

HR.com's State of Today's HR Technology and Integrations 2026



Harness HR technology to
drive business success



Sponsored by



CONTENTS



3	Executive Summary
9	HR Technology Landscape: Maturity, Features, and Business Challenges
19	From Investment to Outcomes: Evaluating HR Technology's Effectiveness
24	From Vision to Execution: The Strategic Impact of HR Technology
26	From Fragmentation to Synergy: Assessing HR Technology Integration
31	HR Technology Challenges: Analytics, Flexibility, and Unmet Needs
42	Planning Ahead: HR Technology Investments, Advancements, and AI's Role
49	AI: Transforming HR Technology and Workplace Efficiency
51	Artificial intelligence usage is now the top-ranked HR-related issue
62	Key Takeaways

Executive Summary

Ever had to work with legacy HR technology or a system that looks great on the surface but falls apart the moment a nontechnical HR professional actually tries to use it? You're not alone.

Many organizations are in a death-by-a-thousand-cuts situation. That is, they are dealing with a cumulative-friction problem, with 61% rating their technology as only moderately developed or less mature. It starts with what seems to be a small problem, then turns into hours of frustration with a broken system that's hard to integrate with other technologies.

Nowhere is the pain felt more sharply than in people analytics. Less than half of organizations say their analytics are accurate, easy to understand, or actionable. This becomes a major issue when these analytics inform business decisions.

The good news is that organizations are looking to invest more in HR technology in the near future, as well as improve their due diligence processes.

The findings that follow show where organizations are making progress, where dangerous gaps remain, and most importantly, what separates the organizations pulling ahead from those falling further behind.

About This Study

HR.com's "State of Today's HR Technology and Integrations" survey ran between January 2026 and May 2026. We gathered 121 usable responses from HR professionals in a wide range of industry verticals. Respondents are from around the world, with the majority from North America, especially the United States.

The participants represent a broad cross-section of employers by number of employees, ranging from small businesses with fewer than 50 employees to enterprises with 20,000+ employees. Over two-thirds of the organizations have over 100 employees.

This report also incorporates insights from three HR Research Institute pulse surveys conducted among HR.com webcast registrants in late 2025 and early 2026. These three polls were on HR hot topics, AI use in HR and Agentic AI. They had 526, 385 and 386 responses respectively.

Our Major Research Findings

Major Finding **1**

Few organizations reach expert-level HR technology maturity, with most at moderate or advanced stages

- Only 15% rate their HR technology stack at the expert stage of maturity
- Most say their HR technology is at the "moderately developed" (38%) or "advanced" (25%) stage
- Top capabilities included in the HR technology stack are:
 - ▶ payroll (76%)
 - ▶ onboarding (72%)
 - ▶ recruitment/talent acquisition (67%)
- Top issues organizations are trying to address with HR technology are:
 - ▶ reducing administrative burden through automation (81%)
 - ▶ enhancing employee experience (62%)
 - ▶ providing useful people analytics (59%)
 - ▶ increasing employee self-service (59%)
- Only 45% of organizations currently use their HR technology stack to enhance the employee experience

Major Finding **2**

HR systems remain fragmented, limiting their effectiveness

- Nearly half of respondents (46%) report using between two and four paid HR solutions from different providers
- Only:
 - ▶ 45% believe their organization's HR technology supports key business goals and strategies well or extremely well
 - ▶ 41% say the various solutions integrate well or extremely well
- About a quarter (26%) find the integration to be poor or very poor
- Just 9% of organizations say the lack of useful integration is not impeding their ability to achieve HR goals

Major Finding **3**

HR technology investments are rising, driving efficiency and employee experience

- Over the past two years, over two-thirds of organizations (68%) have increased investment in HR technology
- HR technology solutions have measurably improved:
 - ▶ HR efficiency/productivity (57%)
 - ▶ organizational efficiency/productivity (58%)
 - ▶ employee experience (58%)

Major Finding **4**

HR technology struggles with budget constraints, missing capabilities, and actionable analytics

- Organizations' biggest pain points in regard to HR technology are:
 - ▶ budget constraints (50%)
 - ▶ lack of integration within and between systems (44%)
 - ▶ high administrative or maintenance burden (37%)
 - ▶ missing HR functions (37%)
- Fewer than a third (31%) say HR technology produces analytics that are actionable, and only 39% say their people analytics is accurate
- Over half (57%) say substantially reconfiguring their HR technology stack requires high effort

Major Finding **5**

HR technology investment is poised for growth, with AI incorporation and improved integration leading priorities

- Over the next two years, 65% of organizations expect increased investment in HR technology
- HR technology is expected to evolve, with organizations focusing on:
 - ▶ incorporating more AI (53%, up 14 percentage points from last year)
 - ▶ improving user experience (51%)
 - ▶ increasing employee self-service (47%)
 - ▶ improving integration abilities (46%, up from 32% last year)
- To improve HR technology outcomes, organizations plan to focus on process optimization (55%) and better training for users (49%)
- About three in ten organizations expect to spend \$2,500 or more per employee on HR technology in the next year

