



**FROM FRICTION TO FLOW:**

# How Smarter Benefits Tools Reduce HR Burden



# Executive Summary

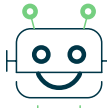
As new generations are entering the workforce, managing employee benefits tailored to new expectations has become increasingly complex. Human Resources (HR) departments are often overwhelmed by administrative tasks, compliance requirements and the need to engage a diverse workforce. This whitepaper explores how innovative benefits administration tools can alleviate these burdens, streamline processes and enhance both HR efficiency and employee satisfaction.

## KEY TAKEAWAYS:



### Escalating complexity

The employee benefits landscape is projected to grow by \$144.7 billion between 2024 and 2028, with a CAGR of 3.09%. Despite this growth, only 61% of employees in 2023 reported that their employer offers a range of benefits meeting their personal and household needs, down from 63% in 2022.



### Technological solutions

Automation and artificial intelligence (AI) are transforming benefits administration. In a recent Gartner survey, 17% of HR leaders identified benefits administration as a top-five HR technology investment focus for 2024. Moreover, 92% of AI-knowledgeable leaders see positive impacts from AI-driven decision-making.



### Aptia Group's impact

Aptia Group stands out with contact centers boasting an impressive Net Promoter Score (NPS) of 81, reflecting its commitment to exceptional service and effective benefits administration.

# The Growing Challenges of Benefits Administration

The benefits administration market is experiencing significant growth, driven by evolving employee expectations and regulatory complexities. Projections indicate a market expansion of \$144.7 billion from 2024 to 2028, with a CAGR of 3.09%.<sup>1</sup>

Despite this growth, there's a noticeable decline in employee satisfaction regarding benefits offerings. In 2023, only 61% of employees felt their employer provided a range of benefits that met their personal and household needs, a decrease from 63% in 2022.<sup>2</sup>

Recognizing these challenges, HR leaders are prioritizing investments in benefits administration technology. A Gartner survey revealed that 17% of HR leaders consider benefits administration a top five HR technology investment focus for 2024.<sup>3</sup>

Given these conditions, it's safe to say that certain challenges will continue to shape how HR departments handle benefits administration:

## Administrative inefficiencies and manual processes

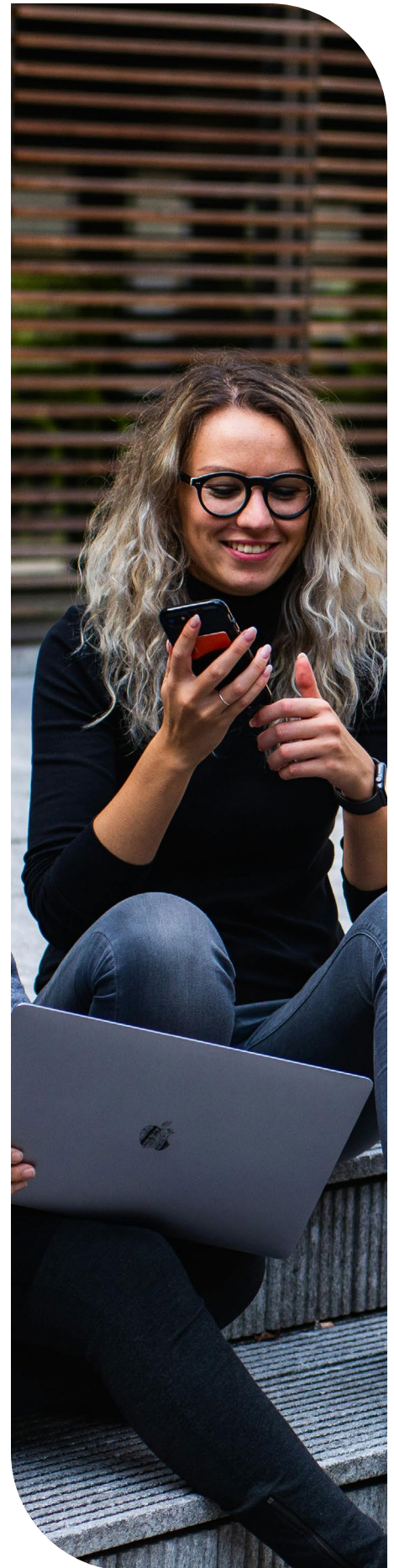
HR departments often grapple with time-consuming manual tasks, leading to increased workloads and potential errors.

