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AI Is Ready to Transform Payroll

BY TED NIELSEN

Payroll is one of the most important functions of your business. Recognizing and rewarding the contributions employees make to your organization helps both your people and your business thrive. The day-to-day objective for payroll teams is straightforward—pay people fairly, accurately, and on time—but accomplishing that goal week after week is easier said than done. When evaluating ways to improve your process and get a handle on the complexity and scope of the data that you need to carefully evaluate, consider the support a solution powered by artificial intelligence (AI) can provide. What if a modern AI solution could effectively help payroll professionals manage the process and avoid being bogged down by manual processes? What type of high-impact business improvements could be made during the time normally spent manually calculating and hunting down issues in payroll?

AI in Payroll

AI can transform the payroll process in multiple ways. From providing always-on guardrails that help you stay compliant with the most up-to-date regulations to learning the way your people work, AI can accelerate your payroll process, make predictions, and help you home in on potential issues. AI processes data and informs you of the next steps while guiding you to faster outcomes more thoughtfully, accurately, and on time. AI enables predictions that allow your organization to make meaningful change, such as being proactive by detecting patterns that help reduce compliance risk and automating processes through digital representations of payroll designed to be efficient and accurate. AI helps ensure your people are more secure in the organization's streamlined payroll process.

AI alleviates manual processes and accelerates the payroll process. The payroll process is overfilled with tasks that take time and careful attention and require the diagnosis of massive amounts of data from a wide variety of sources. When done manually, this process can be painfully slow and can potentially expose your organization to costly mistakes. Unfortunately, these mistakes can have concrete financial repercussions and cause you to lose valued talent. According to a UKG study, approximately 25% of employees will look for a new job after the first payroll mistake, and another 25%

will seek new employment after the second mistake. In the current dynamic workplace where employee retention is a critical strategic priority for so many businesses, this puts the payroll team squarely on the front lines of ensuring employee satisfaction. By using AI to support the payroll process, needed adjustments to comply with ever-changing state and federal laws are automatically flagged, significantly reducing the risk of errors. Additionally, AI focuses your attention on any errors that may occur before payroll is run; it provides ways to correct them quickly, and it explains how they occurred in the first place—ensuring the perfect paycheck every time while also improving your process over time.

AI empowers employees to manage their finances. With the help of AI, you can support your people with a powerful tool: the ability to see how different "what-if" scenarios could impact their paycheck. Whether they want to calculate a change as big as adding a new baby to their health insurance or as small as seeing how adding a few shifts a week will impact take-home pay, employees will be able to get an accurate projection of what their paycheck will be before they change any elections. According to a 2022 report by LendingClub, 64% of all Americans are living paycheck to paycheck. By putting people back at the center of the payroll process and giving them powerful predictive tools, you'll help them take control of their finances and better plan for expenses.

Payroll professionals are heavily relied upon by everyone in the organization to process payroll correctly and on time, every time. A job with this level of responsibility deserves to have the right tools and guidance to help it run smoothly and painlessly. By leveraging the power of AI in a modern payroll solution, payroll professionals will enjoy the security of accurate compliance along with reclaimed time gained from the removal of manual processes. As a result, payroll teams will become stronger influencers of business goals and advocates for the people they serve. ■

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