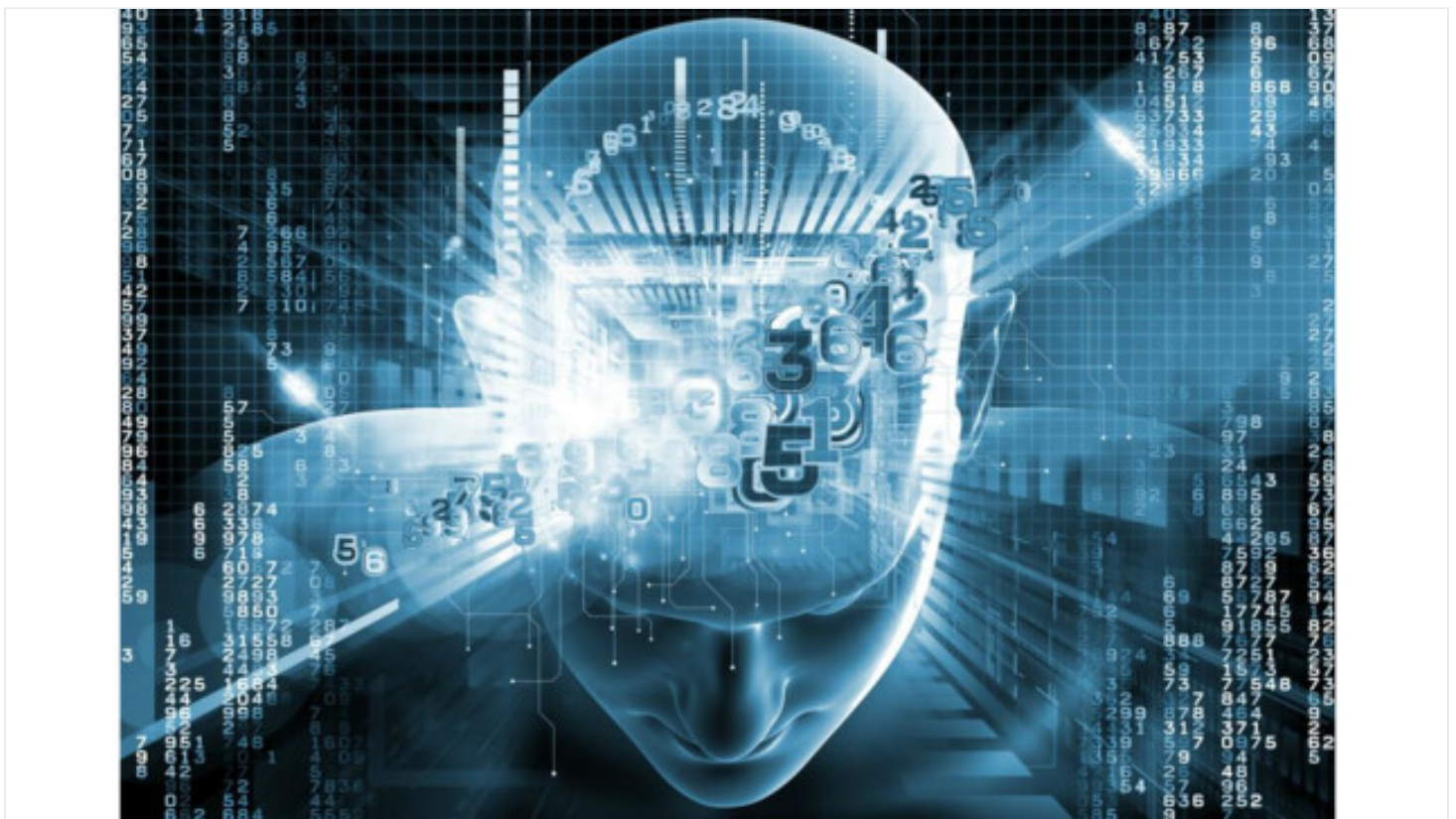


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professionals that artificial intelligence will not replace their profession.

