



How to Build the Ideal HR Team

WITH LIMITED TIME, BUDGET
AND RESOURCES



EXECUTIVE SUMMARY:

In the best of all possible worlds, if money and resources were no problem, what would your IDEAL HR team look like?

The North Star

Wherever you are on the path to building an HR team, you need to have a destination in mind. When you know what the goal is, you can work toward it. You might not get there overnight, but every team needs a north star to guide them.

Based on 30 years of working with HR and business leaders, countless interviews, and robust research, we know that high-powered HR teams invest in resources to support these three areas:



Talent Management 9



Benefits 16



Employee Development 25





How to Define *Success*:

Let's get real.

When it comes to your team, you're the expert. We can't tell you exactly how many people to hire, or what their job titles should be. That depends on your industry, your budget, and a million other factors unique to your business. Your mileage may vary. But in this guide, we can help you draw the map to reach your company's goals.

A woman with dark hair, wearing a bright orange blazer, is sitting on a striped couch. She is smiling broadly, looking towards the camera. In front of her is a laptop, and she is holding a smartphone in her left hand. To her left is a lamp with a warm, glowing light. The background is softly blurred, showing a window with light coming through. Overlaid on the image is a white rectangular box containing the text "Building an HR Team". There are also four small square icons: one solid orange, one outlined orange, one solid orange, and one outlined orange, arranged in a loose pattern to the right of the text box.

Building an HR Team

HR Director



Who leads the Charge?

Developing an HR team begins and ends with leaders. Whether you're a sole proprietor or the HR Director of a 2,000-person business, you set the tone for how people treat each other at your company. That means establishing a true partnership with executives, understanding business goals at the highest level, and then aligning HR to the overall company mission.

These soft skills drive hard results. Company culture has a direct impact on the success of your business. In 2023, 62% of employees that resigned cited "toxic company culture" as their #1 reason for leaving (*FlexJobs*). And companies with a good corporate culture report 4x higher revenues (*Forbes*).

Find the Right Framework

So you're ready to improve your company culture. What does that mean in practice? Words like "good" and "toxic" are vague at best. HR leaders need practical strategies to build out their teams and support employees at every level.

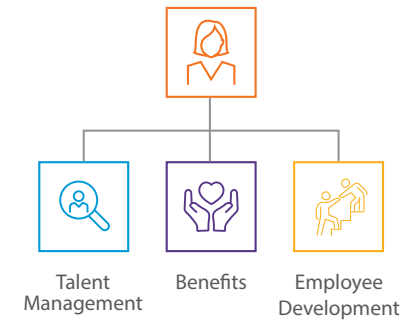


How to Make It Happen

HR leadership is an ongoing process. You need to keep your finger on the pulse of your business, implementing strategies that align with your team's evolving needs. It's critical to align HR's unique capabilities with the company's goals and strategies.

If your company has aggressive plans to grow, HR should focus on hiring and onboarding. If you're seeing high turnover, look for ways to boost employee engagement and retention. And throughout it all, you need to stay on top of compliance issues. With limited resources, these can feel like competing priorities. **To make it all happen, your HR team needs expertise in three key areas: talent management, benefits, and employee development.**

Critical Areas of Focus



Talent Management

At any company, talent management is HR's single most important function. Your company's success depends on your people. Recruiting isn't enough—you also need a retention strategy. As an HR leader, your job is to give your team everything they need to succeed and every reason to stay.



Benefits

If they had to choose, 80% of workers would opt for additional benefits over a pay raise (*Harvard Business Review*). The most successful HR teams use benefits as a competitive advantage. Cultural norms are changing, and workers now expect physical and mental health care, financial wellness options, and more.



Employee Development

Most of HR's time, and its biggest challenges, come from managing people. The question is: is your time well spent? If you're drowning in manual work or stuck answering the same employee questions day after day, you—and your company—are missing out on opportunities. When you invest your time and energy into the right tasks, your people will show up, make a difference, and win together.





Talent Management

Ideal State

Talent management includes each part of the employee lifecycle, from hire to retire. The best HR strategies boost employee engagement every step of the way.

- Recruiting + hiring systems help you build a candidate pipeline that attracts top talent. Streamline the onboarding process to boost employee engagement from day one.
- Coaching + career development are vital for retention. 94% of workers would stay at a job longer if it had growth and learning opportunities (*LinkedIn*). When you invest in your team, your whole company wins.



