How to Scale Your Smaller HR Department and Automate Processes

Scaling Your Smaller HR Department for Success

Smaller HR departments are common, with an average HR staff-to-employee ratio of around 2.57 for all organizations[1]. With each added employee, there are more responsibilities to manage. These tasks are often time-consuming, involving manual processes, multiple systems, and data entry.

Research conducted by PWC's Consumer Intelligence Series found that HR teams spend 60% of their time on HR tasks and 37% on HR management[2]. As you can see, HR teams have little time to focus on anything else.

However, running an HR department successfully with one to three people is possible, even when experiencing an employee count increase. It can be done with proactive planning and strategic use of workforce management technology to automate specific HR and payroll tasks.

In this guide, we will dive into:

1 The importance of automating HR processes and how it helps ease the burdens of a smaller HR department.

2 The benefits of automating HR and payroll processes and how it can empower smaller HR teams.

3 A real-life case study of a company with a small HR department that automated its HR and payroll tasks by partnering with APS.

[1] HR to Employee Ratio: A Definitive Guide: Indeed
[2] AI and Automation in HR: Impact, Adoption and Future Workforce; AIHR

Common Challenges Faced by Smaller HR Departments

Small HR teams often look to do more with less when managing payroll and HR processes. Usually consisting of just one to three employees managing the company's workforce, it's easy to get overwhelmed by day-to-day tasks. They need a way to automate their processes to focus more on initiatives like employee retention and development. The right payroll and HR technology can help HR accomplish this so they can be more strategic.

Payroll and HR software can help solve many problems smaller HR teams face. Here are the most common challenges they struggle with before implementing the right workforce management solution:

01

Cumbersome Paper-Based Processes

Paperwork is a significant part of HR's job. Many employee-focused processes involve filling out documents and keeping an audit trail of that information for compliance purposes.

With everything from new hire paperwork and benefits enrollment to retirement contributions and performance reviews, there are a lot of documents to track. It's time-consuming and often manual, which can frustrate many smaller HR departments. In fact, HR managers lose about an average of 14 hours a week trying to complete tasks manually that could be automated[3].

Smaller HR teams need to automate processes like performance reviews, benefits enrollment, and onboarding in a single system. Moving these processes into a cloud-based system gives HR more time back in their day, decreases paperwork, and reduces the potential for errors.

14 hours a week — The average time that HR managers lose when manually completing tasks that could be automated

[3] More Than Half of HR Managers Say Artificial Intelligence Will Become a Regular Part of HR in Next 5 Years; CareerBuilder

02

A Lack of Employee Engagement

Outdated technology can impact employee engagement and company culture—and it isn't a new phenomenon. The Adobe Workfront State of Work 2021 report found that 32 percent of workers said they had left a job because their employer's technology hindered their ability to do good work[4]. A significant 49 percent of US workers surveyed in the same report said that they are likely to leave their current job if they're unhappy or frustrated with the technology they use at work. HR technologies are no different.

In an age where retention is more important than ever, companies with smaller HR departments must upgrade to software tools that support the employee lifecycle. Not only will this improve your employees' sentiment towards the company, but engagement will also improve as a result of a better connectivity and more positive work culture.

51.95%

Employees are dissatisfied at work due to substandard software tools

24.05%

Employees would consider leaving their jobs because of substandard software tools

80%

HR employees discovered that using HR technologies improved employee attitude toward the company

03

Poor Customer Support Experience

Unfortunately, many smaller HR departments do not receive reliable support teams from their payroll providers. They usually deal with a subpar client experience due to the use of large call centers and longer turnaround times to speak to someone. They may likely need to explain their problems repeatedly when they're being passed around the call centers too.

This situation can make them feel even more overwhelmed in their daily tasks, as they typically end up spending more time trying to navigate issues than having them solved. A personalized client experience is equally important to a workforce management platform's user experience.

[4] The 2021 State of Work; Adobe

04

Managing Turnover Rates

Managing a high turnover rate is one of the HR department's most significant challenges, particularly in recent years. This shift resulted in a great resignation, where employees either brought their talents to other companies that provided better compensation or simply remained unemployed.

According to an NBC News article, 79 percent of employees who leave their company cite a lack of appreciation as one of the major reasons for resigning[5]. This inevitably points toward inefficient HR processes, such as recruiting and hiring.

Smaller HR departments have a lot on their plates. However, recruiting and onboarding are crucial processes they manage. They need technology that streamlines their hiring process and allows them to focus their time on the best candidates. The ability to manage recruiting and onboarding electronically are vital now that more dispersed workforces and remote employees.

