How HR Workflow Automation Helps the Mid-Market Industry Better Serve Customers

Believe it or not: Workflow automation's role in developing better back-end efficiencies can unlock the ultimate customer experience

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Why the connection between process efficiency and the customer experience matters

Much of business today revolves around the customer experience — improving it, optimizing it, personalizing it. This is understandable in a fast-paced, ever-changing environment where meeting and exceeding the expectations of customers can be a major competitive differentiator. In fact, at least two-thirds of companies now compete predominantly on customer experience.[1] But what's less understood is just how connected the customer experience is to the efficiency — or lack thereof — of employees.

Consider all the many back-end processes needed for a business to operate. When employees spend too much time and effort on those tasks — especially the low-value, tedious, repetitive ones dependent on paperwork or data entry — they have less to give to the customer. Clunky systems, tools, and processes distract, frustrate, and even overwhelm employees, impeding their ability to provide quality customer service and support.

These challenges have implications for the whole organization, not just customer-facing teams. Mid-market organizations — typically designated as those with 100-1,000 employees and between $10 million and $1 billion in annual revenues[5] — have big company goals but fewer company resources. Many are either selling to enterprise companies with significantly more employees and revenue,[6] or trying to gain competitive ground among them. As such, they must provide optimal customer experiences in order to grow and compete on the same playing field as mature enterprises.

Poor customer service costs businesses $75B/YEAR[2]

75% of customers are **willing to switch to a competitor** because of one bad experience.[3]

86% of customers say if they have an emotional connection with a customer service agent, they'd be **willing to stick with that business**.[4]

1 Pemberton, Chris. "Key Findings from the Gartner Customer Experience Survey." Gartner. March 16, 2018.   2 "NewVoiceMedia Research Reveals Bad Customer Experiences Cost U.S. Businesses $75 Billion a Year." Business Wire. May 17, 2018.   3 Closing the CX Gap: Customer Experience Trends Report 2019. Acquia.   5 "What Is the Middle Market?" Small Business Investor Alliance. June 30, 2021. 6 Chambers, Sarah. "How Enterprise Sales Differs from SMBs and Mid-Market Sales." HubSpot. April 12, 2021.

To do so, many organizations have automated the front-end processes that directly impact customers, but haven't done the same with back-end processes, leaving teams across the organization struggling to manage operations behind the scenes.

How HR plays a central role

The struggle is especially true for HR and people leaders. They have an important role in supporting the organization's workforce. But they're often bogged down with slow, manual workflows that are prone to error, making it much harder to manage the everyday needs of employees, let alone meet the larger demands of the business and respond effectively to change.

Their difficulties can trickle down to employees — manifesting in stress, miscommunication, lagging productivity, and more. In turn, employees' difficulties can trickle down to the customer. Over time, unhappy customers and disgruntled employees can not only erode the company's reputation but can seriously impact growth and revenue goals.

Most HR departments spend at least 5 hours per week on manual administrative tasks, and that number goes up with the size of the organization.[7]

A disengaged employee costs their company the equivalent of 18% of their annual salary.[8]

These challenges are solvable, though. HR workflow automation as part of a human capital management (HCM) system can speed up and streamline the back-end processes that ordinarily grind down operations. When HR can manage back-end processes quickly, easily, and accurately, there is much more time for building a talented, well-trained, supported workforce that can deliver a quality customer experience. Customer interactions improve and employees feel more satisfied and productive on the job, resulting in increased employee retention and accelerated business growth.

What's at stake for mid-market organizations

It's critical for today's mid-market organizations to develop and nurture quality customer relationships. Unlike enterprise businesses with more resources, mid-market businesses have to compete for talent and customers with increasingly limited funding and less staff. They have to be laser-focused on building trust and rapport with their existing customer base in the hopes that it will help them win new customers through referrals. More than ever, this is accomplished through an outstanding customer experience.