Talent
Management

Recruiting
+ Hiring

Onboarding
+ Administration



Recruiting + Hiring: Responsibilities

A well-oiled machine

Your recruiting team is like a sales team. And just like a sales team, they need the right tools to do their jobs well. AI-powered technology can help them write job descriptions, build a diverse talent pool, and track every candidate's progress. With clear, measurable data, HR leaders can effectively evaluate each recruiter's work based on key performance indicators and company goals.



Talent
Management

Recruiting
+ Hiring

Onboarding
+ Administration

Recruiting + Hiring : Responsibilities

Here are just a few of the critical metrics HR should review to understand and improve the hiring pipeline.



Talent Management

Recruiting + Hiring

Onboarding + Administration

	WHAT IS IT?	WHY IT MATTERS:	INSIGHT:
COST-PER-HIRE	Internal + external hiring costs ÷ total hires.	Helps recruiters make smarter decisions, create budgets, reduce hidden expenses and prioritize investment.	The industry benchmark is \$4,700, but a bad hire can cost up to 300% of the new hire's salary (<i>Zippia</i>).
TIME-TO-FILL	# of days to fill ÷ # of roles available.	The longer a position is open, the greater risk for losing quality candidates and impacting productivity.	The average is 44 days but varies across industries (<i>Business Insider</i>).
CANDIDATE PIPELINE	The number of qualified candidates interested in a job.	Your pipeline builds a stable army of potential hires whose skills and experience match roles where no immediate hiring need currently exists.	Create an effective pipeline by forecasting the number of candidates needed to hire each year, sourcing candidates, tracking referrals and reviewing conversion rates.
SOURCE OF HIRE	% of overall hires from each recruiting channel.	Helps HR determine which recruiting channels are most valuable.	Evaluating hiring sources and allotting budget spend is critical to developing an effective recruiting strategy.
APPLICANTS PER HIRE	# of applicants compared to the # of people hired for the position.	Helps HR determine the number of candidates needed to interview for a certain position.	This number will vary depending on employee size, role and brand, but it's the first step to determining the ideal candidate pipeline size that's best for your organization.



How to Get There: *Recruiting + Hiring*

How to Get There: Recruiting + Hiring

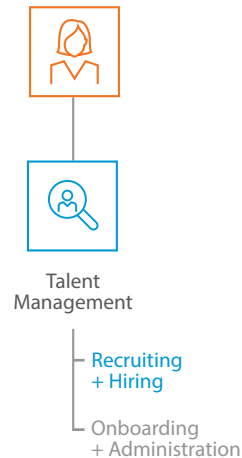
Where Does the Buck Stop?

If you can't answer that question, you're heading for trouble. Many smaller organizations decentralize hiring and rely on key stakeholders from many different departments. That's a recipe for poor communication. HR can take the helm to clarify the company's overarching hiring goals.

Apply metrics to test and learn, align with the hiring manager, and share your results with leadership.

Your Secret Weapon

Hiring isn't everything. Sometimes a more agile team is better for your bottom line. For smaller companies, recruiting software is a secret weapon. The right system can vastly improve how you find talent AND relieve your administrative burden. Look for a solution that takes the guesswork out of the hiring process. With robust data and reporting, HR leaders can quickly identify top candidate sources and discover bottlenecks in the hiring process.



How Paycor Helps

Recruiting Software:

Optimize recruiting with key metrics like time-to-fill, candidate pipeline and more. Paycor Smart Sourcing uses AI to write job descriptions, expand your talent pool, and text your candidates directly.



KEY ONBOARDING METRIC

New Hire Retention Rate

If new hires are looking for greener pastures within the first few weeks of employment, it's time to update your onboarding program. Assess the scope of the problem by calculating new hire turnover at various increments (one week, one month, two months, etc). Use that data to understand what's driving them away. Are you hiring the wrong candidates? Or do you need to give them more support from day one? These insights can help you set the tone for a great working relationship.



Pro Tip:

Use Paycor's First 90 Days
[Onboarding Checklist](#)

Onboarding + Administration

Ideal State: First Impressions Mean Everything

First impressions mean everything, and onboarding involves so much more than paperwork. Your new hires need to fill out tax forms, review policies, and complete trainings so your business can stay compliant. And that's just the start. Nearly 30% of new hires quit within the first 90 days because of a poor onboarding experience (*HRDive*). Don't underestimate the importance of this process.