Major
Finding

6

HR technology maturity separates organizations that realize measurable value from those that do not

- HR tech stack leaders are *twenty-one* times as likely as laggards to say their HR technology supports key business goals and strategies well or extremely well
- HR tech stack leaders are more than eight times as likely as laggards to report strong alignment between HR technology and business strategy (33% vs. 4%)
- The investment gap reinforces the maturity divide: 80% of HR tech-stack leaders increased HR tech investment over the past two years, compared to 48% of laggards
- HR tech-stack leaders are twice as likely to use HR tech for:
 - ▶ people analytics (65% vs. 35%)
 - ▶ improving decision-making (61% vs. 30%)
- HR tech-stack leaders are three times less likely to report missing core HR functions such as learning and development (44% vs. 13%)
- The technology evolution gap is equally pronounced, with mature organizations significantly more likely to be:
 - ▶ planning a shift from chatbots to AI agents (41% vs. 12%)
 - ▶ incorporating AI broadly (64% vs. 31%)

HR tech-stack laggards:

These represent respondents whose organizations have a weak HR technology stack.

HR tech-stack leaders:

These represent respondents whose organizations have a strong HR technology stack.

We detail the differences in further detail later in this report.

Defining the HR Tech Stack

Within the context of the survey, we provided survey respondents with the following definition:

Human Resources technology (aka, HR tech or HR tech stack) represents an organization's totality of technological solutions that HR uses to achieve its strategic goals, fulfill its various roles, and carry out its tasks in easier, better, and more efficient ways. Non-HR stakeholders (e.g., employees and contract labor) may also use portions of the HR technology stack to meet various needs, from self-service applications to learning and development (L&D).

Components of the HR technology stack may include modules in a larger suite and/or point solutions that are stand-alone or integrated with other HR technologies. HR technology can also be integrated with other business applications or platforms that are not HR-focused, such as business-process modules in an enterprise resource planning system (ERP).

HR Research Institute's HR Tech Stack Maturity Model

- **Undeveloped:** Basic HR functions handled manually; technology limited to payroll and record-keeping. No integration or automation.
- **Beginning:** Specialized HR tools introduced for recruitment, onboarding, and employee management. Some data sharing, but full integration is lacking.
- **Moderately developed:** Multiple HR solutions exist but are rarely integrated, often redundant, and mostly administrative rather than strategic.
- **Advanced:** Comprehensive HR tools with some analytics; moderate alignment with business strategy and integration with other systems.
- **Expert:** Cutting-edge, AI-enabled HR technology with automated workflows and cross-functional data governance. Fully integrated with non-HR systems and central to business strategy.

Please note that the findings and recommendations contained in this report are for informational purposes only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules, or regulations associated with any content discussed in this report.

HR Technology Landscape: Maturity, Features, and Business Challenges



Finding: Typically, organizations have moderately developed HR technology stacks, with just 15% at expert level

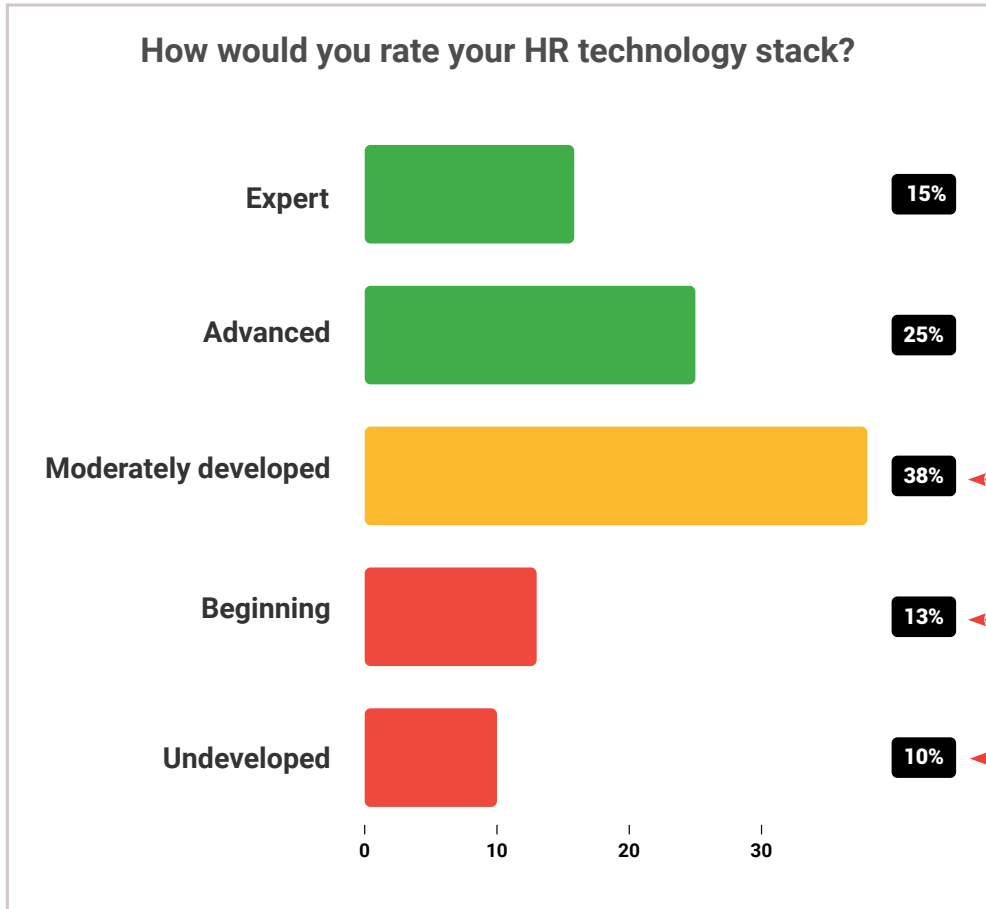
For the purpose of this report, large organizations have 1,000 or more employees, mid-sized organizations have 100 to 999 employees, and small organizations have 99 or fewer employees.

