Comparison: Approval Chains vs. Traditional Approval Steps in Workday Financials

1. Conceptual Overview

Feature	Approval Chain	Traditional Approval Step (in BP Definition)
Purpose	Primarily designed for *HCM- related* approvals (e.g., job changes, compensation events).	Designed for *transactional* processes and *financial controls* (e.g., supplier invoices, spend-authorizations).
Configuration Level	Built and maintained outside the BP, linked to specific workers or roles.	Fully embedded within the BP definition, using dynamic roles, conditions, and routing logic.
Data Context	Limited financial object awareness (primarily organization/manager hierarchy).	Full access to business object data — cost center, company, spend category, supplier, invoice total, etc.

2. Pros and Cons Summary

Category	Approval Chain	Traditional Approval Step
Pros	• Easy to visualize hierarchical approvals. • Simple to maintain personnel-based routing (like manager → CFO). • Works well for HR events with straightforward hierarchies.	• Deeply integrated with financial data model. • Can route based on transaction attributes (e.g., cost center, spend category, supplier type, amount thresholds). • Allows conditions, multiple paths, or parallel approvals. • Supports auditability and compliance with SOX / internal controls.
Cons	• Not designed for financial BPs — lacks flexibility for data-driven routing. • Difficult to control transaction attributes. • Can cause inconsistent or unintended routing in financial events. • Maintenance overhead — changing one chain can affect multiple BPs.	• Slightly more complex initial setup. • Requires configuration discipline and testing when updating logic. • May appear less “visual” to casual users versus chain view.

3. Why Traditional Approvals Are Better for Financials

a.Data-Driven Routing

- Financial approvals often depend on *transaction details* — e.g., routing a Supplier Invoice over $10,000 to the CFO or routing based on *Cost Center* or *Company*.
- Approval Chains cannot dynamically use these attributes — they rely on supervisory org relationships.

b. Compliance and Auditability

- Auditors often require traceability of “why” and “who” approved based on financial policy.
- Traditional approvals tie directly to the transaction data and retain that logic within the BP definition, making audit reviews cleaner.

c. Flexibility and Scalability

- You can define multiple approval paths or conditions (e.g., different routes for capital vs. operating expenses).
- Easy to adjust logic as financial structures evolve — without breaking multiple chains.

d. Separation of Duties Control

- Traditional approval steps can leverage *custom roles* and *security groups* that align to SoD rules and financial governance.
- Approval Chains can unintentionally bypass these if used incorrectly, since they’re not tied as tightly to functional roles.

4. Example: Supplier Invoice Event

Scenario	Approval Chain Behavior	Traditional Approval Step Behavior
Invoice > $25,000 from IT Cost Center	Routes to Manager of the Initiator, not necessarily the Financial Approver	Routes to *Cost Center Manager → CFO* per amount threshold
Invoice for Supplier with Spend Category “Capital Equipment”	No way to distinguish routing based on spend category	Can conditionally route to *Asset Accounting Reviewer*
Multi-Company Setup	Must maintain separate chains per org	Uses BP conditions and role assignment rules tied to *Company*

5. Recommended Approach

✅ **Use Traditional Approval Steps** for all **Workday Financials** business processes (Supplier Invoice, Requisition, Expense Report, Accounting Journal, etc.).

💡 **Use Approval Chains** only for **HCM events** or where approval strictly follows *supervisory org hierarchy* without dependence on transaction data.

6. Talking Point Summary for Client

“ApprovalChains looksimpler, but they are not built to handle the complexity of financial transactions. Traditional approval steps give you far more flexibility, data-driven routing, and audit alignment. In Financials, this ensures compliance, scalability, and consistency — which reduces rework and audit findings.”