Responsibilities: Who leads the way?

HR and hiring managers should work together to define a consistent, repeatable onboarding process that prioritizes four things:

1. Rules & Regulations
2. Expectations
3. Culture
4. Connection



Talent
Management

Recruiting
+ Hiring

Onboarding
+ Administration



How Paycor Helps

Onboarding: Hiring doesn't happen in a vacuum. Our integrated tools connect the dots between onboarding, compliance requirements, scheduling, and internal communications. HR teams can eliminate hours of manual admin work when new hires view and sign documents electronically.

How to Get There: Onboarding + Administration

The One Thing That Gets in the Way of Onboarding

The #1 onboarding mistake HR leaders make is getting bogged down by admin. When you're too focused on tedious, manual tasks, you just don't have time to give new hires personal attention. Put systems in place to handle the paperwork, so you can focus on training new talent and introducing them to the team.

Kiss Paper Onboarding Goodbye

To improve onboarding, there's one resource HR teams need above all else: the right technology. The proper tools reduce paperwork, mitigate compliance risk, and accelerate new hire productivity.



Talent
Management

Recruiting
+ Hiring

Onboarding
+ Administration



Benefits Administration

Ideal State

Great benefits give you a competitive advantage to recruit, engage, and retain top talent. But that's just one side of the story.

From a finance perspective, labor costs are often a company's greatest expense. These might seem like competing priorities, but they don't have to be. Look for ways your whole team can collaborate to balance the company's financial goals. HR's unique, people-centric insights can play a major role in optimizing cashflow and productivity.



Benefits

Benefits
Administration

Labor Costs



Benefits: Responsibilities

Win the war for talent

The benefits leader is responsible for the overall design, implementation, communication and administration of the organization's health and wellness programs. According to Glassdoor, **57% of job candidates report benefits are among their top considerations before accepting a job. Status quo, cookie cutter benefits packages won't work.** A successful benefits program is streamlined, user-friendly, and tailored to your unique team. Launch a benefits survey to understand their priorities. Then, you can use that insight to create a benefits program that appeals to a diverse workforce and attracts new talent.



Pro Tip:

Ready to revamp your benefits strategy?
[Download our Complete Guide to Creating Competitive Benefits Packages](#)



Benefits

Benefits
Administration

Labor Costs



Benefits

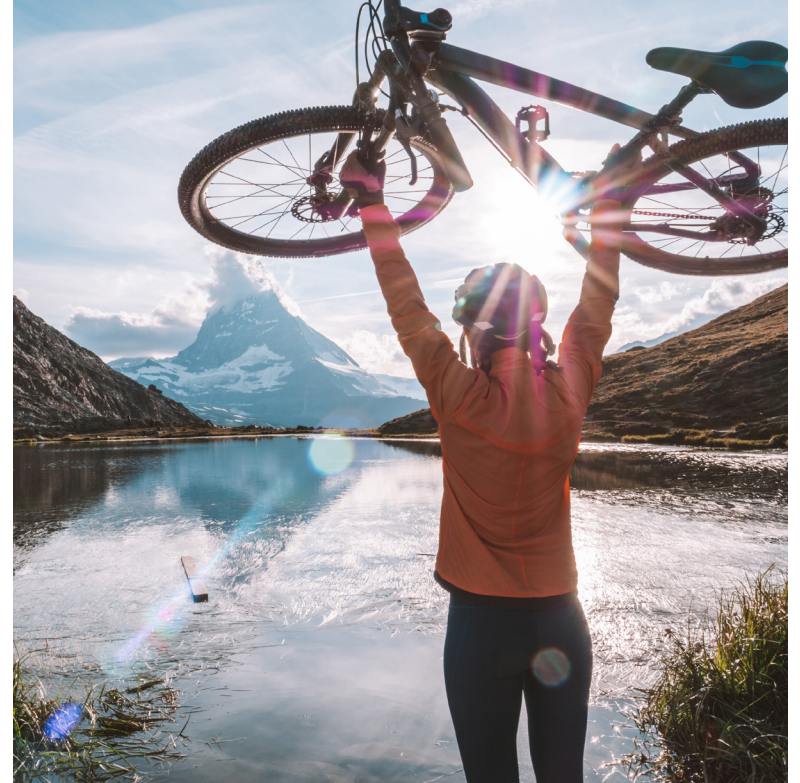
Benefits
Administration

Labor Costs

Benefits: Responsibilities

Here are just a few of the critical metrics HR should review to make sure you're offering the right benefits.