We asked HR professionals to rank their current HR technology setup on the five-stage HR tech stack maturity model developed at the HR Research Institute (described below). Many respondents (38%) have a moderately developed HR technology stack, with multiple solutions but little integration or strategic alignment.

However, 25% have an advanced stack with some analytics and system integration, while only 15% use expert-level, AI-driven technology that is aligned with business strategy. Meanwhile, 13% are in the beginning stage, and 10% rely on manual processes. These findings highlight the need for better integration and strategic use of HR technology.

Differences by organizational size

Large organizations are significantly more likely to have advanced or expert-level HR technology stacks, with about 60% falling into one of those two categories compared to around 26% for medium-sized organizations and 24% for small ones.



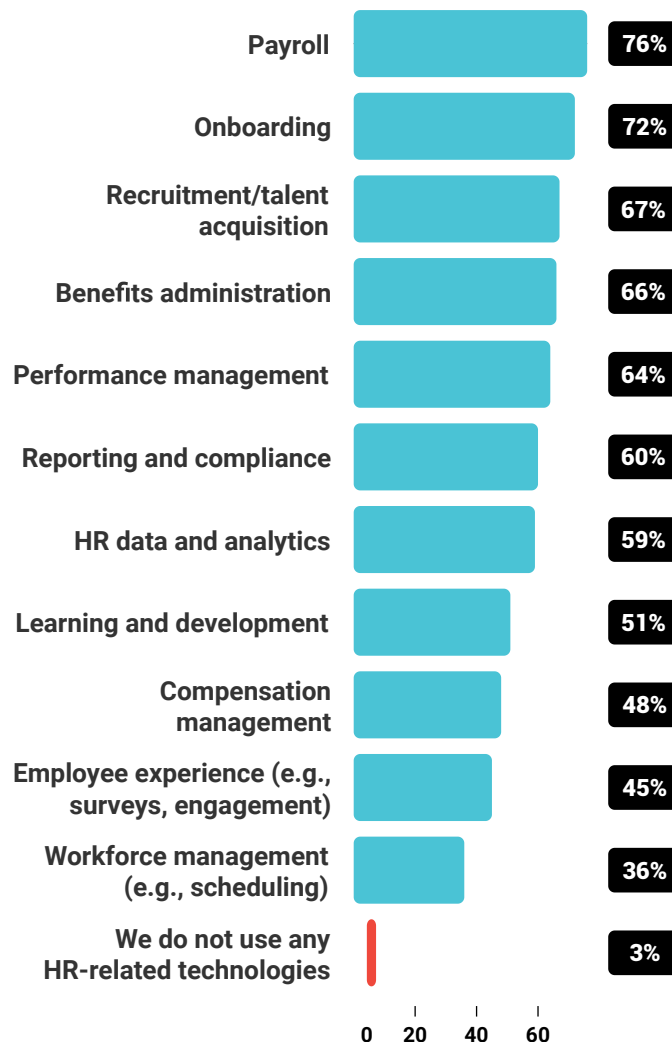
Three in five respondents (61%) say their organization's HR tech stack is at the moderately developed stage or worse



Finding: Payroll and onboarding lead HR technology capabilities, while workforce management and employee experience lag behind

More than 70% of organizations include payroll (76%) and onboarding (72%) in their HR technology stack. About two-thirds include recruitment/ talent acquisition (67%), benefits administration (66%), and performance management (64%). These choices reflect how important these activities are seen to be and how hard they are to do without automation.

