

3 Steps for Making Payroll and People Easy to Manage



 PRIMEPAY[®]

The business landscape has shifted dramatically in the last decade, leaving small businesses with a host of new challenges to contend with — especially in people and payroll management.

As HR complexity grows, many small businesses are struggling to support these essential business functions.

72%

of HR teams claim they don't have enough staff or resources to tackle all of their administrative tasks, let alone establish an HR strategy that delivers on business goals.¹

Business success relies on mastering foundational HR functions, simplifying operations, and taking manual work off HR's plate. These goals are achievable with the right technology – the problem is when businesses overcompensate with too many new tools, unintentionally make their processes more complex and expensive.

60%

Despite 53% of small businesses outsourcing payroll processing, nearly 60% still claim payroll poses a substantial administrative burden on their small team.^{2,3}

This ebook provides an in-depth look at how small businesses can strategically leverage technology solutions to seamlessly scale payroll, HR, and people management processes to meet their evolving business needs.

Small HR Teams Faced with Overwhelming Workloads

The COVID-19 pandemic and the subsequent Great Resignation hit many small businesses hard, transforming how these organizations manage their workforce. The old method of tracking payroll on pen and paper simply doesn't work for today's business environment. Now, small HR teams need support to manage the vast range of business priorities on their plates.

Between the shift to remote or hybrid work, hiring and employee retention struggles, and evolving employee expectations, HR teams are experiencing a ton of change that directly affects their daily tasks. These challenges make responsibilities like benefits and payroll management even more time-consuming, especially amid frequent personnel changes.

43%

of HR teams say a lack of time and experienced HR employees are the #1 reason they aren't meeting company goals.⁴

72%

of small businesses have a single employee responsible for all accounting and HR tasks.⁵

1 "SHRM State of the Workplace Study." Society for Human Resource Management. February 16, 2022. 2 "The 2021 Identity of HR Survey." HR Dive. 2021. 3 "2021 NFIB Tax Survey." NFIB Research Center. 2021. 4 SHRM State of the Workplace Study." Society for Human Resource Management. February 16, 2022. 5 Panko, Riley. "Why Small Businesses Lack Accounting Resources." Clutch.co. October 1, 2018.

For companies relying heavily on manual processes, managing the growing number of responsibilities is even more difficult. With so many people management challenges to address, small companies continue searching for the right tools and outsourcing opportunities to take the burden off their struggling teams.



Here are some of the most challenging HR hurdles facing small businesses today.

HR TEAMS STRETCHED BEYOND CAPACITY

Modern HR management covers more responsibilities than ever before, stretching a small company's HR professionals thin. Despite how crucial these tasks are to business operations, small companies still underestimate how much HR support they need to manage the growing mountain of HR responsibilities.

57% of small businesses don't have enough HR employees to operate effectively in 2022.⁷

The average small business needs a team of three full-time and one part-time HR professionals per every 100 employees—nearly three times more support staff than medium or large

businesses—to fully meet their company's needs.⁸ Plus, unlike specialized HR professionals at larger companies, HR employees in small businesses handle a much wider range of unrelated tasks, making managing today's people management challenges even more painful.

MANUAL HR TASKS ABOUND

Outdated systems and highly manual processes are common in small businesses, causing 44% of employees to report they can't be highly productive or efficient at work.⁹ In theory, technology offers small HR teams the support they need to be more efficient. But, without a strategy in mind, businesses add more time and effort to their HR processes by using disconnected tools.