	WHAT IS IT?	WHY IT MATTERS:	INSIGHT:
BENEFITS COST PER EMPLOYEE	The total annual cost of an employee's benefits ÷ the number of employees.	Helps employers evaluate costs.	The most successful HR teams are evaluating benefits packages to not only control costs but differentiate in the marketplace.
PARTICIPATION RATE	The total # of employees ÷ benefits plan participants.	Indicates the effectiveness of benefits offerings, education and communication strategies.	Unused benefits can be costly for employers, so finding which resources aren't being utilized can impact the bottom line.
BENEFITS SATISFACTION	The overall effectiveness of benefits plans.	Knowing benefits satisfaction can help you attract quality candidates and retain your top people.	Surveying employees is a great way to determine which benefits are most coveted.



How to Get There: *Benefits*

How to Get There: *Benefits*

Buried in Paperwork?

HR should spend the majority of their time guiding employees through the potentially anxiety-provoking process of open enrollment. But you'll never get there if you handle benefits manually. Technology can answer questions before they turn into problems, streamlining your workflow and helping employees choose the right options for themselves and their families.

Talk to the Right Broker

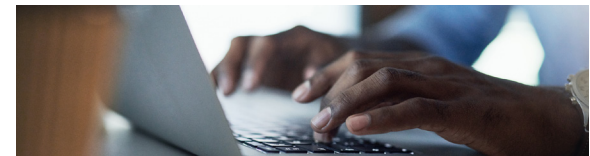
To optimize your benefits spend and keep up with changing laws, you need highly specialized knowledge. Connecting with an expert can help HR leaders understand their options. That's why HR teams are turning to benefits brokers for advice. With the right technology and the right partner, your job can get infinitely easier. Make the best possible decisions for your whole team, without having to take on a whole new job description.



Benefits

Benefits
Administration

Labor Costs



How Paycor Helps

Benefits: The right solution will give you insights into your benefits spend and can even benchmark your data against the competition.



Labor Costs

Ideal State

According to the U.S. Bureau of Labor, labor costs are on the rise.

If HR and Finance work together, that doesn't have to be a problem. If you optimize your benefits, compensation, number of employees, and quarterly goals, it can even work in your favor. This could be the inspiration your company needs to rebalance costs, attract strong job candidates, and retain high performers in the long term. To achieve those goals, you need to work from strength. HR is sitting on a goldmine of data that, properly leveraged, can have an enormously positive impact on your company's bottom line.

So, what's the problem?

- HR teams still spend too much time on transactional HR functions, like logging into multiple systems and toggling between spreadsheets.
- HR often doesn't have the tools they need to access, much less interpret, data. Your HCM platform has to make it easy to not only find the data but also separate the signal from the noise.



Benefits

Benefits
Administration

Labor Costs



How Paycor Helps

Time Budgeting and Forecasting:

You should never be surprised by labor costs. These dynamic tools let you track real-time changes, run reports, and plan for the future.

Labor Costs: Responsibilities

Unplanned Overtime is a Big Problem

One of the biggest challenges CEOs and CFOs face is controlling labor costs. A quick way for HR to add value to the organization is to examine the impact labor expenses have on your business. Start with overtime. It's one of the main reasons labor expenses are off the charts. Then look at your scheduling process. By drilling down into key labor metrics across your business, HR can detect problem areas and optimize them to reduce unplanned expenses.

70% is a Big Number

According to the Bureau of Labor, 70% of businesses' compensation costs are attributed to wages and salaries. If you don't have meaningful, actionable data on your biggest expense, you can't impact your bottom line.



Benefits

Benefits
Administration

Labor Costs



Benefits

Benefits
Administration

Labor Costs

Labor Costs: Responsibilities

Here are just a few of the critical metrics HR should review to understand how benefits and scheduling affect your bottom line.

	WHAT IS IT?	WHY IT MATTERS:	INSIGHT:
TOTAL LABOR COSTS	The combination of salaries and wages paid to employees, payroll taxes and benefits.	Reducing labor expenses can significantly impact the bottom line.	Evaluating labor costs by location and time period (monthly or annually) can uncover outages.
OVERTIME COSTS	The expenses resulting from work performed outside the typical workday.	Hidden costs like unplanned overtime and ineffective employee scheduling cause labor to rise.	Drill down into overtime expenses by month, manager and department to find where hidden costs lie.