## Low employee engagement and understanding

A significant portion of employees, 67%, spend 30 minutes or less reviewing benefit information, indicating a lack of engagement and understanding. For context, the average American spends just over two hours on social media every day.<sup>4</sup>

## Compliance complexities and risks

Navigating the intricate web of regulations, such as the Affordable Care Act (ACA) and various state-specific requirements, poses substantial challenges and risks for organizations.







# How Automation Is Transforming Benefits Administration

AI and automation are reshaping the HR landscape, revolutionizing tasks that once required extensive manual effort. AI-driven tools are already streamlining key areas such as candidate screening, employee data management and performance management.<sup>5</sup>

Benefits administration, a historically complex and time-consuming process, is also benefiting from automation, enabling organizations to reduce inefficiencies, improve decision-making and enhance employee experiences. With 40% of employers citing better benefits as a reason for frequent job changes, it's evident that attractive benefits are the ingredient to the otherwise abstract goal of employer branding.<sup>6</sup>

Unlike in other business functions, AI applications in HR require particularly careful implementation. Decisions made by AI in hiring, compensation and benefits have direct and lasting impacts on people's careers and well-being. Ethical concerns such as bias in algorithms, data privacy and transparency in decision-making need to be addressed from the outset. HR leaders must take a proactive approach, ensuring that automation enhances rather than undermines fairness, inclusivity and employee trust. Unlike in experimental niches, where potential AI bias or factual errors may be acceptable, employees need to be able to trust the system from day one.

Despite these challenges, organizations that embrace automation are seeing tangible benefits, with 92% of AI-knowledgeable business leaders reporting positive effects from its implementation.<sup>7</sup>

This goes to show that, when implemented thoughtfully, automation not only reduces HR burden, but also empowers employees with greater control over their benefits, ensuring a more seamless and satisfying experience for all.

# Key Features To Look for in a Modern Benefits Platform

Some industry sources suggest that 35% of HR leaders don't believe their management cares about their mental health.<sup>8</sup> While that's already troubling, addressing those concerns isn't a matter of announcing new policies. It requires a well-planned strategy, paired with the right tools. When selecting a benefits administration platform, consider the following essential features:

## User-centric design

Intuitive interfaces that cater to both employees and HR teams, enhancing usability and engagement.

## Decision support tools

Resources that aid employees in understanding and selecting appropriate benefits, addressing the 43% who lack confidence in understanding their health insurance policies.<sup>9</sup>

## Compliance management

Integrated tools to navigate complex regulations, reducing the risk of non-compliance.

## Data-driven insights

Analytics capabilities that provide actionable insights into enrollment trends and employee engagement.

## Scalability and flexibility

Solutions adaptable to diverse workforce needs across various industries.

Aptia Group exemplifies these features, offering seamless enrollment processes and robust support, contributing to an impressive NPS of 81.





# Hidden Costs of Inefficient Benefits Administration

Managing benefits administration through outdated, manual processes comes at a high cost — both in terms of direct financial impact and broader organizational consequences.

Many HR teams find themselves spending excessive hours on administrative tasks, working one-on-one with employees on issues that a benefits provider could efficiently handle. This diverts valuable HR resources away from strategic initiatives like talent development, employee engagement and workforce planning.

Research shows that companies allocate nearly 30% of their time to administrative tasks,<sup>10</sup> a significant drain on productivity. Moreover, a study by Ernst & Young estimates that the average cost of a single manual data entry point is \$4.78,<sup>11</sup> highlighting how inefficiencies add up over time. In addition, compliance errors or missed deadlines can result in substantial financial penalties, further straining company resources.

A disengaged workforce can also lead to higher turnover rates, and current data reflects this challenge. Only 53% of U.S. workers would recommend their employer as a great place to work.<sup>12</sup> Many companies recognize the need to improve their benefits offerings, yet struggles persist. In a 2024 employer report, 52% of organizations cited employee expectations around compensation and benefits as a key challenge in retention, while 32% pointed to the lack of a structured onboarding process for new hires as a major concern.<sup>13</sup> These factors, compounded by frustration with convoluted benefits processes, contribute to missed opportunities in attracting and retaining top talent.