94% the percentage of workers whose daily job duties involve repetitive manual processes and tasks.¹⁰

Maintaining specialized systems for payroll, talent acquisition, benefits, and workforce management is standard in many small organizations. Yet, working between multiple outdated systems contributes to the two manual tasks small business employees find the most time-consuming: data entry and copying data from one source to another.¹¹

BUSINESSES RELUCTANT TO ADOPT TECHNOLOGY

For small businesses accustomed to outsourcing or performing tasks manually, adopting new HR technology is intimidating. Often, that's because businesses aren't fully aware of what technology can do for them, as shown by 20% of business owners claiming they can't find a use case that justifies adopting HR technology.¹²

6 Ibid. 7 "SHRM State of the Workplace Study." Society for Human Resource Management. February 16, 2022. 8 "How Organizational Staff Size Influences HR Metrics." Society for Human Resource Management. 2015. 9 "Zapier report: The 2021 state of business automation." Zapier. April 20, 2021. 10 Ibid. 11 "Zapier report: The 2021 state of business automation." Zapier. April 20, 2021. 12 Staley, Dan; O'Donnell, Craig; and Youden, Diane. "PwC HR Tech Survey 2022." PricewaterhouseCoopers. 2022.

Cost of implementation is the primary reason that 23% of small businesses don't adopt new HR technology.¹³



Some business owners—nearly 17%—admit that their lack of knowledge of HR technology keeps them from investing. Considering that 39% of HR professionals claim automation and technology boost employee competence and morale, it's clear that hesitation to adopt technology is costing small business owners in myriad ways.¹⁴

LACKING THE TOOLS TO MANAGE TODAY'S WORKERS

Managers and HR teams need the right tools to support hybrid and remote activities. As people management strategies evolve, companies need to track outcomes more successfully without only monitoring employee outputs. Plus, without technology to support work outside the office, employee productivity and collaboration take a hit.

67% of companies, the biggest payroll processing challenge is tech limitations.¹⁵

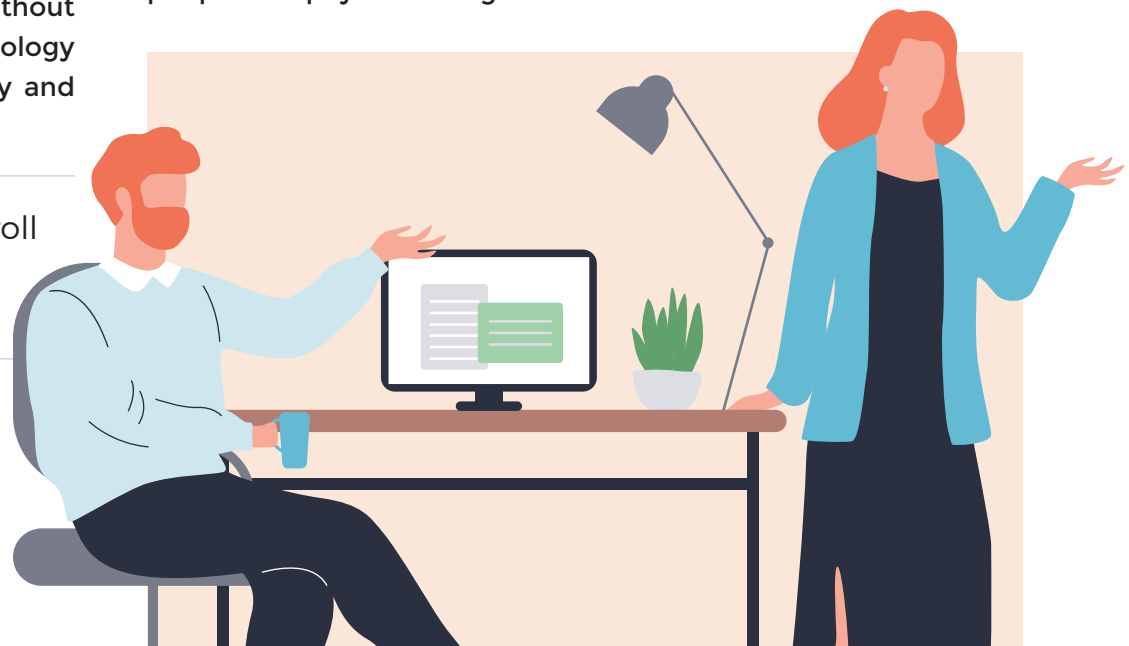
¹³ Ibid. ¹⁴ "Zapier report: Marketers lead the pack in automation at work." Zapier. July 26, 2021. ¹⁵ "Deloitte Global Payroll Benchmarking Survey." Deloitte. 2020. ¹⁶ Staley, Dan; O'Donnell, Craig; and Youden, Diane. "PwC HR Tech Survey 2022." PricewaterhouseCoopers. 2022.

