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THE ULTIMATE GUIDE TO **HR Automation**



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Introduction

Enhancing HR's Strategic Contribution to the Organization

The role of human resources is increasingly important to an organization's success beyond traditional functions. Key objectives of HR are shifting away from time-intensive administrative duties and instead toward understanding organizational behavior, driving operational performance and informing business decisions.

Manually processing payroll, employee records and tax forms takes time away from strategic goals of talent recruitment and employee engagement. Recent studies show that HR managers believe they could contribute even more if they could free themselves of manual tasks, including those surrounding records management, employee onboarding, payroll and benefits administration, and more.

Technology now enables HR organizations to automate repeatable business processes and support this move toward more strategic activities. With a wide array of options available, how do HR managers select the right solution for their organization?

Let's explore the ways automation helps HR build a high-functioning infrastructure that employees, job applicants and executives can appreciate.

Chapter 1

What Is HR Automation?

Human Resources, along with many other departments, depends on document-driven processes to get work done. For example, employment contracts must be read and signed by new employees during the onboarding process. In a paper-based office, this process requires someone to make sure the contract is accurately prepared, printed, signed by the employee, received by HR and properly filed. Although the employee contract is an essential part of onboarding a new employee, spending hours of valuable time to complete this process on paper is not.



As with any technology investment, there is no one-size-fits-all solution; however, implementing an enterprise content management (ECM) system is the first step to reclaiming HR professionals' time. An ECM system digitizes an organization's documents and centralizes them in one electronic repository, making them easily searchable and trackable. Here are some key characteristics that can help guide HR managers toward a system that best serves their needs.

Automation should be an integral part of your ECM solution. The most powerful ECM systems give HR managers the ability to automate business processes by automatically routing documents and forms for necessary reviews and approvals. Automation handles many of the administrative tasks that, though critical, slow down productivity when performed manually. Such tasks include filing documents, creating new folders and transferring documents between employees, hiring managers and others. Automation also eliminates the need for paper-specific tasks like making photocopies and gathering handwritten signatures.

An ECM system should also give HR professionals the ability to create **electronic forms** to capture and route information to relevant departments or stakeholders. Electronic forms eliminate paper from the beginning and use features like drop-down lists and field-specific instructions to ensure data is complete and accurate.

Leading systems also have **records management** capabilities. The system should enable HR managers to archive all important documents and actions taken on those documents in accordance with a retention schedule that meets compliance requirements. This supports enforcement of consistent, organization-wide records policies and lessens the burden of compliance for individual employees.

To facilitate the seamless flow of information, ECM systems should easily **integrate** with an organization's core technologies, including ERP and HRIS systems. Integrations allow users to easily search, retrieve and work with information within one application, saving time and reducing training.

HR automation software should include robust process automation capabilities that are **user-friendly and intuitive**. If a system is easy to use, it is more likely to be adopted quickly, allowing organizations to reap the benefits sooner.

Finally, leading solutions include **prebuilt process templates** for common HR processes such as job requisition and application, new hire onboarding, employee status notification and FMLA leave tracking. Prebuilt process templates that users can download, configure and deploy immediately provide a starting point from which to automate processes using best practices, and facilitate rapid adoption.

Chapter 2

Which HR Tasks Can be Automated?



Benefits

Track when employees become eligible for benefits enrollment.

Health and safety

Send update emails to floor monitors when an employee leaves the organization or moves to a new floor.

Safety incident report

Once an incident report is submitted, risk management is immediately notified and hourly reminded to take action. These notifications comply with OSHA notification requirements. Once risk management completes the follow up report, it is saved to the repository.

Timesheet processing

Employees record their daily work hours in the form over the course of a pay period. The form is saved daily as a draft and submitted at the end of the pay period. The supervisor reviews and approves the timesheet. Approved timesheets are saved in the repository.

Employee recruitment

Automatically store applications submitted online in the ECM repository and assign them to a recruiter for review.

Employee onboarding

Send confidentiality agreements, waivers and other forms to new hires and, once completed, send them to the corresponding folders in the ECM repository.

Employee records management

Retain employee records according to government regulations in the ECM repository.