Which of the following capabilities are included in your organization's HR technology stack? (select all that apply)



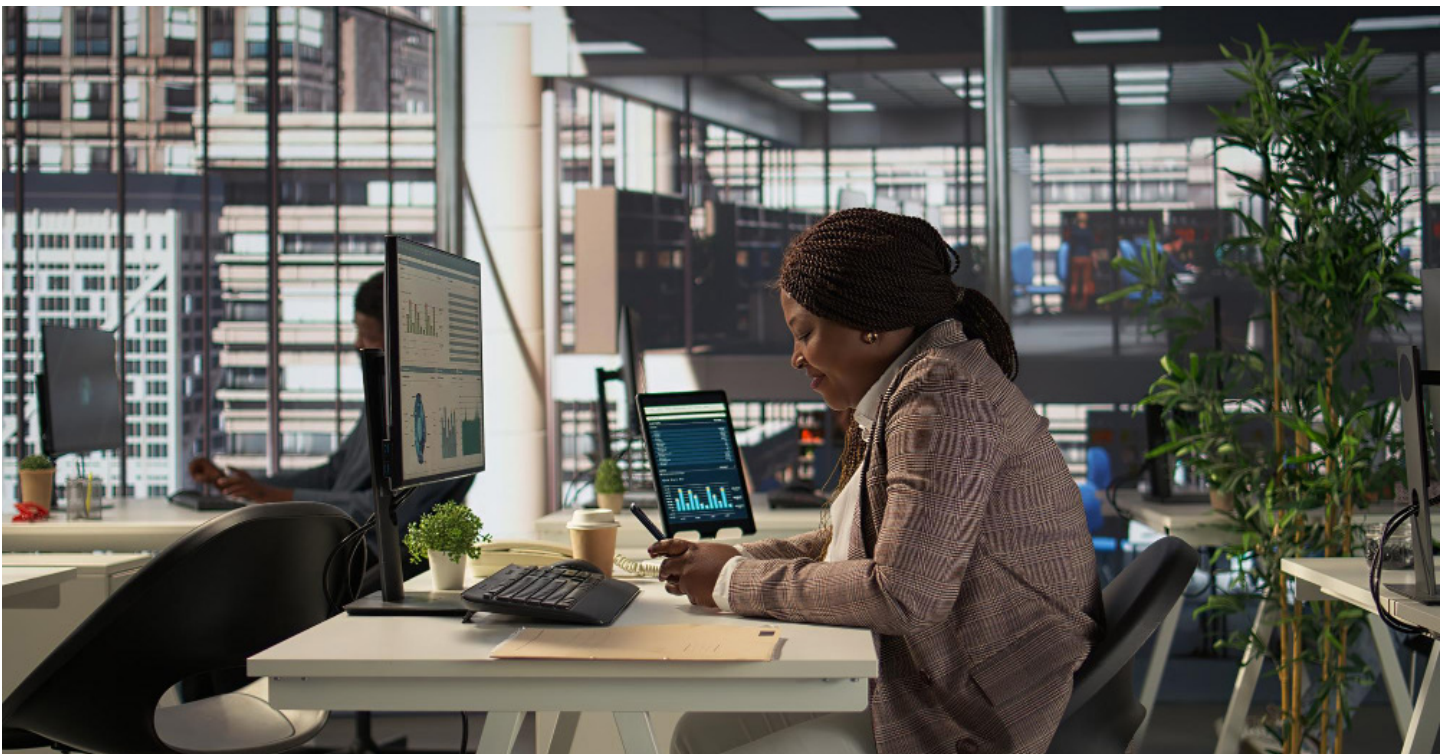
Only 45% of organizations are currently using their HR technology stack to enhance the employee experience

HR tech-stack cohort definition

For this report, we analyzed responses to understand how HR technology maturity shapes organizational outcomes. Specifically, respondents were segmented based on their responses to the following question:

How would you rate your HR technology stack?

- **HR tech-stack laggards:** These represent respondents who rated their HR technology as undeveloped or beginning.
- **HR tech-stack leaders:** These represent respondents who rated their HR technology as advanced or expert.





Finding: Leaders demonstrate full-spectrum HR tech stack maturity, while laggards remain limited in capability coverage

