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ARTIFICIAL INTELLIGENCE
IN THE GOLDEN AGE
OF PAYROLL

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A NEW ERA

In recent years, the acceleration of digital technology and innovation has become a central part of daily life, shaping human experience, and redefining the "future of everything". Thankfully, that same commercial-grade technology and innovation shaping our personal lives has quickly entered the workplace and across the employee lifecycle.

With legacy systems being largely business-oriented and process-centric, modern cloud solutions have given way to experience-based platforms. Applications specifically designed for the user or employee first have become the standard, rapidly advancing the way we engage with work. This redefines the employee experience, enabling businesses to operate with greater efficiency, productivity, agility, and insight to shape improved business outcomes.

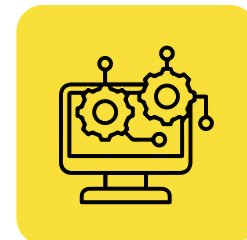## WHAT MAKES IT A NEW ERA?

Acceleration of
Digital Technologies

Cloud
Extensibility

Artificial
Intelligence

Machine
Learning

Natural Language
Processing

THE POWER OF CLOUD EXTENSIBILITY

Cloud platform extensibility has opened the door to deeper bi-directional integration of applications, seamlessly weaving key systems and their datasets together from across the organization. This flow of data across the technology ecosystem enhances user experiences through seamless integration and data in the flow of work.

The mobile-first world we now recognize as a standard way of life has also been elevated by cloud extensibility, 5g bandwidth, and IoT (Internet of Things) connectivity.
These technologies usher in new ways of engaging with key systems in a touchless and frictionless manner through facial recognition, and biometrics.

There is an "always on" connectivity of key devices to key systems, creating an ever-emerging zero UI experience in the workplace.

COGNITIVE TECHNOLOGIES IN ACTION

Cloud extensibility has also introduced cognitive technologies like artificial intelligence (AI), machine learning (ML), and natural language processing (NLP) to be infused natively across modern workplace applications.

Just as these advanced technologies have become standard fixtures in our daily lives, where we are quickly developing deeper symbiotic relationships (think Siri or Alexa), the impact and possibilities for payroll experience are profound.

With the help of AI and ML, payroll is quickly transforming into a highly automated, always-on experience. It is continuously calculating and eliminating manual effort and shrinking the traditional pay cycle through machine-enabled, straight-through processing. Anomalies surface with proactive guidance so practitioners can focus on preventative actions, value-added tasks, and supporting strategy-impacting projects and initiatives. Payroll's rich data is activated and engaged for real-time predictive insights. This improves business outcomes and enables payroll to return value to the business through organizational agility and enhanced employee experience.
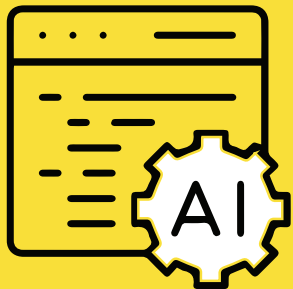
> While automation has mostly removed the highly manual, "ticking and tying" days of legacy payroll solutions, AI, ML, and NLP are poised to advance rapidly, moving the critical process from advanced automation to advanced augmentation.

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MYTH VS REALITY

AI will eat into payroll practitioner's jobs.

MYTH vs **REALITY**

AI will prepare payroll practitioners for the future.

The profound potential impact of AI on humanity, particularly in the workplace, is incredibly exciting yet somewhat unknown. In recent months, AI, particularly Generative AI (GenAI), has been accelerating quickly and has become a highly polarizing topic. As the solutions gain intelligence and capabilities across a broader set of everyday use cases discussions around them intensify.

DISPELLING MYTHS:
THE CRUCIAL ROLE OF PAYROLL PRACTITIONERS

The media has sensationalized generative AI's role in the future of work, creating a narrative that payroll and HR practitioner roles will diminish or become redundant over time. This couldn't be further from reality as the emotional intelligence of the modern practitioner will be incredibly vital to the future of payroll.
The expertise of payroll practitioners will be essential, and the profession is poised to make a greater impact on their organization's strategic ambitions with the help of AI. While the work and roles will change, the practitioner's role will be elevated, and the augmentative impact of AI will elevate and complement their future-ready skills.

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THE GOLDEN AGE OF PAYROLL: A PARADIGM SHIFT

In the "golden age of payroll," AI and ML augmentation will empower and reshape the payroll practitioner role of the future. From one that is static and process-driven, tied down with manual effort and reactive reporting, to one that is fully automated, augmented, intelligent, agility-oriented, and insight-driven in the flow of business.