Family and Medical Leave (FMLA) tracking

Assigned tasks, automated reminders, and date calculations allow for easy tracking, and ensure that all necessary information is captured and stored.

Employee status change notification

Submit a notification to change an employee's title, department, supervisor, exempt/non-exempt status, etc. The form is then routed to human resources for review and approval.

Chapter 3

When's the Right Time to Automate HR Processes?

Keeping pace with technological advances is a lofty goal, and most organizations don't have the budget for frequent upgrades. Before you decide to automate HR processes, it's important to weigh all the factors involved, such as the predicted growth of the company and the level of satisfaction (or dissatisfaction) with the current HR system.



Here are seven ways to recognize when the need for HR automation has become critical:

1. Core Functions Have Become Subpar

Perhaps the most glaring example of an underperforming HR process is the distribution of delayed and error-ridden paychecks. Employee dissatisfaction is almost guaranteed if paychecks fail to arrive on time, or if further delays occur because of miscalculations. If your payroll process involves manual calculations of earnings and deductions, updating countless spreadsheets and scanning paper documents, the time has come for automation.

Are you or your colleagues blamed for slow onboarding, or distributing tax forms at the last minute? Look at your most fundamental responsibilities and see if any of them fall short.

2. Workforce Has Outgrown HR Capabilities

Periods of increased onboarding can swamp a manual HR department. Even if a manual HR department manages to keep up with the demand for new employees, all that time spent on paperwork means less time for thoughtful recruitment. In this case, the organization will grow in quantity, not quality.

The more HR tasks that are automated, the more time you can devote to attracting and sustaining a talented workforce. If you've noticed a lack of recruitment efforts coupled with high turnover rates, an overworked HR department could be the cause.

3. Audits Have Become a Nightmare

An HR audit can reveal two major flaws of a manual, paper-based environment: HR records and procedures fail to meet regulations and the audit process itself disrupts work and hinders productivity. Every hour spent finding and compiling physical documents costs the organization money—and then there are the non-compliance penalties, which can reach up to \$10,000 for poor record keeping.

If audits at your organization result in fines, take weeks to conduct or identify problems associated with paper records, it's probably time to go digital and automate HR.

4. Operational Costs Have Become Unsustainable

Paper files result in storage, printing and mailing expenses that only grow over time. Destroying old, unneeded records seems like an easy way to mitigate the costs of paper, but without an organized system for retaining records, organizations have no way of knowing when a record can be destroyed. In the end, it's easiest to keep paper records indefinitely—but it's certainly not cost-efficient.

If paper and storage expenses are eating into your budget, switching to an automated system will help you save on these operational expenses.

5. HR Staffing and/or Budget Has Decreased

If the trend toward greater demand for HR services—but lower budgets and staffing—is making its way into your HR department, then the opportunity to improve HR service delivery and productivity has never been more urgent.

Because an automated HR system requires less human involvement than a manual one, HR departments can operate efficiently, even with reduced staff. Additionally, HR professionals can keep track of documents more easily in a digital format, helping them maintain better compliance despite having limited resources.

6. Organization Is Expanding Geographically

A geographically dispersed organization needs to manage and collect data in order to make intelligent business decisions. You should be able to share data, such as employee competencies and local labor-market trends, with the organization. However, manual HR processes rely too much on data entry and administrative bottlenecks to efficiently share information with other offices.

If your organization has expanded or is planning a major geographical expansion, manual, paper-based processes will do little to support its growing needs. Automation benefits the organization that demands insight into its satellite offices, as well as the HR departments that must provide that insight. Consider looking into technology that supports geographically dispersed organizations, such as a cloud-based solution.

7. Organization Is Merging with or Acquiring New Offices

When previously independent employee groups need to be combined into one system, the drawbacks of manual HR processes become abundantly clear. Employees must put work on hold just to catalogue databases and transcribe information while decision makers must determine how to consolidate everything without losing crucial documents. A combination of two digital repositories—even if they don't exist in the same software application—can still be accomplished faster and with less error than transferring data from paper to software.

An organization that hasn't automated HR before a merger or acquisition should consider doing so as part of the restructuring phase. As the newly formed organization assesses its workforce, HR can share valuable information with an automated system, or hinder strategic planning with a manual one.