Yet, only 37% of companies are using HR tools to track employee success, measure their outputs, and determine engagement while working remotely.¹⁶ Small businesses need these capabilities to keep employees engaged, reduce attrition, and enable employees to work effectively from home.

SMALL BUSINESSES NEED TECH SOLUTIONS THAT EMPOWER HR STAFF

These people management challenges aren't new for most small businesses. But, with an increase in HR struggles like managing remote work, high turnover, and hiring struggles, managing HR without the right technology is becoming untenable. Businesses are rushing to adopt tools that promise to help their teams, only to discover those tools don't integrate well with their existing systems.

Now more than ever, it's crucial for businesses to simplify operations and empower HR teams with the right tools to make HR processes smoother and easier. With this human resource and payroll management guide, businesses can easily streamline people and payroll management.



PrimePay's 3 Step Process to Easier HR Management

Supporting HR doesn't have to be an insurmountable challenge for small businesses. Small HR teams of any size can succeed with streamlined processes and the right tools to power those processes—without hiring more help or outsourcing more tasks.

Enabling your HR employees doesn't just take inefficient and time-consuming tasks off their plates. It also allows them to focus on responsibilities like providing a better employee experience, recruiting exceptional talent, and learning and development. Ultimately, fewer manual tasks allow HR to play a more powerful strategic role and help a small business grow.

This three step human resource management guide will help your organization spend less time on manual tasks and more time driving business goals.

1 STEP 1: SIMPLIFY OPERATIONS

Less is more with HR management tools. Complexity multiplies when small businesses integrate more HR tools than they need, especially if those tools don't integrate smoothly.

The average employee spends 58% of their day on work tasks that don't produce value—like moving between applications, changing priorities, and looking for status updates or information they need to work.¹⁷ While multiple tools should theoretically increase work output, 21% of employees state constantly switching between applications actually makes them less efficient.¹⁸

¹⁷ "U.S. Anatomy of Work Global Index 2022: Embracing the new age of agility." Asana. 2022. ¹⁸ Ibid. ¹⁹ Ibid. ²⁰ "U.S. Anatomy of Work Global Index 2022: Embracing the new age of agility." Asana. 2022. ²¹ "Zapier report: Automation makes workers less likely to quit." Zapier. October 29, 2021.

Employees at small companies use an average of 6 applications per day.¹⁹

Rather than managing multiple vendors, software, and systems, small companies can make better use of their time and resources by simplifying their workflows and reducing the number of technology solutions they use. A single-core platform provides all the capabilities HR teams need without wasting hours on vendor management, transferring data from one system to another, or switching between systems.

By simplifying operations and integrating everything into one platform, small HR teams can improve their processes and save an average of 270 hours a year.²⁰

2 STEP 2: AUTOMATE THE MUNDANE

Even with one centralized system, HR teams still have tons of manual processes on their plates. These manual tasks prevent experienced HR teams from focusing on strategic work, often leading to stressed, unhappy employees. Plus, highly manual processes are prone to human error, making work more stressful and putting essential business practices like payroll at risk for costly mistakes.

42% of employees who work at companies without automation thought about leaving their job in 2021.