Smaller HR departments may find it difficult to keep up with individual performance management when they're already overloaded with other tasks. By automating performance management systems, they won't overlook individual employees and their achievements. This automation can also prompt managers to check in on their staff regularly.

79% **Employees who leave their company because of a lack of appreciation. Better HR processes can curb this turnover**

05

More Tactical than Strategic

Staff in small HR departments are often preoccupied with tactical HR, which includes putting out fires and managing daily tasks. This situation leaves them with little or no time to strategize and help drive revenue.

Both tactical and strategic HR initiatives need to work hand in hand for the company's growth, but it's challenging for a small HR department to find a balance between the two. By automating the tedious HR tasks and reducing their workload, small HR departments will have the bandwidth to employ a strategic HR plan that aligns with company goals.

[5] Here's the No. 1 reason why employees quit their jobs; NBCNews

06

Aversion to Change

Change can be scary, and we've all experienced a fear of the unknown. Sometimes, this aversion to change can impact the HR department. It may seem less risky to continue using the same manual, paper-based processes rather than change workflows as critical as payroll. However, it isn't sustainable if you're trying to develop human resources strategies for employee growth and retention in your company.

In contrast, HR can be an agent of change in their organization, spearheading growth. By working to automate payroll and HR processes, a smaller team can alleviate more tedious tasks. Small HR departments can even delegate some responsibilities to other staff, freeing up more time for employee-focused initiatives.

07

Affordable Care Act (ACA)

Smaller HR departments are already loaded with tasks, and managing the Affordable Care Act (ACA) is an added challenge. Tracking and managing all the information and paperwork involved with ACA compliance management may prove too tedious for an HR department of one to three to handle.

Not only are the processes time-consuming, but any errors can also result in costly penalties and non-compliance. Smaller HR teams need technology that uses their existing employee benefits data to track who is receiving health coverage and report that information to the IRS to ensure compliance.

08

Costly Compliance Errors

Smaller HR departments are typically so inundated with day-to-day tasks that they aren't always able to stay on top of ever-changing tax laws. Smaller HR teams may also be using in-house payroll tax software while attempting to navigate filings and payments on their own. Coupled with cumbersome paperwork and manual HR and payroll processes, this becomes a recipe for compliance errors.

Compliance errors can be costly and range for a multitude of reasons. It can be anything from calculating overtime correctly to withholding the correct amount of payroll taxes from wages. When these errors result from manual calculations, they can backfire on your organization later. For example, in the Ponemon Institute's 2021 Cost of a Data Breach Report, 70 percent of compromised records in 2020 were a result of human error dating back to 2017[6].

70% Compromised records in 2020 were a result of human error back in 2017

09

Frustrations with Inefficiencies from Outdated Technology

Despite the rise of technology, research from Software Suggest shows that 45 percent of companies are still in the early stages of basic automation[7]. Many companies are still relying on older technology to complete tasks. However, outdated software may cause more harm than good, requiring smaller HR teams to double-check their processes. It's inefficient, frustrating, and creates more work for already overwhelmed individuals.

Small HR departments need to update to a unified payroll and HR platform that uses a centralized database. This approach provides a single source of truth for employee data and ensures accuracy. A survey by Topia found that 70 percent of HR employees say they use three to six apps just to complete a single task[8]. Combining these solutions within a single platform will greatly increase staff productivity.

45% Companies that are still in the early stages of basic automation

70% HR employees use three to six apps just to complete a single task

[6] Cost of a Data Breach Report 2021; IBM
[7] Top HR Technology Trends: How It Is Evolving; Software Suggest
[8] Four Reasons Fragmented HR Systems Fail (And How To Fix Them); Forbes

9 Benefits of Automating Your Payroll and HR Processes

Switching to an automated HR and payroll solution that supports paperless documentation will ease your workload and reduce the chances of data errors. This error reduction leads to better compliance, mitigated risk, and cost savings. You need a payroll and HR partner that helps you improve employee satisfaction and increase productivity with technology and support that streamlines and automates your day-to-day processes.

By partnering with a workforce management provider such as APS, smaller HR teams can benefit in these ways:
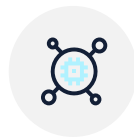
Improved Productivity

Small HR departments want to be more strategic with their time. They can eliminate manual entry and cumbersome workflows in their payroll and HR processes by automating them in a cloud-based system. This increased productivity can earn smaller HR teams hours and even days back each week.