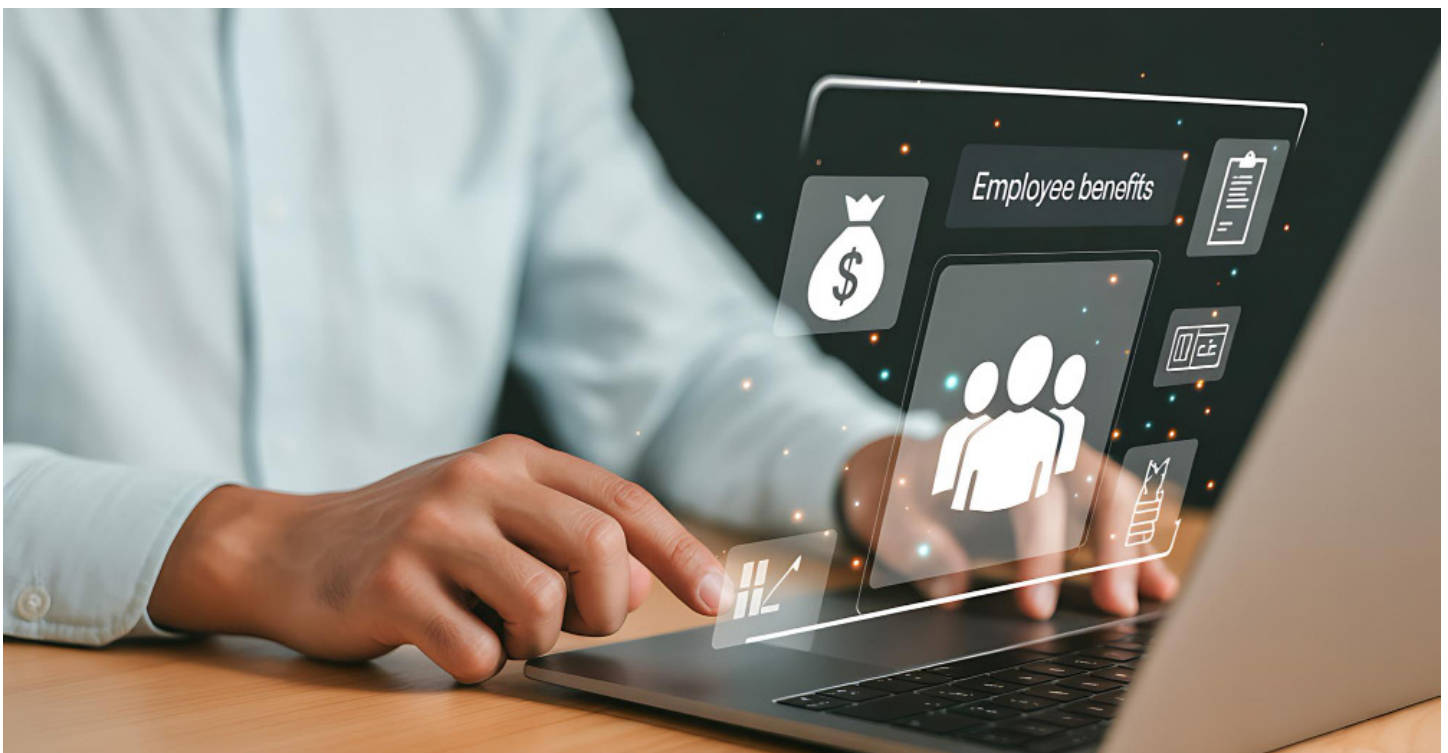
Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to have the listed HR technology capabilities in their tech stack.

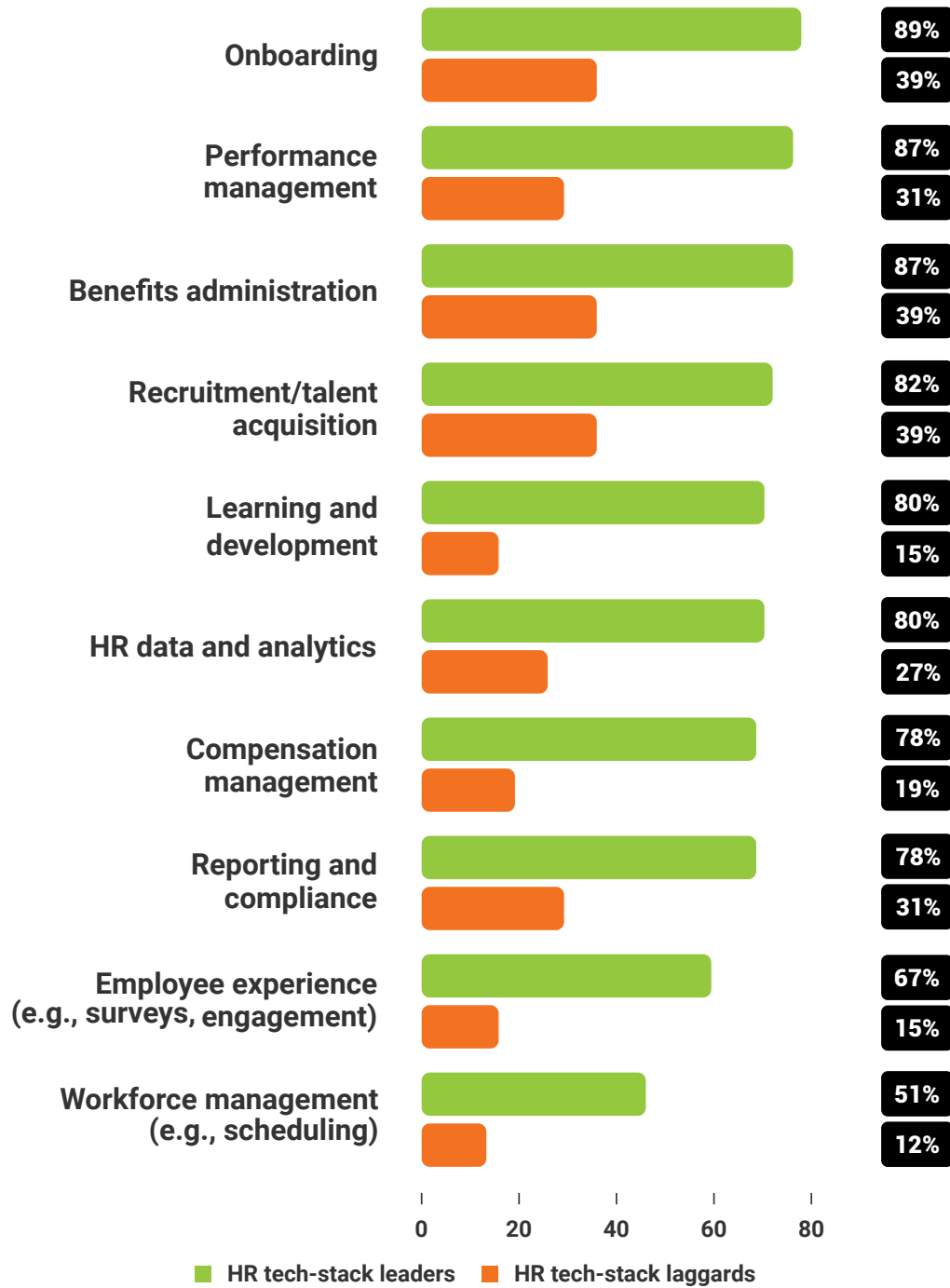
Leaders show broad and consistent adoption across all HR tech capabilities, indicating a well-established and balanced tech stack. In contrast, laggards display uneven and low adoption across the same areas, pointing to fragmented and early-stage development.

