secret that AI and automation has the potential to be a gamechanger for payroll; it's already making its mark, but the role that these forms of emerging technology will play will only expand in the coming years. Therefore, it's not a surprise to see respondents list this as the most exciting trend. However, there's still some confusion around the difference between the two. Far too often we hear of AI-driven solutions that are, in reality, automated tools, rather than artificial intelligence.

"I believe there's real potential for AI to have a significant impact on payroll as we know it in the future, but it's still in its infancy, which is where this confusion can stem from. For now, organisations need to ensure that they are investing in data quality and control to set the best foundations to benefit from these tech-enhanced tools longer term."

"What I would add, though, is that humans are still, and will continue to be, the critical element in the pay process and in payroll as a whole for the foreseeable future. Payroll is built on accuracy and while the emerging technology is exciting, it's far too early to hand it any significant responsibility. Each business will be different and will have to identify the ways that they can leverage their technology to its full extent. They must also weigh up some of the existing ethical challenges, but on the whole, the future is exceptionally bright for payroll, and that's partly down to the rise of new forms of technology."

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