But there's a lot that can get in the way of this, especially with all the upheaval in the workforce that has occurred over the last few years. Mid-market organizations are especially sensitive to the recent soaring levels of employee turnover and the call for greater employee engagement.[9] They're also acutely aware that reskilling or upskilling existing workers and upgrading technology and systems are imperative if they want to stay competitive.[10]

7 The State of HR Information Management. HR.com / Iron Mountain. February 2022.   8 Herway, Jake. "Increase Productivity at the Lowest Possible Cost." Gallup. Oct. 15, 2020.   9 Forman Pollack, Robyn; Perreault, Dina. "5 Challenges Facing CHROs at Midsize Companies Today." Harvard Business Review. March 1, 2021.   10 Ibid.

The cost of replacing an individual employee is one-half to 2X the employee's annual salary.[11]

For a 100-person organization with an average salary of $50,000, this can mean turnover and replacement costs of approximately $660,000 to $2.6 million per year.[12]

These concerns have kept resource-strapped HR and people leaders on their toes as they try to fill workforce and skills gaps while anticipating additional changes in how and where work gets done and by whom.

The case for HR workflow automation

When the workforce is in flux and under pressure, operations are impacted — and eventually customers are impacted too. Inefficient back-end operations affect front-end operations in a cascade of consequences:

Employees are overwhelmed and feel ineffective in their daily tasks or are underskilled and under-trained in their roles.

↳ **Stressed, disempowered, and frustrated employees deliver poor, slow, and inconsistent customer service.**

↳ **Those employees eventually quit, which creates a crisis of employee turnover and further impacts the quality of customer service and relationships.**

↳ **Angry customers then complain and take their business elsewhere, leading to a loss of reputation and revenue.**

These personnel-related problems fall on HR and people managers to solve, but because of their own limited time and resources, the answer is often a flurry of reactive stopgaps instead of strategic, proactive solutions.

An important way HR can address some of the back-end inefficiencies that adversely impact employees and, by extension, customers is to automate

11 McFeely, Shane; Wigert, Ben. *"This Fixable Problem Costs U.S. Businesses $1 Trillion."* Gallup. March 13, 2019.   12 Ibid.

common and typically time-consuming HR processes via an HCM system. This includes employee termination, promotions, and changes in job, compensation, and location. Letting the HCM system seamlessly and accurately run these workflows in the background frees up HR to dedicate more of their time and focus to engaging with employees and equipping them with the tools they need to perform their jobs more effectively, as well as forecasting, planning, and other strategic tasks and initiatives.

85%
survey respondents agree that

an **improved employee experience and higher employee engagement** translate to a better customer experience, higher customer satisfaction, and higher revenues for their organization.[13]

Challenges with HR workflow automation

Even though workflow automation is increasingly the answer for many mid-market organizations, it doesn't come without challenges. Often business leaders are hesitant to invest in HR automation software, citing a few key reasons:

- There is a perception that it takes too much time, money, and resources to implement an HCM software system. For example, 76% of businesses still depend on paper processes which would require significant effort to digitize.[14] When they see the heavy lift required by various HCM providers, they're often dissuaded from looking any further into a solution.

- Leaders also fear that automation is dehumanizing HR processes that are normally and inherently interactive.

- Even if an HCM with HR process automation is implemented, it can be hard to define ROI. And as the organization evolves, the needs around process automation evolve as well, making it difficult to know when to expand automated capabilities — and how.

- Mid-market companies are frequently priced out of an HCM solution that offers automated workflows since those solutions are often built for and cater to enterprise companies. Conversely, HCM solutions that are designed and priced for the mid-market don't offer process automation.

- HR automation software can still leave room for error. Manual electronic routing of notifications about specific steps in a process, for example, is often defined by an individual person rather than by role. If someone leaves the company or moves into another role, the process notification can languish unnoticed in that person's inbox, causing the entire process to stall or break down.

These are legitimate questions and concerns for mid-market businesses. But there are HCM providers that offer workflow automation specifically designed to address the unique needs and challenges of the mid-market, and help allay fears that automation will take the "people" out of HR.