The role will be elevated from a simple back-office processor to that of a center of expertise and strategic advisor to the business. It will leverage rich data and insights to drive material change, focusing on ensuring compliance and managing risk. This evolution will enable a robust and transparent payroll experience, utilizing insights as a trusted advisory and organizational agility enabler.

From manual to Intelligent: How AI & ML Made a Difference

| ‹‹‹‹‹‹‹‹‹ PAST	FUTURE ››››››››››
Static & Process-driven	Automated, augmented, & intelligent
Focused on manual effort	Agility-oriented & insight-driven
Focused on reactive reporting	Center of Expertise
Simple back-office processor	Strategic advisor to business

HIGH IMPACT USE CASES

Long neglected and overlooked when investing in innovation, payroll's time has finally arrived!

Advances in payroll technology are accelerating. AI continues to make the most notable impact across the practitioner and employee experience, returning more value to their businesses.

More organizations now recognize payroll as anything but a simple process and compliance requirement. Rather, it's a "value outlet" holding some of the richest organization data, and investments in innovation to unlock its insights are essential.

Let's explore five high-impact payroll use cases reshaping the critical process, profession, and pay experience.
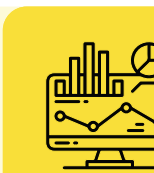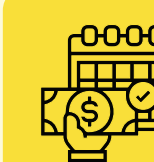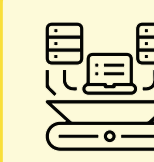
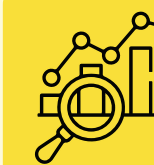**1** Implementation and Data Movement

2 Compliance

3 Employee Experience: "Payroll Everywhere"

4 Practitioner Augmentation

5 Predictive Insights

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IMPLEMENTATION AND DATA MOVEMENT

Suppose you have implemented any size payroll for even a few countries. In that case, you know how critical data mapping and migration can be when shifting from one system to another. Mergers, acquisitions, and divestitures fall into this same category of complexity; each is often time-sensitive, with lots of moving parts, requirements, data sources, and many unique variables.

HOW DOES AI HELP?

HOW WILL GEN AI HELP?

VS

- Automates data mapping

- Enhances data audits

- Detects anomalies

- Speeds up data movement process

- Improves output quality.

- Helps prepare payroll systems, tables, and operating environments

- Shrinks implementation timelines

- Reduces time to go live

- Enables transformation

- Accelerates ROI realization

COMPLIANCE

Compliance and risk management continue to rank highest amongst practitioners and leaders as the key challenges to their global payroll operations. With intensifying legislative requirements accelerating, those challenges and risks become compounded at scale as the organization's footprint stretches beyond the home country of operation and compliance expertise.

One exciting area in which AI will have a noticeable impact on the payroll process, practitioner effectiveness, and more predictable payroll outcomes for the organization is compliance.

HOW DOES AI HELP?

- Analyzes vast compliance directives for actionable insights.
- Constantly tracks and interprets global legislative changes in real time.
- Enhances risk management, ensuring 100% legal compliance.

VS

HOW WILL GEN AI HELP?

- Automates continuous monitoring of global compliance changes.
- Provides real-time guidance and insights to practitioners.
- Suggests optimal next actions based on emerging compliance requirements.
- Potentially updates tables or calculations in the payroll platform for timely compliance adherence.
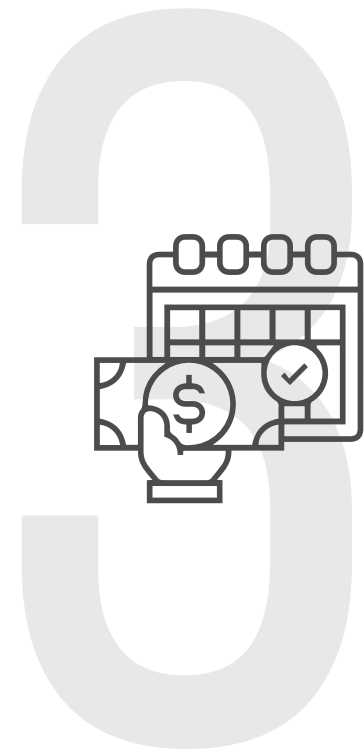
EMPLOYEE EXPERIENCE: "PAYROLL EVERYWHERE"

Another exciting way AI impacts payroll is by elevating the overall "pay experience" for employees and workers. AI already plays a role in supporting payroll-related inquiries. It is the first point of contact support for employees, such as answering questions about payroll results, facilitating payroll-impacting data changes, fetching tax forms, and guiding employees to make informed decisions within company policy and legislative compliance.

