



Back Office to Boardroom: How Automation Empowers HR Leaders





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EXECUTIVE SUMMARY

HR leaders at top-performing companies regularly meet with their CEO and CFO. In struggling companies, that collaboration occurs much less often, primarily because HR in these companies tends to spend most of their time on administrative tasks.

To overcome the admin trap, HR needs to shift from:

- **Reactive to proactive.** Automation handles routine questions, compliance tracking, and manager prompts—eliminating the repetitive work that keeps teams in triage mode. Predictive analytics flag retention risks before resignations land.
- **Scattered to centralized.** System fragmentation is often an unseen but significant waste of time and money. A unified platform provides a single source of truth, enabling real-time answers to executive questions without manual reconciliation.
- **Transactional to relational.** With 70% of mid-sized companies battling voluntary turnover—and replacement costs reaching \$200,000 per key employee—HR's value shifts from processing payroll to building culture. Top-performing companies give managers 40% more time for coaching than their struggling peers, which reduces turnover and builds a leadership pipeline.



Finally, we suggest ways HR can secure budget approval from skeptical CFOs by translating requests into recovered labor hours and minimizing turnover costs.

The case for acting in 2026 is straightforward. AI has matured beyond early limitations and now is the time slower moving companies will be outpaced. Compliance complexity is compounding—pay transparency laws now cover nearly half the U.S. workforce. And companies investing in HR infrastructure are building advantages that widen every quarter.



HR Belongs in the Boardroom (Like, Now)

Think of the boardroom of decades past. Corner office. CEO and CFO diving into hard numbers—margins, cost-containment, where to invest. HR's not in the room. **But you should be, and in the best companies, you are.**

Paycor found that while only **20% of top-performing companies** report infrequent meetings between these leaders, that number jumps to **33% for companies that are struggling**. When HR is on the sidelines, companies fail to align talent with their financial goals. And that's never good for any metric, much less the bottom line.





That said, some CFOs are skeptical about HR's role and it's not entirely unfounded.

Chances are, they've seen software implementations that were expensive fizzles. When finance leaders hear "we need a new HCM platform," they can be forgiven for thinking: *I've heard this one before.*

Persuading the CFO means showing up to a budget conversation with the same rigor finance brings to every other investment.

This guide can be a first step toward **framing HR's value in a way that opens the door to the conversations** you need to be in.





Why 2026 is the inflection point.

If you've been waiting for the "right time" to modernize your HR infrastructure, this is it.

AI is only getting better. It's time to raise the bar on what value HCM software delivers. AI today can (and should) resolve employee questions, flag retention risks, and automate compliance workflows in ways it couldn't two years ago. That changes the way HR delivers value.

Compliance complexity is compounding. Pay transparency

laws have expanded to cover nearly half the U.S. workforce.

State-level leave regulations multiply faster than most HR teams can track manually. EEOC enforcement is intensifying. The burden is exponential. HR needs help managing information overload.





The talent market has permanently reset.

Employees now expect easy-to-use digital tools, transparent compensation data, and career pathways. This isn't due to entitlement; rather, top performers know their market value.

And the gap is widening. Forty-eight percent of large businesses are already deploying agentic AI, compared to just 4% of small businesses—a widening and worrisome capability gap. Meanwhile, sectors with high AI exposure are seeing three times higher revenue growth per worker than those slower to adopt. The cost of waiting isn't just the inefficiency tax you're paying today; it's the distance you'll spend years trying to close.



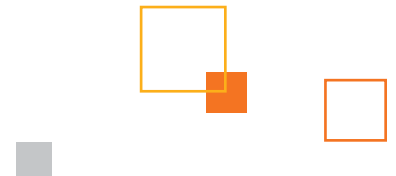


PART 1:

From Reactive to Proactive!!!

HR leaders need to be in conversation with CEOs and CFOs. Instead, they're drinking from a firehose.

The latest and loudest problem is the enemy of HR. It keeps you in a loop of answering the same questions and working around glitches and data silos. Here's what makes CFOs skeptical: from the outside, this chaos looks like a headcount problem, not a systems problem. They see your team scrambling and think, "Maybe we just need to hire smarter." You know better. You can't out-hire a broken process.

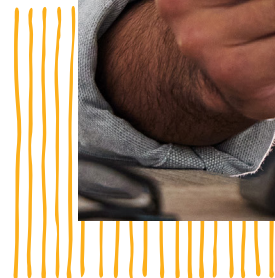




To break the loop, expect your HCM to automate anything (or most things) in your work life that can be automated.

If it doesn't, it's not a modern solution. True automation looks like AI-powered assistants that resolve routine questions (think open enrollment). It's a system that automatically calculates the complex math of overlapping FMLA, ADA, and state-specific leave requirements. It's predictive analytics that flag high-flight-risk employees before they resign. It's automated prompts that remind managers to finish performance reviews (and help guide them through the process).

