

AI and Automation: Influencers of Human Resource and Payroll Processes



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This blog can also be found posted by Massey Consulting on [ERP Software Blog](#).

Advanced computer programs using automation and artificial intelligence are having a major impact on society and business.

These technologies are being used to analyze data for insights that have never before been understood. People often think of these tools as useful for finance, science, marketing and government among other purposes. However, it turns out that human resources and payroll have key uses for automation and AI – and they are revolutionizing these business functions.

Hiring

Artificial Intelligence has an important application for human resources within the hiring process. Large companies receive hundreds of applications for a single job post. Smaller companies too, get an overwhelming number of resumes emailed to them. It is, at best, extremely tedious and at worst, nearly impossible to go through every single resume to look for the ideal candidate. In fact, most of the resumes are simply unfit for the position.

AI has now emerged within applications to automatically crawl the resumes to find keywords and highlights that might be a good match for the position. The AI tools find the ideal candidates and narrow them down for HR. Those resumes are put on the top of the stack and evaluated for final consideration before an interview is offered.

Taxes and Healthcare

Payroll can be extremely complicated, especially when there are employees working remotely in different states and countries. Getting it all right requires significant expertise. Most companies do not have this type of expertise on staff. Additionally, they don't want to hire a third party just to determine how much they owe in taxes and healthcare costs on for each month's payroll expenses.

Enter Artificial Intelligence – and now there are tools that can determine the correct amounts automatically. Employers simply upload their employee profiles that include the salary, stock options, age, location, dependents and employee status (contract, part-time or full-time). The AI program then determines how much each employee receives each pay period, how much goes to which government department and which account to send the funds to each time. This makes the job of payroll tremendously easier, especially as the taxes and withholdings become more and more complex.

Severance, Commissions and Bonuses

In addition to regular compensation to process, the payroll team must also process one time or irregular payments like severance, commission and bonuses. While a small company with five to ten people may want to do this manually, once the number starts becomes larger, an automated system is ideal. Instead of having one centralized team collect and upload all of the data, each department head or manager uploads the data for their specific team.

For example, a sales manager in the North East office uploads the commission payments for their team at the end of the month. Those automatically are confirmed with the CRM system, the accounting software and other verification systems. They then filter through to the payroll system and are applied to the compensation of each individual sales representative.

Compliance Training

More and more companies are requiring compliance training for employees to understand guidelines and regulations. However, the process of organizing, monitoring and checking compliance training is quite cumbersome. Following up with each employee to check whether they have completed training is a time-consuming nightmare as any HR manager will attest..

Fortunately, these process can now be almost completely automated. Sophisticated systems automatically send out the link to test and then monitor employee engagement. They track test scores and determine if there are any employees that have yet to complete the courses. Employees who have not completed the requisite training are then sent follow-up emails. Finally, the entire report is sent to senior management, acknowledging that the compliance training was completed by all employees- all of which happens automatically within the system.

Looking for Automated Human Capital Management?

Check out [WorkForceGo](#)— the HCM solution that lets you track and analyze payroll, human resources, time and attendance data—and stay ACA compliant—from any mobile device, laptop or desktop.

[infographic](#)