The largest gaps appear in strategic areas such as learning and development (80% vs. 15%), employee experience (67% vs. 15%), and HR data and analytics (80% vs. 27%). Gaps also persist in core functions like onboarding (89% vs. 39%), performance management (87% vs. 31%), and recruitment (82% vs. 39%), showing that laggards have not fully established even foundational capabilities.

This pattern suggests that laggards are not just behind in advanced capabilities but are underinvesting in the basic infrastructure required to scale.



Which of the following capabilities are included in your organization's HR technology stack? (select all that apply)





Finding: Reducing administrative burden through automation is the top priority for HR technology

Over 80% of respondents say the goal of using technology is to reduce the administrative burden through automation. Other issues are cited less often. Enhancing employee experience, employee self-service, and data/analytics are issues approximately 60% of respondents are addressing with their HR technology.

One notable finding is that only 14% list diversity and inclusion as an issue they are trying to address with technology. This may reflect broader political and cultural pressure on diversity, equity, and inclusion programs, but the survey did not test that explanation.



What issues are you trying to address with your organization's HR technology? (select all that apply)



Just 14% are using their HR technology stack to increase diversity and inclusion



Finding: Leaders are two times more likely to use HR technology for employee experience and analytics, highlighting a shift toward strategic outcomes

Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to address the listed issues with HR technology.

The differences between leaders and laggards are also apparent in strategic use cases. Leaders are twice as likely to use HR tech to enhance employee experience (70% vs. 35%) and almost twice as likely to provide people data and analytics (65% vs. 35%). A similar difference appears in improving decision-making (61% vs. 30%) and career pathing (42% vs. 17%).

This pattern suggests that leaders extend HR technology beyond operational use to drive insights, experience, and performance outcomes, while laggards apply it more narrowly.

What issues are you trying to address with your organization's HR technology? (select all that apply)



HRRI Strategic Recommendations

Based on our research, please consider these suggestions.

- 1. Integrate HR technology with business strategy.** HR professionals should focus on aligning technology investments with organizational goals.
- 2. Expand adoption of employee-focused tools.** Invest in technologies for employee experience, workforce management, and career pathing to move the HR tech stack toward strategic outcomes.
- 3. Leverage people analytics for better decision-making.** Prioritize analytics capabilities that are accurate, timely, and interpretable by non-specialists.
- 4. Build foundational capabilities before pursuing advanced ones.** Ensure core functions like onboarding, performance management, and recruitment are fully supported by technology before investing in more sophisticated capabilities.
- 5. Invest in career mapping technology.** HR professionals should explore tools that support structured career pathing, helping employees visualize growth opportunities and enabling organizations to align talent development with long-term workforce needs.