Automation is only possible when your data is not stuck in silos. This fragmentation forces you into the role of a data scavenger, reconciling entries by hand. A unified platform that connects to third-party technology without sacrificing one place for all employee data is the only way to shut off the firehose.





QUICK WIN:

The 15-Minute Question Audit

Tag every “quick question” your team gets for a week. If more than half are the usual suspects—HR policies, benefits, pay basics—you’ve found a self-service gap. Bring that number to the CFO.



How Paycor Helps:



Paycor Assistant

AI-powered self-service that handles routine employee questions 24/7.



Automated Compliance

Tracks regulatory changes and sends alerts when rules shift.



Predictive Analytics

Flags flight risks early, so you can act before a resignation hits your desk.



Manager Prompts

Nudges managers when it’s time to check in, recognize good work, or complete reviews.

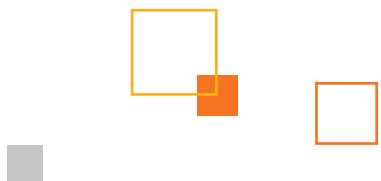


PART 2:

From Scattered to Centralized

If your data lives in seven different platforms, you aren't a strategist—you're a data scavenger. You're toggling between tabs, hunting for passwords, stitching together spreadsheets. This is the **complexity tax**, and it costs more than most leaders realize.

According to [McKinsey](#), employees waste 1.8 hours every day—nearly a quarter of their workweek—searching for information.

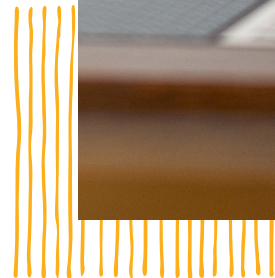


Research from LinkedIn suggests that fewer than 25% of companies can effectively utilize the data they've collected to produce even simple insights into how their employees are deployed and managed.

That means when the CEO asks a straightforward question, three out of four HR teams are guessing.

Currently, **half of HR leaders juggle 7–10+ different systems, less than 20% of which are integrated.** This fragmentation doesn't just slow you down; it undermines your credibility.

According to **SHRM, integrated systems boost productivity 2.5 times over siloed ones.** A single source of truth means you can answer the CFO's hardest questions without the manual math and hedging.



QUICK WIN:**The “How Long Does It Take?” Test**

Time how long it takes your team to answer this question: “How many employees in our Chicago office are eligible for the new PTO policy?” If it’s more than five minutes, you’re paying a visibility tax. Multiply that delay across every executive question you field in a quarter. That’s a number finance understands.



How Paycor Helps:

**Unified HCM Platform**

One place for all employee data.
No more reconciling spreadsheets.

**Leader Dashboards**

Charts and reports pulled automatically from across your organization, ready for executive review.

**Open API & Integrations**

Connects your core HR functions to third-party apps without losing a single view of your data.



PART 3:

From Transactional to Relational

Processing a paycheck is the perfect example of back office.

It happens in the background, and if it goes perfectly, no one says a word. This is the transactional trap: stuck in the mechanics of pay and benefits while your actual value stays invisible to your people.





The cost of staying in this trap is real—and it shows up on the CFO's radar whether they attribute it to HR or not.

Right now, **70% of mid-sized teams** are battling voluntary turnover. Losing just one key player can cost your business up to \$200,000 in replacement expenses and lost momentum. You can't stop that bleed with a spreadsheet; you stop it by making the invisible visible. Currently, only **24% of companies** have an advanced compensation strategy. Most employees have no idea how much you're actually investing.

When you automate the administrative noise, you stop being the person employees only see when something's wrong. The most successful companies give their managers **40% more time for coaching** than their struggling peers. That time is where retention actually happens—not in exit interviews, but in the one-on-ones that prevent them.



QUICK WIN:**The Total Rewards Visualization**

Next pay cycle, don't just send a paystub. Use your HCM to generate a **Total Rewards statement** that shows benefits, insurance, and 401(k) match alongside salary. Suddenly the conversation isn't about hourly rate—it's about what they'd lose by leaving. Retention conversation, no new budget required.



How Paycor Helps:

**Paycor Paths**

Personalized career roadmaps for every employee, so managers can focus on coaching instead of building development plans from scratch.

**Compensation Management**

Model and share Total Rewards in real time—show employees what you're actually investing in them.

**Paycor Recognition**

Real-time tools to reward employees beyond the bi-weekly paycheck.



Making the Case to Finance

"HR typically goes up to the CFO and says, 'Hey, we need to invest in this new initiative,' and the CFO says, 'No, we're not going to do that.' And HR is very quick at saying, 'Oh, OK, sorry, my bad,' instead of putting together a really solid ROI analysis," says Jared Olsen, VP of People Experience at JobNimbus, in a recent [SHRM feature on strategic planning](#).