How to Get There: *Labor Costs*

How to Get There: Labor Costs

Partner with Finance

Align with your Finance team to make labor costs a shared responsibility. HR leaders can analyze pay practices to make sure the company is offering competitive pay ranges and effectively managing the cost of overtime. Integrated technology can help every department get on the same page.

A 360° View

The right tools make all the difference. Use time and attendance tracking, scheduling software, and data analytics tools to assess and project labor expenses. Robust software can alert you when employees approach overtime, integrating with a scheduling tool so you can make changes on the fly.



Benefits

Benefits
Administration

Labor Costs



How Paycor Helps

Time & Attendance: Take control of labor costs by monitoring the hours your employees work.

Scheduling: Organize your team and communicate critical scheduling information in real time.



Employee Development



Employee
Development

Ideal State

People are at the heart of every organization. HR's primary responsibility is to create a working environment where employees show up, make a difference, and win together. But you won't build a strong company culture overnight. **To reach this long-term goal, HR needs to capture, analyze, and share data across four key areas that influence every aspect of business.**

- Performance
- Employee Experience
- Learning
- Compensation



Employee
Development

Employee Development

The Domino Effect

Gallup's annual survey consistently finds that just one-third of employees are engaged at work. And disengagement leads to turnover. If you want to retain top talent, you need to focus on employee engagement. For HR, basic daily operations are a powerful way to shape the employee experience, supporting your team and giving them reasons to stay.

50%

of employees are not engaged and,
even worse, 16% are actively disengaged.

(Gallup)

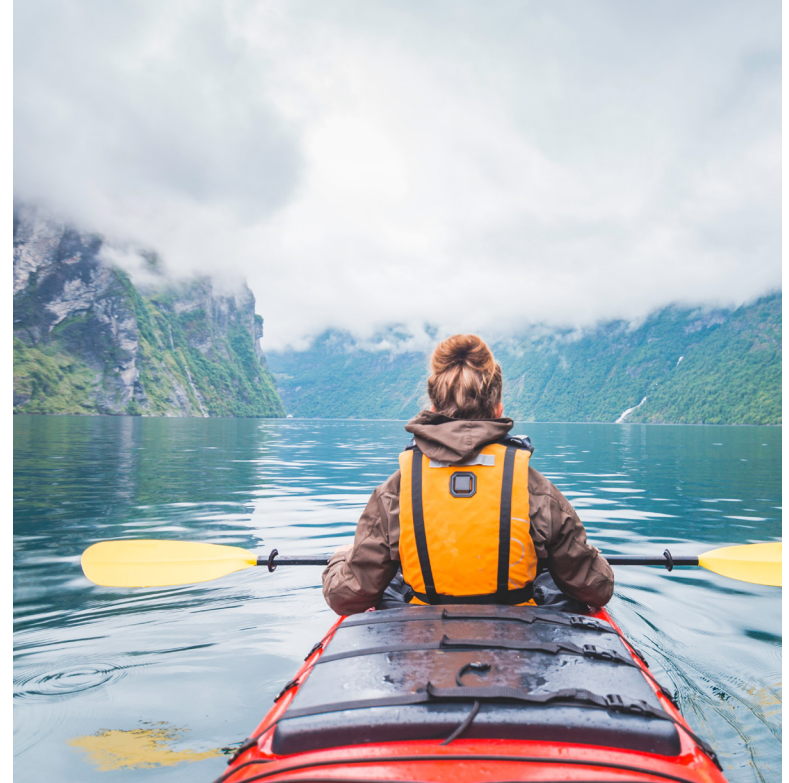


Employee
Development

Employee Development

Here are just a few of the critical metrics HR should review to streamline processes and improve engagement.

	WHAT IS IT?	WHY IT MATTERS:	INSIGHT:
RETENTION RATE	# of employees employed for a given time period ÷ the number of employees hired at the start of that period.	Analyzing retention by department and manager can help pinpoint problem areas.	Conduct exit interviews to understand what's causing employees to leave.
TURNOVER RATE	The number of employees who leave during a given time period ÷ the average number of employees.	A new employee can take nearly two years to reach the same level of productivity as an existing staff member.	Examining turnover trends will allow HR to prevent problem areas from becoming larger issues.
NET PROMOTER SCORE	A rating system that determines employee loyalty and engagement.	Measuring how employees feel about your organization allows you to take action and make improvements.	Learning what makes promoters tick will enable you to build the right engagement strategies.