While AI is already elevating the payroll experience by empowering employees with real-time support and reducing inquiries to payroll, modern technology with AI is on the verge of creating an always-on experience for pay and payroll.

The continued convergence of fintech, open banking, APIs, AI/ML, mobile, IoT, and pay is advancing payroll closer toward a "payroll everywhere" experience.

Users get a technology-driven experience that is:

- Always-on
- Highly transparent
- Guided
- Insightful
- Constantly "orbiting employees.

It connects the dots between employees' data, actions, and goals to help them drive more informed and personalized decisions and enable improved financial wellness outcomes.

> GenAI and ML (with the permission to use our data) will increasingly bring payroll closer to the broader employee health, wealth, and retirement picture. This will empower employees with a full view and total control over their financial future with payroll at the core.

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4 PRACTITIONER AUGMENTATION

Payroll has long been a manual process, with practitioners fervently ticking and tying results for accuracy, timeliness, and compliance.

Advanced automation has been a blessing to practitioners globally by automating manual activities, pre-and post-processing audits and controls, and ensuring data quality at the source.

AI has already begun moving payroll beyond automation and toward augmentation. It is poised to elevate the profession with deeper insights, guidance, and machine-enabled straight-through processing or "touchless payroll." .

When GenAI becomes fully infused into the payroll process and cloud platforms with continuous calculation capabilities, payroll becomes real-time, always on, always calculating, constantly surfacing anomalies and corrective actions, and sharing predictive guidance to practitioners for the next best actions.

5 PREDICTIVE INSIGHTS

Payroll holds some of the most accurate, richest, and commonly underutilized data sets in the organization. Yet payroll's power and future lie squarely within its ability to convert its rich data into strategy-impacting insights, helping the company see around the next corner to enable organizational agility.

Payroll data, together with AI, can provide predictive and prescriptive insights that hold the keys to elevating payroll from a simple back-office function to one of a change agent, strategic advisor, and value enabler.

With the help of AI, payroll can unlock its rich dataset to power more informed predictive decision-making and outcomes for the organization by pairing its data with broader HR, business, and operational data sets.
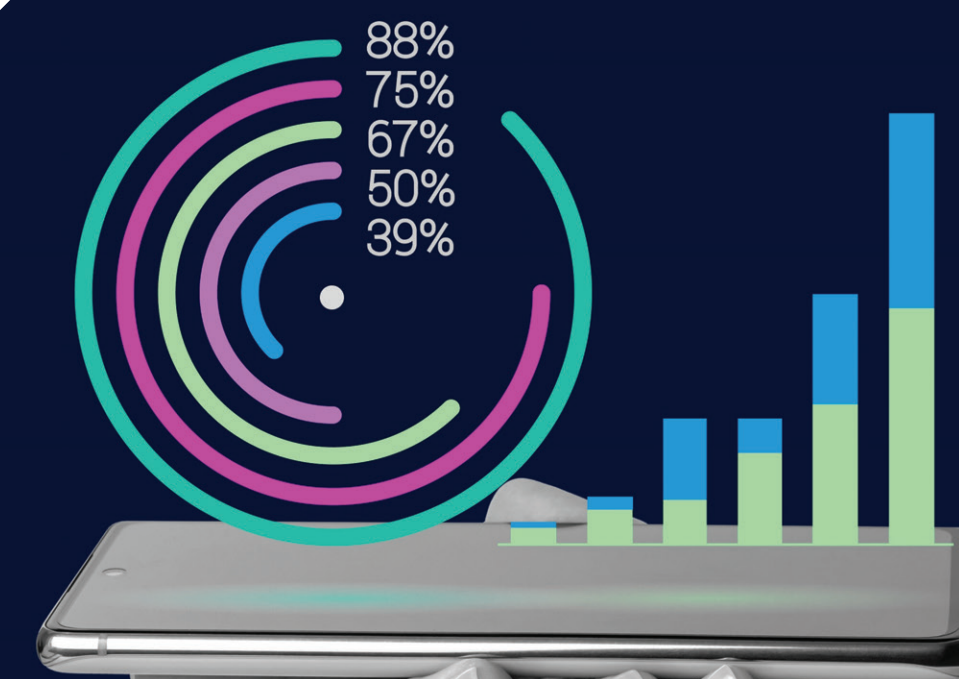
TIPS FOR SUCCESS

LEAN IN AND EMBRACE TECHNOLOGY!