An HCM solution purpose-built for the mid-market

Mid-market businesses seeking competitive advantage must provide quality customer experiences by working within — not against — their time and resource constraints. By improving back-end efficiency with HR process automation, they can free up the time and attention needed to help support the organization's commitment to a better customer experience.

Organizations now have an opportunity to access HCM workflow technology after previously being locked out of the feature in enterprise-level offerings. With PrimePay's HCM solution purpose-built for the needs of mid-market businesses, HR and people leaders can finally experience the benefits of workflow automation, including:

✓ **Prebuilt workflows** that speed up the system activation process by avoiding lengthy and complex configurations, allowing teams to hit the ground running

✓ **Improved back-end efficiency** with the elimination of time-consuming, error-prone manual processes

✓ **A seamless process flow** governed by the system — not administrators or managers

✓ **Scalable workflows** that grow as the organization does without requiring teams to start over and build new workflows from scratch

✓ **Role-based architecture** that notifies the right person at the right time in the process — defined by the role, not the individual

✓ **Higher data quality and accuracy** with a single, centralized database that integrates and updates data from HR and other business sources

✓ **Time gained back** to re-dedicate to strategic initiatives, alignment with business objectives, and engaging more meaningfully with employees

✓ **An enhanced employee experience** and boosted morale that directly impacts the customer experience
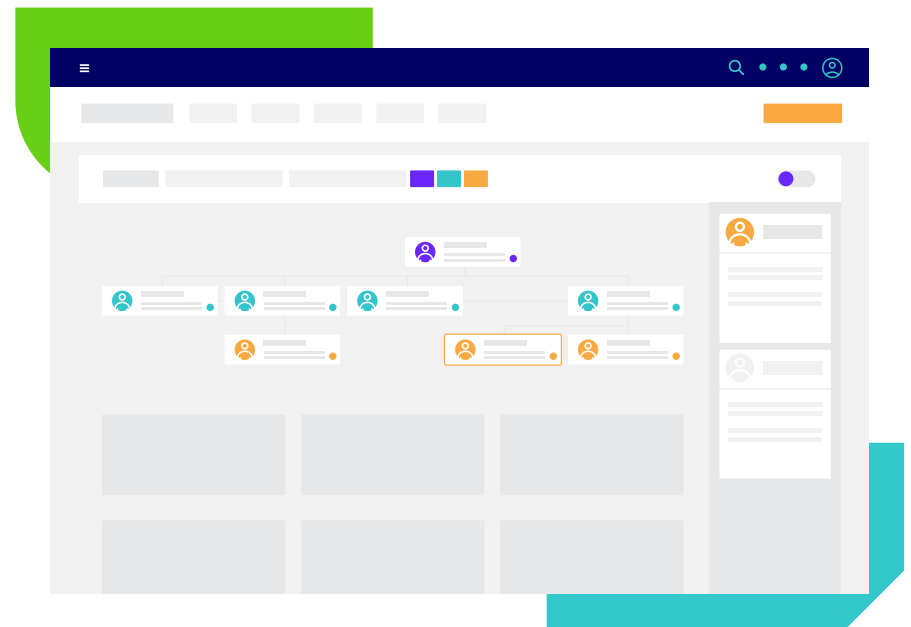
Mid-market organizations are an important sector of the economy, making the need for improved process efficiency greater than ever.

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Workflow automation as part of a comprehensive HCM system is a key component of achieving operational efficiency. When HR and people leaders can spend less time on day-to-day operational management, they can spend more time on building and supporting a workforce that provides an optimal customer experience and nurtures loyal customer relationships, driving the business forward and helping the whole organization to thrive.

Learn more about how PrimePay can transform your workforce with an automated, integrated cloud-based HCM. Visit www.primepay.com/request-demo for a risk-free demo or contact us for a free consultation: 720.893.2000 or www.primepay.com/contact.

PrimePay is with you every step of the way.

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