From Investment to Outcomes: Evaluating HR Technology's Effectiveness

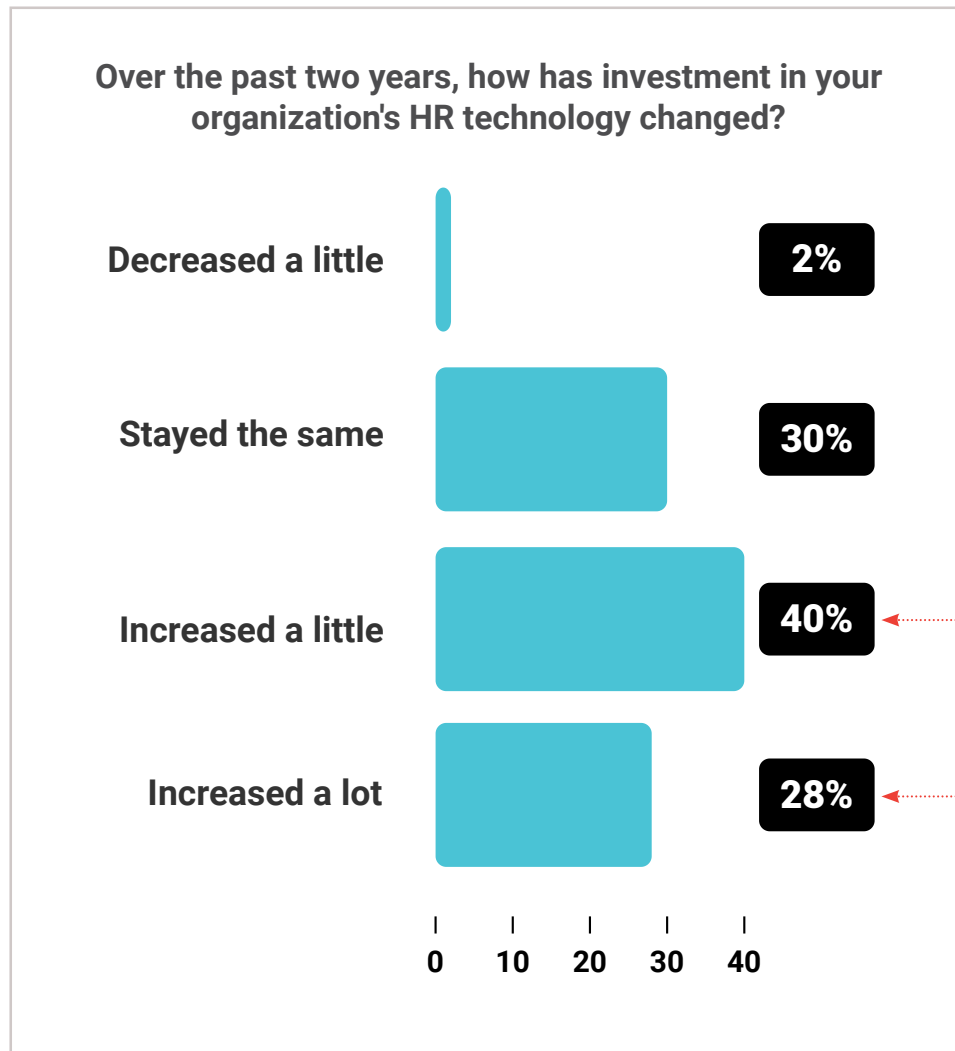


Finding: HR technology investment has generally increased over the past two years

Respondents indicate that investment in HR technology has largely increased over the past two years with 68% saying it had increased a little (40%) or a lot (28%). Only 2% say investment in HR technology has decreased. We can expect investment in HR technology to continue at a strong pace as AI-enhanced tools bring new possibilities for automation, personalization, and advice.

Differences by organizational size

Nearly 45% of large organizations say HR technology investment increased a lot over the past two years, compared to just 16% to 18% of small and medium-sized organizations. Larger organizations are clearly showing a higher level of budget capacity and prioritization when it comes to HR technology.



Editor's note: Those who responded "don't know" were removed from the data set and responses were recalculated. They comprised 1% of the total data set.



68% reported an increase in investment in HR technology over the last two years



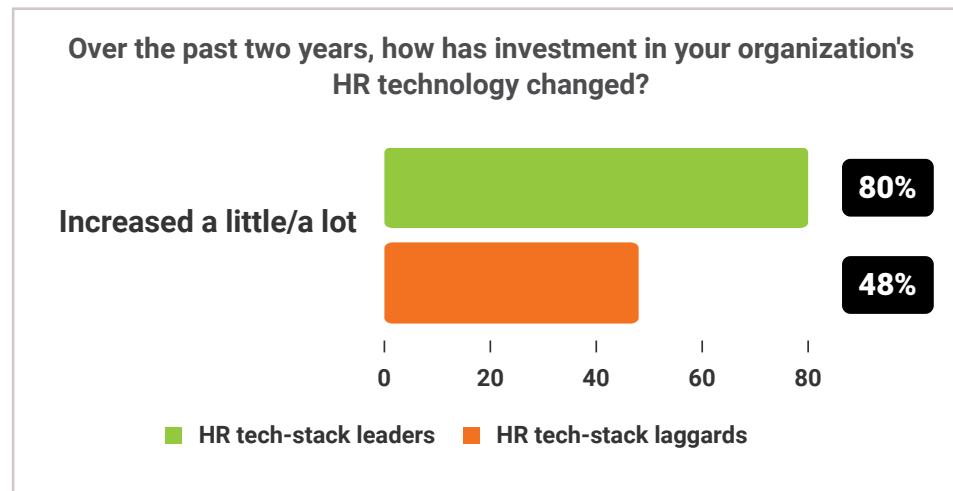
Finding: Leaders are far more likely than laggards to have increased HR tech investment, over the past two years

Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to say over the past two years, investment in HR technology has increased a little/a lot.

A strong majority of leaders report increased investment in HR technology over the past two years (80%), compared to less than half of laggards (48%). This gap highlights a clear difference in prioritization, with leaders continuing to build and expand their HR tech capabilities while laggards invest more cautiously.