Chapter 4

What Are the Benefits of HR Automation?



Automation technology is multi-functional and can lead to many different benefits. Some benefits include:

| Benefits | HR AUTOMATION |
|--|---------------|
| Higher productivity due to faster processing times and information sharing. | ✓ |
| Reduced storage, printing and courier costs associated with paper-based work environments. | ✓ |
| Fewer data entry errors and lost or misplaced files associated with manual processes. | ✓ |
| Lower employee turnover rates due to higher satisfaction with timeliness and accuracy. | ✓ |
| Reduced risk of non-compliance penalties. | ✓ |
| Better support of organizational growth through efficient hiring and leaner operational costs. | ✓ |
| More time for people-management functions, such as: | ✓ |
| • Analyzing HR data to make intelligent business decisions. | |
| • Empowering managers, employees and job applicants by making information more available. | |
| • Staying ahead of competitors with an appealing company culture. | |
| • Collaborating with executives to recruit, train and retain top talent. | |

Once an HR organization automates a business processes, such as employee onboarding, it can gather data about that process—seeing how long the process takes from start to finish and any bottlenecks that may occur along the way. Analyzing this data, HR managers can make informed decisions that will improve the process, whether that means adding personnel to expedite document reviews or reallocating workers during busy seasons. As an organization automates more business processes, it gathers more data and unlocks more significant insight about its operations.

Conclusion

Transform Processes to Transform the Enterprise

A changing landscape in both technology and talent means HR must frequently seek out better tactics, processes and tools for performance. HR departments that rely on manual, paper-based processes are reexamining their processes and finding that automation technology leads to many benefits, including better productivity, cost containment and compliance, awareness of employee and candidate talent and chances for strategic contribution to the organization.



Armed with HR automation technology, HR managers can transform operations while transforming their own roles by spending more time on strategic activities. Automation increases efficiency and accuracy of processes and information, addressing a number of HR managers' top concerns, including:

Recruiting top-tier talent in an increasingly competitive market

With streamlined hiring processes, HR managers can increase an organization's engagement with candidates as well as facilitate faster onboarding—creating a better overall recruiting and hiring process for everyone involved.

Improving employee retention

Time saved through automation can be redirected to engaging employees, and driving high-value initiatives and strategy.

Keeping company and employee information secure

Automation and electronic records management enhances security and information governance, and mitigates risk of unauthorized access.

Efficiently managing records

Consistent recordkeeping processes increase access to the most accurate and up-to-date information, and make compliance and audits easier.

Leveraging metrics and data analysis to gain insight into workloads and operations

Once processes are automated, HR managers can analyze workflow and bottlenecks to make informed decisions and affect holistic business strategies.



Organizations that have implemented HR automation position themselves for success in these areas and more—some have built a new culture of innovation and efficiency surrounding their HR technology. [Texas A&M University's College of Engineering](#), for example, automated its employee onboarding process, which resulted in more than \$100,000 in soft savings in one year. The success spread to other departments that now automate their own processes and participate in user groups for interdepartmental collaboration.



The [Los Angeles County Sheriff's Department](#) similarly automated its employee onboarding and the effect—a streamlined, more efficient and more engaged hiring process—gives the department a competitive edge in its hiring as well as allows employees to focus on the services that directly affect LA residents.



The HR department at [Steinhafels](#), a furniture company, proved to be a major force in driving organizational growth when it automated its job requisition and employee onboarding processes. The new processes eliminated the need to hire new HR employees, resulting in annual savings of \$80,000, and the HR team now has more time to engage employees and help them solve issues.

Considering the enhanced role and impact of HR, today's HR professionals would be unrecognizable to those working in their position a decade ago. As HR continues to evolve, automation is central to the evolution. A modern HR organization needs the tools that will prepare employees for growth and to meet tomorrow's challenges.

As you begin to identify opportunities for HR automation, remember that automation is a means to an end. HR will always be about the people, and automation technology should serve those people, not replace them. As such, not every single aspect of HR can or should be automated; rather, automation should help HR professionals find and retain more talented individuals, collaborate with the organization and spend more time evaluating their workforce.

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