South African Payroll Association
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The opportunities of artificial intelligence in the payroll sector

Artificial intelligence (AI) is one of the many digital disruptions that poses unique opportunities and risks to all parts of business, including payroll, says Lavine Haripersad, vice chairman of the South African Payroll Association (SAPA).

In America over 550 start-ups raised around $5-billion in funding to incorporate AI as a core component of their services in 2016. In the same year, around £1 billion was invested in AI firms in the United Kingdom, with the expectation that the industry will be able to boost the UK's economy by over £230 billion in the next 12 years.

"With increased app-based capabilities as well as vibrant systems, contemporary staff members are more used to getting personalised, on-demand communication and feedback. Not only is today's workforce more likely to use self-regulating technologies, but HR teams are getting smaller and they must meet increasing demands from the business," says Haripersad.

How AI can enhance the HR environment

While the idea of AI in payroll systems is still relatively new, the payroll sector needs to be adaptive towards the benefits that it can pose for companies, employees as well as payroll staff. Haripersad says that when incorporated ethically and in smart ways, AI can vastly improve payroll processes and enhance the working experience for all levels of employees.

AI involves the coordination, handling and processing of large amounts of data. One way that this can be incorporated into payroll systems is by creating AI 'chatbots' that can engage with employees. "If an employee receives their monthly salary slip, for example, and sees that the amount of tax they are paying this month is higher than the amount of tax they paid in a previous month and they want to know why this is the case, an AI 'chatbot' can use pre-programmed knowledge and resources to answer an employee's query effectively. Employee queries regarding payslips are a frequent occurrence in any HR department, so this can greatly alleviate the pressure on HR staff if it is set up correctly," says Haripersad.

Personalised, digitised guidance

Another way that AI can help is in terms of decision-making processes, such as helping employees with their choice of medical aid and retirement fund options. Many large companies offer their staff medical aid options as well as retirement plans based on their risk profiles, need for saving and income levels.
"An AI program can help an employee navigate their options by assessing their personal information and risk profiles. Retirement fund options and the associated levels of savings and investment risks can similarly be programmed in such a way that an employee gets suggestions that truly match their needs," says Haripersad.

AI offers much more than regurgitating information; the deep learning capabilities brings a deeper level of analysis to the type of processing that can be provided at different levels. Haripersad notes that ethics and privacy issues will remain a top priority in any system that incorporates AI. However, we need to remain open to how it can enhance our lives and the lives of employees.

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MEDIA CONTACT: Idéle Prinsloo, 082 573 9219, idele@thatpoint.co.za, www.atthatpoint.co.za

For more information on SAPA please visit:
Website: http://www.sapayroll.co.za/
Twitter: @SAPayroll
LinkedIn: The South African Payroll Association