What a time to be on the payroll! Never has there been so much investment, innovation, and genuine focus on payroll and the pay experience as there is right now.

We are moving beyond the automation age toward the augmentation age or "golden age" of payroll!

Now is the opportunity for payroll leaders to lean in, embrace technology, and unlock payroll's full strategy-impacting value potential. Practitioners must lean in and embrace augmentation, leveraging modern technology to remove manual efforts and activate its insights. This empowers employees, elevates payroll to a center of expertise status, and positions its practitioners in a trusted advisor role.

AI and augmentation won't replace the payroll practitioner, but they will reshape the practitioner's role as we know it today.

Lean In & Embrace Technology

Engage Augmentation With Rich Skills To Elevate Payroll

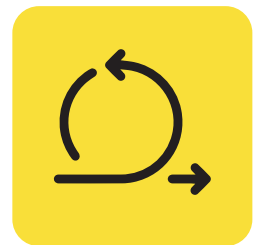Leverage Predictive Insights To Drive Change

LEVERAGE PREDICTIVE INSIGHTS TO DRIVE CHANGE

The power of payroll lies within its deep data set, potential insights, and rich skills. This is truly payroll's time to shine and level up!

FUTURE PAYROLL PRACTITIONERS WILL BE

| Highly Analytic | Agile | Emotionally intelligent |

They will be essential to supporting the organization on its growth journey with insights and advisory expertise.

ENGAGE AUGMENTATION WITH RICH SKILLS TO ELEVATE PAYROLL

With "soft skills" expected to become highly dominant in the future of work, and as GenAI grows stronger, skills like analytic thinking, emotional intelligence, resiliency, flexibility, agility, tech literacy, dependability, and attention to detail will be increasingly in demand according to the 2023 World Economic Forum's Future of Jobs Report.

All are essential qualities of a great payroll leader, and the same skillset that has carried the profession in the absence of innovation has payroll practitioners positioned perfectly to thrive in the future of work and alongside AI!

ABOUT THE AUTHOR

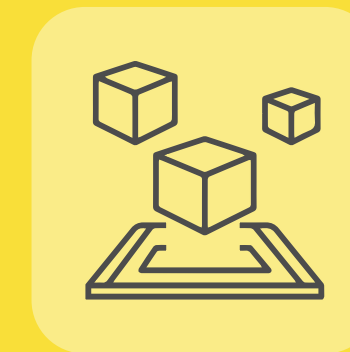Pete is globally recognized for his extensive knowledge, coverage, research, and advisory in the payroll, employer of record services, payments, and HCM technology marketplace. Both practitioners and providers widely leverage his research and perspectives as he is a regular contributor to industry publications, associations, and events and the co-creator and co-host of the 'HR and Payroll 2.0' podcast and host of The Source by DailyPay podcast.

Pete leverages unique market expertise from over 30 years in HR and payroll technology, services, and transformation. His experience includes roles in Fortune 100 payroll leadership, HRO pre-sales, and solution design, 'Big-4' consulting, and Director of HR Technology and Services Research for leading analyst firms.

ABOUT RAMCO

With payroll coverage spanning 150+ countries, Ramco has been processing 30+ million annual payslips for 500+ large MNCs and Fortune 500 customers. Leveraging award-winning AI and ML technology and integrating with major HR tech partners like Workday and Oracle HCM, Ramco has been transforming global payroll for 25+ years.

Recently, Ramco launched Payce, a groundbreaking product, offering smart payroll at the click of a button. Payce can process 100 million records in less than 30 minutes! This platform features an employee portal with an easy-to-use, modern interface and a state-of-the-art console to simplify end-to-end payroll processing. Its report viewer and DIY analytics tool enable users to build on-demand reports, analyze data, and access real-time insights.

Additionally, Payce is a no-code platform; the pre-configured steps ensure quick and hassle-free implementation and a faster go-live! These features have contributed to Ramco Payce quickly garnering significant attention in the industry. To find out how Payce's exciting features could help your organization visit **Ramco.com/Payce** to Book a Demo

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