



## How RPA will affect payroll

Nick Day, managing director at JGA Recruitment, alerts the profession



The reality is many payroll tasks can be automated, and with suppliers claiming that automated systems can save up to forty per cent of time currently spent on repetitive payroll tasks, it is not surprising that businesses are now implementing robotic process automation (RPA) solutions to improve efficiency. If you are a business director, these efficiency improvements will sound very encouraging, but if you are a payroll professional currently responsible for the repetitive payroll tasks RPA seeks to improve, then you may be more concerned. However, if RPA is implemented and leveraged correctly, the time saved could enable payroll professionals to focus more on strategic, high-value tasks that can add real value to the bottom line.

Essentially, RPA is specialised software designed to handle and automate tasks to improve efficiency. There will not be robots walking around the payroll office (well, not yet anyway) as RPA is a software programme designed to work with existing payroll programmes by doing the tasks undertaken by payroll people. The software handles these repetitive duties by following a set of rules created by the human payroll professional, thereby saving time allowing payroll experts to perform more complex tasks.

RPA could be put to work in a variety of areas, such as automating data entry, carrying out reconciliation and validating data, reviewing quality and working within simple business rules. Such activities could reduce data processing errors and improve data compliance problems – a potentially attractive proposition with the General Data Protection Regulation coming into effect in May 2018.

With manual and repetitive tasks automated through RPA, it is inevitable that there will be impact on payroll jobs. However, before payroll managers start considering cutting back teams, it may not

necessarily mean reducing the number of employees; instead, it is the nature of the tasks that will change. Payroll administrative roles could become more analytical and less process-driven. Responsibilities and skills will evolve as payroll professionals will be required to analyse and interpret information, manipulate data, create complex reports, manage software operations and make decisions that are not necessarily rule-based anymore but are more lateral and complex.

### *...payroll professionals to adjust to this robotic evolution with practical vigour and positivity...*

Subsequently, I believe RPA will not necessarily take jobs away, but will change responsibilities and enable payroll departments to achieve more. Subsequently, payroll professionals may find they become more involved in duties such as analysing complex data, derived from so-called 'big data' projects, and working on new and improved ways of operating. Indeed, experts refer to RPA as taking responsibility for tasks, rather than roles.

RPA has a higher likelihood of carrying out functions more efficiently and effectively as it is not prone to manual errors that humans are. Robotic technology does not get tired or have a bad day, thus avoiding the costs that can arise from human error. With repetitive tasks handled, perhaps RPA will allow people who work in payroll to leave work on time for once?

Regarding the specific areas where RPA is most likely to help, anything associated with record-keeping or data inputting could

be an option for implementing this type of technology. For example, this could include changes in details to a person's records such as their address or contact details, salary changes or new benefits. Every payroll cycle requires high-accuracy checks and calculations, and these repetitive tasks can all be automated with RPA. Adding new starters, processing leavers and keeping track of attendance / absenteeism are areas where RPA technology could be highly beneficial.

Ultimately RPA is likely to have a considerable impact on the payroll profession. According to a study conducted by the BBC (<http://bbc.in/1Q5Vecw>), payroll positions are 97% likely to be automated in the next 25 years. However, RPA will not replace people altogether; instead, people will be required to carry out new responsibilities, such as making sure that RPA is carrying out its defined tasks correctly. What this means for payroll is that the industry and those working within it should start adapting sooner rather than later. It will take time for businesses to invest and adapt to the new technology. New skills will need to be learned and developed too, but this is nothing new to the payroll profession.

Regarding recruitment, in the longer-term it is likely we will see a reduction in the number of administrative payroll professionals recruited but we hope this will be offset by an increase in the number of payroll analysts and payroll data experts employed to specialise in analysing RPA efficiency and accuracy.

The robots are coming, but the payroll industry as a whole has always been very adaptable to change and new technology. Accordingly, I expect payroll professionals to adjust to this robotic evolution with practical vigour and positivity: characteristics synonymous with anyone who works in payroll. ■