

If you are currently managing your workforce using spreadsheets and a conventional filing system, you know there is a better way, and there is – through **process automation with HR software**.

Investing in HR process automation will provide two immediate and measurable benefits to your organization:

- Improved compliance to governmental regulations and company policy, reducing the risk of fines, penalties, and costly litigation
- Improved bottom line through reduction of administrative paperwork and a corresponding improved efficiency of employees, managers, and administrators

Improved Compliance

Enforced Workflow

With the right **HR software**, a company can define a workflow that the users of the software (employees, managers, and administrators) must follow to recruit, hire, onboard, train, manage, or terminate an employee. The software should allow for the necessary customization to fit seamlessly into your current process, but provide the necessary direction to ensure that best practices and legal requirements are followed. Automation of the routine task of workforce management will quickly establish consistency of practice throughout the organization and maintain efficiency. For statutory requirements and company records, **HR software** will also provide the ability to maintain HR business practices and exceptions, employee personal records, and training records. With **HR software** in place, a company will be able to enforce compliance to all HR workflow processes, provide guidance on appropriate actions, and monitor compliance through the use of reports, dashboards, and email notifications.

Risk Management

The regulatory environment is ever-changing; the rules are complex and ensuring that all employees are updated to these constant changes can be difficult. Beyond enforcing established workflow processes, **HR software** can provide systematic updates when the rules and regulations change, and provide notification to managers and administrators of the changes. **HR software** can provide the necessary reporting to show compliance with record keeping requirements. While the following is not a comprehensive list, it provides examples fines employers face without an effective method for processing routine HR transactions and maintaining records:

COBRA - Employees who do not receive a COBRA notice on time may be paid up to \$100 per day from the date of failure to comply.

PROOF OF RIGHT TO WORK - For each employee for whom an I-9 form is not completed, employers can face up to \$1,000 per employee in civil penalties.

EEO (Equal Employment Opportunity) - Requires no discrimination in all employment practices including hiring, retaining, promoting, and terminating. Employers who do not comply or cannot prove compliance face both civil penalties and criminal charges.

Data Security

The best [HR software](#) uses two factor authentication for access, providing much more secure storage of personal records than the typical filing cabinet, while allowing each specific role-based user access to data (such as performance reviews or applications for new hires). Specifically, a manager may have access to certain records for employees reporting to that manager, but an administrator would have access to all information for all employees. [HR software](#) is provided in the SaaS model (software as a service), so records are maintained at no additional cost, this ensures that even during a catastrophic event within your company, your personnel records are safe and readily available.

Improved Bottom Line

While there are a number of areas where [HR software](#) will reduce costs and improve the bottom line, let's address three workforce management areas that all companies have in common.

Reduce the Need for Additional Staff

It is true that HR departments rarely, if ever, reduce current staff after implementing an [HR software system](#) but there are savings in the curtailed growth as each staff member becomes more productive. With [HR software](#) in place HR staff will be able to focus on areas such as benefits management or performance improvements. In the past, lack of time or lack of easily accessible data made it difficult, if not impossible, to look for cost savings in the most cost intensive areas of workforce management.

Cost Effective Reporting

With automation comes the ability to collect, access, and analyze data with far less manual production effort. Better reporting allows you to make better business decisions and to comply with regulatory requirements. To estimate the time and money saved by automated reporting, follow this simple process:

- 1) Select a report that you currently run or would like the ability to run.
- 2) Estimate the time, in hours, it currently takes you to complete the report or how long you think it would take you.
- 3) Multiply the hours by the number of times you would run the report.
- 4) Generate a rough estimate of the hourly rate of the employee who runs or would run the report time the total hours. The annual salary divided by 2,080 will provide an hourly rate, and then 33% times the hourly rate to cover overhead expenses.
- 5) Take the total number of hours required to prepare the report and multiply it by the adjusted hourly rate for the total cost of the report.
- 6) Now make a list of the most essential reports you run or would like to run and repeat the steps above to calculate the total cost saving with an automated report.

Example: Company XYZ runs 15 reports on a monthly basis, the average time to run each report takes one hour and the average hourly cost of the employees running the reports is \$17.82.

Automation of the reports will save \$3,207.60 annually.

Decrease Hiring Expenditures

The average cost to hire a new employee is \$4,588 (as estimated by the [Saratoga Institute](#)). To reduce the amount of time spent searching through resumes, interviewing inappropriate candidates, and conducting background checks you can automate much of the process. With [HR software](#) you will be able to have all applicants apply online, collecting the information you require – not just what they would like to provide you. Once the applications are complete you will be able to organize all of your activities and ensure all applicants follow a standard process – reducing your risk of discrimination claims and increasing your odds of hiring the best candidate for the position. Interview scheduling, background checking, and standard letters and reports can all be accomplished with a keystroke rather than a manual process.

Example: Company XYZ has a turnover rate of 20% year and 150 employees. The cost of hiring 30 new employees each year is estimated at \$13,764 (30 x \$4588). Saving just 20% of this cost through improved processes and better hiring decisions will result in a savings of \$2,752.00

Contact KPA to discuss how HotlinkHR can automate all essential HR processes, allow you to effectively manage your workforce, ensure compliance, and save money.

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