Benefits Administration

Automating benefits administration processes allows HR personnel to receive alerts when employees are eligible for healthcare plans. It also facilitates online open enrollment, electronically transmitted benefits data to providers, and ensures employers are not paying out benefits to previous employees.

Personalized, One-on-One Support

It's vital for HR departments to receive support that makes them feel like more than a number. Working with a payroll and HR provider that uses a dedicated support team model ensures that you always receive individualized help, whether it's via email, phone, or online request. This approach allows your team to understand the nuances of your business and help you confidently navigate any HR and payroll issues that arise.

Payroll Tax Compliance

The right workforce management partner will help small HR teams file payroll tax and payments, acting as the reporting agent on their behalf, which reduces the burden of maintaining compliance. Furthermore, payroll taxes are always calculated accurately to ensure compliance and accurate employee paychecks. Working with a payroll tax team reduces the burden on smaller HR teams to manage compliance on their own.

Better Employee Engagement with Reduced Turnover

Automated HR processes made accessible to employees outside the HR department dramatically increases employee engagement. It starts from a streamlined hiring process to a great online onboarding plan and employee self-service options to improve efficiency and accessibility.

Receiving Additional HR Support

Smaller HR teams often do not have the capacity to keep up with big-picture tasks such as employee handbooks, company policies, and HR compliance issues that may arise. Partnering with a provider that offers additional HR support provides another level of guidance that benefits smaller human resource departments.

Increase Revenue-Generating Initiatives

With automation easing most of the small HR department's manual tasks, they can play a more active role in revenue-generating initiatives. You can positively impact employee retention, risk mitigation, and your company's bottom line with the right workforce management provider.

Secure, Online Document Storage

Manual processes are prone to human errors— including lost documents. These risks are reduced significantly with cloud-based document storage of payroll tax filings, Form W-2s, benefits enrollment paperwork, and more, Online document storage ensures that everything is secure and easily accessible.

More Capacity to Analyze HR Data

Small HR teams have increased transparency into metrics and dashboards with a unified platform that automates workflows. This visibility enables them more time to analyze HR data and make more informed decisions.

Get Reliable Workforce Management Solutions from APS

Consider partnering with a reliable workforce management solution provider such as APS to help with your core HR processes. A unified payroll and HR platform will help you control labor costs, minimize compliance risks, and improve workforce productivity. In researching a solution, it's crucial to consider a cloud-based system that offers specific features and benefits to streamline your HR tasks and compliance management.

Success Story

APS provides payroll and HR technology ideal for smaller HR departments. We design our platform to streamline mission-critical business functions that HR is usually responsible for managing.

Small and mid-sized businesses partner with APS because we focus on the client experience. We provide our customers with a dedicated support team for a more personalized, one-to-one relationship.

In this case study of Urological Associates of Savannah, P.C., you'll learn how APS helped their one-person HR team automate their manual processes and reduce their overall workload:

"

It was easy to use, and the support team is wonderful. The fact that we have a support team and not just a call center was a selling factor for me. I actually know the names of the people I talk to.

— **Wendy Partain,**
Human Resource and Credentialing Specialist

Read the full story here

Download Case Study

About

Urological Associates is a privately owned and operated six-physician group with an on-site Ambulatory Surgery Center in Savannah, Georgia. Specializing in complete urological care for patients 18 years of age and up, they employ an 85-person staff to provide quality medical services.

Challenges

- Managing a growing staff base
- Making the switch to paperless payroll and HR
- Keeping track of new hires
- Having a simple and straightforward solution

The Solution

APS helped Urological Associates of Savannah, P.C. automate their payroll and HR workflows so their one-person HR department can scale mission-critical processes as the company grows. They also gained:

- A logical system that's easy for admins, managers, and staff to use.
- An automated hiring process that is OPA and HIPAA compliant.
- Integrated employee background screening services.
- A personalized and knowledgeable support staff.

Conclusion

- Cost reduction and increased efficiency
- Unified payroll and HR
- Personalized customer service
- A solution that scales and grows

About APS

APS has a mission: to make payroll and HR easier. We provide our clients and partners with intuitive technology delivered with personalized service and support. We design our unified solution to simplify workforce management tasks. Process payroll in hours, automate HR workflows and elevate the employee lifecycle with a single-system platform. We are APS, your workforce partner.

Businesses choose APS as their workforce partner because of our focus on the customer experience. As a result, we continually maintain 98% customer retention and satisfaction rates. For more information on APS and how we can help make payroll and HR easier for your business, visit www.apspayroll.com.

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