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*By Christopher Wood, CPP.*

During a presentation at PayrollOrg's annual Congress event, the founder of a human capital management advisory business assured payroll professionals that artificial intelligence will not replace their profession but instead transform it into a more collaborative process within a business.

About halfway through his presentation on the future of payroll at Payroll Org's (formerly the American Payroll Association) annual Congress event, Pete Tiliakos, an analyst and founder of GxT Advisors, stated that although artificial intelligence (A.I.)

“is not going away” when it comes to playing a role in the industry, the new

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In the United States, multiple employment laws were created in the 20th Century, including the 16th Amendment to the U.S. Constitution which permits Congress to collect taxes on income. During the Great Depression, legislation like the Social Security Act (SSA) and Fair Labor Standards Act (FLSA) were signed into law, making the manual operations of payroll more challenging.

[[Related Link: I3 Group – Payroll Outsourcing.](#)]

The shift from these more labor-intensive processes to comply with these payroll-related laws began in 1947 when GM (General Motors) established an automation department to standardize payroll; and further in 1957 when ADP (Automated Data Processing) started shifting to automated payroll processing with help from IBM's (International Business Machine) tab machine.

“Big companies started putting investments into automation to make payroll more standardized,” Tiliakos said, who added that when desktop computers became more common in the 1980s, “that took the game to another level” regarding payroll.

Advancing computer power in the 1990s gave way to central databases and near real-time results. The early 2000s saw cloud computing and SaaS (Software as a Service) technology where paperless payroll started to take hold with remote data input, custom reporting, and electronic tax filing. Then, advances in APIs (application programming interfaces) through the internet, the cloud, and mobile applications occurred in the 2010s.

“Cloud solutions really became the future [and] everyone was thinking about their cloud strategy,” Tiliakos said regarding both human resources (HR) and payroll. He added that until just before the COVID-19 pandemic, the focus for this technology in a business was on “core HR and the pieces around that and not so much payroll.”

During COVID-19, federal and state governments passed numerous pieces of

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“And now I think what we are living in is the age of digitalization and I call it the ‘Golden Age of Payroll,’” Tiliakos said. He emphasized that “this is an amazing time to be a real practitioner” where there is “more hope in terms of technology.”

“Generative A.I. is all of us right now,” Tiliakos said, later empathizing with professionals in the room regarding fears that A.I. will replace the role of the payroll professional. “I’ve been seeing some data that says payroll was one of the top areas where it’s going to change because of the use of generative A.I.,” Tiliakos started. “But it’s not going to replace [payroll professionals]...it’s going to replace the work that people are doing day-to-day manually.”

Tiliakos believes that instead, A.I. is going to “create a different role” for the payroll professional. “And I think that payroll is actually in a very, very good position to be very highly dominated,” he said, noting that a World Economic Forum’s job report highlighted some work skills of the future that have to do with creativity, adaptability, emotional intelligence, and technically proficient.

“Does that not describe a payroll professional all day long?” Tiliakos asked the audience about the report’s list of future work skills. He went on to say that payroll professionals should “embrace this technology for what it is, allow it to augment you, and to take those skills and apply them to use your data in your organizations to help advise your business on strategic decisions.”

Near the end of his presentation, Tiliakos discussed a handful of innovation trends to watch regarding payroll, which includes methods of receiving wages, financial wellness, financial technology (fintech), open banking, and APIs edging payroll beyond the bank and employee, and payroll democratization.

He said that more fintech is being used in the payroll world when it comes to workers receiving payments via Venmo or PayPal. “Employees have a lot of options,” Tiliakos

said. He continued to explain that fintech is attaching itself to payroll “to get further

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Tilakos went back to A.I. and how it is orbiting all these innovations. “And when they’re all connected and the data is all sharing you start to have this ecosystem that I believe is going to create what I call ‘everywhere payroll,’” he stated.

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