☐ How to Get There: *Employee Development*





Employee
Development

How to Get There: *Employee Development*

Coaching is Key

92% of employees say on-the-job training programs would help them stay engaged at work (*Zippia*). As everyone who's gone through a hiring process knows, there's no such thing as a perfect fit. For HR leaders, that's not a roadblock, it's an opportunity. With the right tools you can support your employees' growth, improve productivity, and drive retention—all in one fell swoop.

Open the Lines of Communication

You have to understand expectations before you can meet them. Great leaders set clear, measurable goals for their teams. HR software allows managers to define the metrics of success and publicly recognize each employee's progress.

Personalized Feedback

Most people feel a spike of anxiety when they hear the phrase "we need to talk." To work against this, HR leaders can normalize 1:1s where managers can give and receive feedback from direct reports. This practice fosters an open dialogue in good times and bad, encouraging workers to ask for help when they need it.



How Paycor Helps

Career Management:

Structure the way you track your team's growth. Action-oriented assessments let each employee know what they need to work on, and customized dashboards help leaders identify organizational gaps.



How Paycor Helps

Paycor Analytics: Review key metrics to see who's at risk of resigning in the near future. Translate data into trends, pinpoint problems, and make a plan to solve them. Update your HR strategy based on insight, not just intuition.

Optimize Workflow

65% of employees experienced burnout in the past year (*HR Dive*). That impacts employee engagement, productivity, retention, profitability, and more. In short, it's bad for business. Sustainable growth is a balancing act. Company leaders - including the HR team - need to support employees without sacrificing financial goals. To do that, you need the right tools.

Aligning Company Goals

It's easy to feel like you have competing goals at work. Sometimes, that's a great motivator. But when the competition goes too far, employees get caught in the middle. HR can avoid this by aligning with other company leaders. Run regular reports to evaluate metrics and keep your organization moving forward.



Employee
Development



Employee
Development



How Paycor Helps

Paycor Paths: Deliver personalized, scalable courses to help grow your frontline managers and future leaders. Expertly crafted, bite-sized content drives real behavior change and improves company culture.

Retain Top Talent

Employee engagement is 30-50% higher at companies with a strong learning culture (*Deloitte*). Strong training and career development opportunities can raise profitability and dramatically increase retention rates. This is a big deal, especially when it can cost up to nine months' salary to identify, recruit, and onboard new staff (*SHRM*).

There's an added bonus here: when you invest in your employees, you're building a bench of great management talent. Investing in your people is a great succession strategy. **The right learning management system can maximize engagement, lower recruiting costs, and improve long-term retention rates, all at the same time.**



Employee
Development

Give Your Leaders a Path to Excellence

Leaders set the tone for company culture. When they have the right tools, technology, and educational resources, companies see a virtuous cycle of lower turnover, higher retention, and better employee engagement. A wealth of research shows that coaching, optimization, and retention strategies are central to all of these goals. **That's why Paycor developed the COR Leadership Framework: a platform that empowers leaders to build winning teams.**



How Paycor Helps

COR Leadership Framework:

This integrated suite of tools lets managers evaluate their strengths, identify and pursue learning opportunities, and put their new knowledge into practice.



Employee Development

COR Leadership Framework:

Transform your frontline leaders into effective managers with Paycor's COR Leadership Framework and purpose-built products.



Pulse Surveys

Gain insights into leader effectiveness and employee sentiment with Paycor Pulse.

COR Leadership Dashboard

Inspire behavior change by reinforcing leadership best practices like recognition, feedback, and fair compensation with the COR Leadership Dashboard.

Paycor Paths

Improve manager leadership skills with Paycor Paths.



How Paycor Helps

Paycor's human capital management (HCM) platform modernizes every aspect of people management, from recruiting, onboarding and payroll to career development and retention, but what really sets us apart is our focus on leaders. For more than 30 years we've been listening to and partnering with leaders, so we know what they need: a unified HR platform, easy integration with third party apps, powerful analytics, talent development software, and configurable technology that supports specific industry needs. That's why more than 30,000 customers trust Paycor to help them solve problems and achieve their goals.

VISIT [PAYCOR.COM/HCM-SOFTWARE](https://paycor.com/hcm-software)

CALL 844-981-0040