Meanwhile, only **14% of employees** at companies using automation were willing to leave their job that year.²¹

65% Automating manual tasks helped 65% of workers feel less stressed.²²

Freeing HR teams from error-prone administrative work through automation can increase pay accuracy, reduce overpayments, and lower data security and compliance risks. Automating HR tasks saves teams an average of 8 hours every week on hiring and onboarding tasks, too, allowing HR employees to focus more on the parts of work they enjoy.²³

42% of employees report automation takes tasks off their plate, allowing them to accomplish more at work.²⁴

Automation is most impactful within a single platform. For example, by integrating your HR, payroll, and time management tools, updated information in one area of the system automatically carries over to other areas. That can substantially reduce the 2.9 hours a week workers waste on duplicate tasks like entering data into multiple systems.²⁵

30% of businesses say manually inputting data is the most time-consuming aspect of processing payroll each pay period.²⁶

²² "Zapier report: The 2021 state of business automation." Zapier. April 20, 2021.

²³ Zapier report: Marketers lead the pack in automation at work." Zapier. July 26, 2021.

²⁴ "Zapier report: Automation makes workers less likely to quit." Zapier. October 29, 2021.

²⁵ "U.S. Anatomy of Work Global Index 2022: Embracing the new age of agility." Asana. 2022.

²⁶ "Deloitte Global Payroll Benchmarking Survey." Deloitte. 2020.

²⁷ Ibid. ²⁸ Staley, Dan; O'Donnell, Craig; and Youden, Diane. "PwC HR Tech Survey 2022." PricewaterhouseCoopers. 2022.

Simple workflows help HR teams save time, too. For example, a three-step payroll process allows employees to kick off the payroll process and leverage automation to complete it faster and more accurately. From there, teams can use in-system reporting to automatically generate reports and check for errors before submitting payroll, saving companies time and money on costly payroll mistakes.

48% of companies that use modern HR and payroll technology say automation is the biggest benefit.²⁷

3 STEP 3: LEAN ON ONE WORK-TECH PARTNER

Identifying the right HR solution starts with finding a partner dedicated to helping small businesses succeed. The right work-tech vendor provides everything a small business needs in one holistic system, reducing the need to jump between applications to complete critical HR and payroll functions.

36% of businesses experience vendor regret, saying it's likely they'll change technology vendors once their subscription is up.²⁸



Leaning on one trusted provider reduces the likelihood of experiencing vendor regret. But, there are a few key questions small businesses should ask before they decide on a vendor's solution.

1. Does this vendor's solution include automated and streamlined employee payroll, benefits, and tax management services in a single, integrated solution?
2. Does this solution have robust APIs that can seamlessly integrate payroll with third-party providers?
3. Does this solution offer effective onboarding capabilities to streamline the new hire experience?
4. Does this solution provide reporting capabilities to help small businesses meet compliance requirements?
5. Can this solution automate mass employee data updates that span multiple departments?
6. Does this solution manage all aspects of the employee relationship, from hire to retire?

Integrated HR is Possible with PrimePay

Imagine how easy it could be to manage payroll and people management with one streamlined platform. With PrimePay, integrated HR can be the reality for a small business like yours.

With a trusted work-tech vendor like PrimePay, persistent human resource management challenges and solutions designed for each individual process are a thing of the past. PrimePay is with you every step of the way to automate and manage all the time-consuming HR tasks that bog down your team. With easier and more efficient HR processes, your team can focus on more strategic work and get back to what matters most: helping you grow your business.

Ready to transform HR at your organization? Request a demo or call 833-968-6288 to connect with one of our experts today!



PrimePay is with you every step of the way.

PrimePay delivers highly configurable cloud-based software and services enabling clients to hire and retain great talent, manage and pay their workforce, and optimize their business in an ever-changing compliance landscape. Learn more at primepay.com or reach out at (833) 968-6288 to connect with one of our experts today.

UNDER 149 EMPLOYEES?

Learn how we are uniquely positioned to serve organizations with an employee size under 149.

150-500+ EMPLOYEES?

Learn how we are uniquely positioned to serve organizations with a large employee count.