HR professionals themselves are not immune to the consequences of inefficient systems. Managing outdated benefits platforms can be overwhelming, leading to increased stress and burnout. Studies show that 43% of HR professionals feel overextended,<sup>14</sup> exacerbating the broader issue of workplace well-being. When HR teams are bogged down by avoidable administrative burdens, they struggle to focus on initiatives that drive long-term organizational success.

The cost of inefficiency is clear. Organizations that fail to modernize their benefits administration not only face direct financial consequences, but also risk losing valuable talent, damaging employee morale and overloading their HR teams. To counter these challenges, investing in smarter benefits tools can help organizations build a resilient and competitive workforce.



# IMPLEMENTING SMARTER TOOLS:

## Overcoming Common Challenges

While the advantages of modern benefits administration tools are clear, many organizations still face hurdles when it comes to implementation. Addressing these challenges strategically is key to a smooth transition and long-term success.



### Resistance to Change and Legacy System Integration

One of the most common obstacles to adopting new benefits technology is resistance to change. Both leadership and HR teams may be hesitant to move away from familiar processes, especially if they have relied on the same systems for years. Additionally, integrating new automation tools with existing legacy platforms can be complex and time-consuming. Without proper planning, businesses risk creating more disruption than efficiency. A phased approach to implementation, along with clear training and support, can help ease the transition.

### Balancing Costs With Long-Term ROI

Investing in smarter benefits tools requires upfront costs, which can make decision-makers hesitant to move forward. However, focusing solely on the initial expense often leads businesses to overlook the significant return on investment that automation provides. Reducing administrative workload, minimizing compliance risks and improving employee satisfaction all contribute to long-term cost savings. Organizations that hesitate due to budget concerns may find themselves trapped in inefficient, costly manual processes for far longer than necessary.

### Data Security and Privacy Concerns

Given the sensitive nature of employee benefits data, security and privacy remain top concerns for HR and IT teams. New systems must comply with strict regulatory requirements to protect against data breaches and unauthorized access. Partnering with a provider that prioritizes security — offering encryption, multi-factor authentication and compliance support — is essential to ensuring employee trust and organizational safety.

### Choosing the Right Provider: Tech and Talent Matter

Not all benefits administration platforms are created equal, and selecting the right provider goes beyond just evaluating the technology. A successful solution requires a balance of cutting-edge automation and dedicated service support. Organizations should look for a partner that offers not just software, but also expert guidance, responsive customer service and a seamless experience for both HR teams and employees. Aptia's approach, for example, combines intuitive technology with a high-touch service model, ensuring businesses get the best of both worlds.



## Best Practices for a Smooth Implementation

To successfully implement smarter benefits tools, organizations should begin with a thorough needs assessment to identify inefficiencies and define key objectives. Transparent communication is equally important — employees need to understand why a new system is being introduced and how it benefits them. A well-structured rollout plan, along with proper training and ongoing support, can foster trust and engagement. Finally, partnering with an experienced vendor like Aptia ensures tailored solutions that align with business needs, making the transition as seamless as possible.

**By addressing these common barriers with a structured approach, businesses can implement smarter benefits tools that drive efficiency, enhance employee experiences and future-proof their HR operations.**

## Conclusion

The days of relying on manual benefits administration processes are over. As businesses navigate increasingly complex benefits landscapes, smarter tools are no longer optional — they're essential. Automation, AI and data-driven insights are transforming HR, enabling companies to reduce administrative burdens, improve compliance and create better employee experiences. With nearly one in five HR leaders prioritizing benefits administration technology investments, the shift toward modernization is well underway.

Aptia Group stands at the forefront of this transformation, offering innovative, intuitive solutions that simplify benefits administration while delivering measurable results. From streamlining open enrollment to enhancing employee decision-making, Aptia's platform is designed to reduce HR workload, improve efficiency and boost overall satisfaction. Companies that leverage these technologies not only save time and costs, but also create a workplace where employees feel supported and valued.

For organizations ready to move from friction to flow, now is the time to take action. Explore Aptia's platform, schedule a consultation and discover how smarter benefits administration can transform your HR operations for the better.

**To learn more about us, the services we offer, or how we can help you today, visit our [website](#) or connect with us on [LinkedIn](#).**

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