That pattern has a cost. [McKinsey finds](#) that CEOs are **36% less likely** to involve HR in strategic decision-making when they perceive a gap in HR's ability to provide informed expertise and market insights. Meanwhile, [research from Ernst & Young](#) shows that companies with strong HR-Finance partnerships are **41% more likely** to see double-digit EBITDA growth.

**The issue isn't that HR can't make a compelling argument.
It's that too many show up without the evidence to back it.**



3 Steps That Hold Up

SHRM outlines a three-step approach for building investment cases that survive scrutiny:



1. Diagnose

Start with your department's direct impact on the business. Where are you today? What should you be measuring, and how does it connect to business objectives? If you can't draw a line from your request to a metric the CFO already tracks, the conversation will stall.

2. Develop

Build a data-driven story that links current results to past investments. This is where most HR teams fall short. They describe what they want to do without demonstrating what previous investments delivered.

3. Evolve

Connect your request to strategic goals the organization is already committed to. Use external data—economic shifts, regulatory changes, competitive pressures—to show why acting now matters. The strongest business cases don't ask finance to leap; they show how the investment accelerates something leadership has already said yes to.



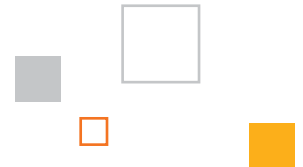


The Bottom Line

You're not going to win every budget conversation.

Sometimes the timing is wrong, or there's a competing priority you don't see. But the goal isn't to win; it's to build credibility. When you show up with data, a clear connection to business strategy, and realistic projections, you earn a seat at the table for the next conversation.

SHRM finds that organizations are **over three times more likely** to be highly effective at shaping a strong organizational culture when HR's strategic road map is aligned to the organization's business strategy. Alignment sounds abstract until you're the one getting invited to the budget meeting—or not.





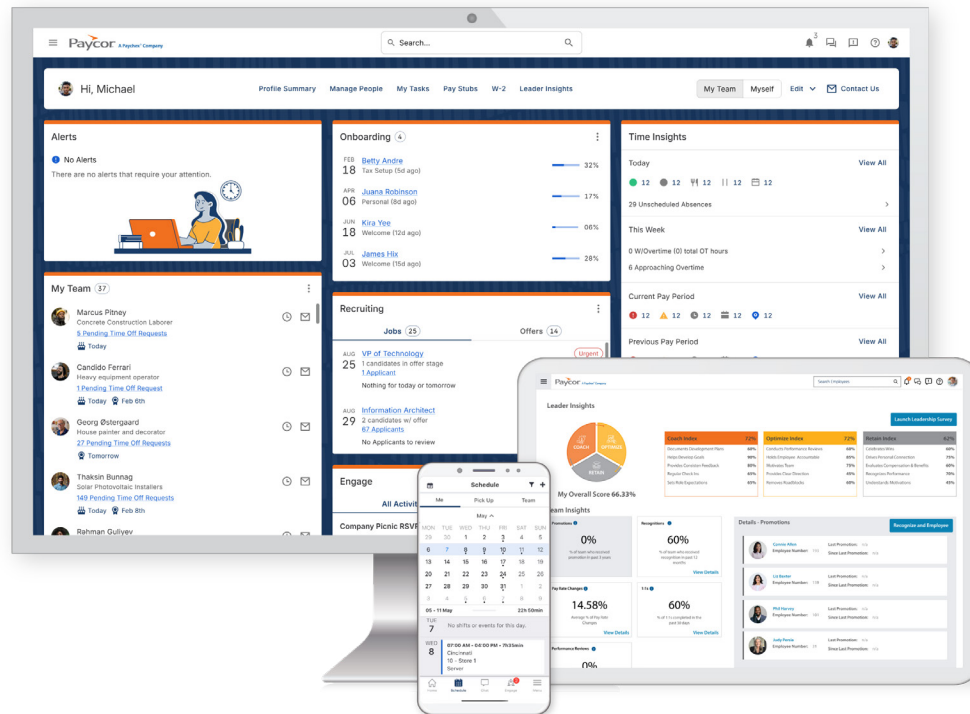
Final Thoughts'''

HR leaders at top-performing companies meet regularly with the CEO and CFO. At struggling companies, they don't. The difference isn't effort—it's infrastructure.

Integrated systems. Automated workflows. Time to lead instead of chase.

The companies pulling ahead made this investment 18 months ago. **The companies leading in 2028 are making it now.**





The Paycor Advantage

Paycor, a Paychex company, connect leaders to people, data, and expertise. We help leaders drive engagement and retention by giving them tools to coach, develop, and grow employees. We give them unprecedented insights into their operational data with a unified HCM experience that can seamlessly connect to other mission-critical technology. And by providing expert guidance and consultation, we help them achieve business results and become an extension of their teams.

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