

What Type of AI Is Really in Your Compensation Software?

Not all AI works the same way. See how chatbots, workflows, and agents differ—and what to ask vendors before trusting AI with your compensation processes.

Software vendors offer generative AI in three main ways:



CHATBOT
Provides answers & suggestions



WORKFLOW
Automates a pre-defined process



AGENT
Thinks and acts to achieve a goal



GENERATES TEXT

GENERIC

"Explain in plain language why two people in the same role can be paid differently."

KNOWS YOUR DATA

"Where does Jamie sit in her band, and how does her pay compare to Jeremy's?"

DOES WORK

WORKFLOW

"Assemble promotion packet for Jamie": collect justification → make comp recommendation → get approvals → finalize docs.

ON-DEMAND

"Jamie thinks she's underpaid. Please respond." Reasons across profile, peers, and market and drafts a response.

AUTONOMOUS

Promotion drift monitor: continuously monitors behavior to detect teams promoting faster than policy, peers, or norms.

VENDOR LANGUAGE

What vendors really mean

Assistant

Broad umbrella term

Copilot

Chatbot-agent hybrid

Agentic

Agent-like capabilities

AI-Powered

Marketing term

AI-First

Built around AI

DUE DILIGENCE

3 questions every buyer should ask

QUESTION 01

What are you selling?

Ask the vendor to show you which compensation tasks the AI actually handles, such as plan explanation, dispute investigation, and payout calculation, and where it stops. The answer tells you whether this is a demo feature or something your team can rely on every month.

QUESTION 02

Is it an agent or a workflow?

Workflows run a fixed script. Agents reason through a problem. If a rep disputes a payout, a workflow pulls a template response. An agent looks at the actual transaction data, plan rules, and earnings history before drafting a reply. Know which one you're watching in the demo.

QUESTION 03

How can I trust the output?

A wrong answer costs you rep trust, and sometimes money. Ask how the AI validates its responses, whether outputs are explainable and auditable, and what safeguards exist before anything surfaces to a rep or affects a payout.

Choose AI that's built in, not bolted on

Performio embeds AI directly into the platform, helping compensation teams work faster and adapt with confidence.

Why Performio

performio.co/why-performio