Higher investment among leaders signals a sustained commitment to advancing HR's strategic role, enabling better integration, analytics, and employee-focused solutions. In contrast, slower investment among laggards may limit their ability to close existing capability gaps and keep pace with evolving workforce and business demands.





Finding: HR technology solutions are improving HR efficiency, organizational efficiency and the employee experience

Most respondents indicate that HR technology paid solutions are having a measurable impact on HR efficiency, organizational efficiency and employee experience. For all three factors close to 60% of respondents agree or strongly agree there is a measurable impact. Note that saying there is a *measurable* impact is a stronger statement than respondents saying that they believe it has an impact. This is a strong vote of confidence in the value of HR technology.





Finding: Leaders are twice as likely to realize measurable gains in employee experience

Leaders report substantially higher impact from HR technology investments than laggards, particularly in employee experience (76% vs. 37%), where the gap is most pronounced. They also report higher organizational productivity (68% vs. 43%), though that difference was not statistically significant, and stronger gains in HR's own efficiency (68% vs. 35%), indicating more consistent value realization across both employee and operational outcomes.

The pattern suggests that leaders are not only investing more in HR technology but are also translating those investments into measurable improvements. In contrast, laggards report more limited gains, pointing to challenges in implementation, integration, or alignment with business needs.

Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to say HR technology measurably improves employee experience and HR's efficiency/productivity.

Your organization's HR technology paid solutions measurably increase/improve: (% responding agree/strongly agree)



From Vision to Execution: The Strategic Impact of HR Technology

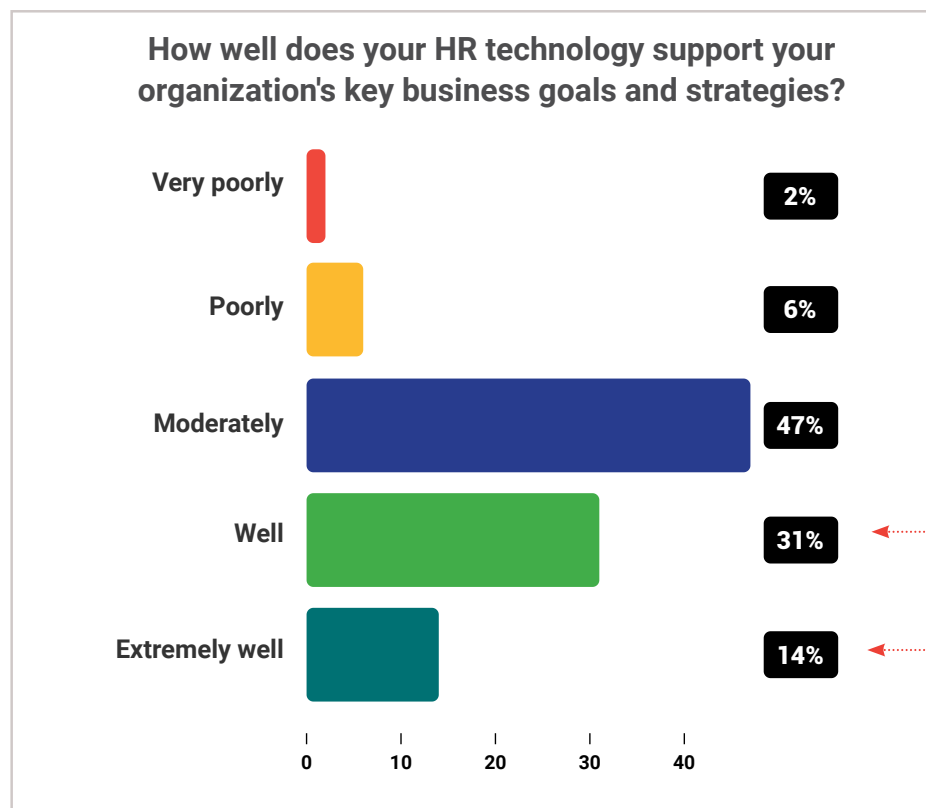


Finding: In most organizations, HR technology's support for key business goals and strategies shows room for improvement

Many respondents (45%) say their HR technology supports key business goals and strategies well or extremely well. However, that leaves nearly half (47%) reporting the tech only provides moderate support and a few (8%) saying support for key business goals and strategies is poor or very poor. These findings suggest HR tech can play a key role but often does not, perhaps due to lack of investment or commitment to making the most of the technology.



45% of respondents feel their technology stack supports organizational key business goals and strategies well or extremely well





Finding: Leaders are more than eight times as likely to report strong alignment between HR technology and business strategy

Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to say their HR technology supports key organizational goals and strategies well/extremely well.

A substantial gap exists between leaders and laggards in how well HR technology supports organizational goals. The vast majority of leaders report that their HR tech supports business goals well or extremely well (84%), compared to just 4% of laggards. This sharp contrast highlights a major difference in how effectively HR technology is aligned with broader organizational priorities.

The low alignment among laggards suggests that HR tech investments may be reactive or tool-driven rather than strategically integrated.



From Fragmentation to Synergy: Assessing HR Technology Integration

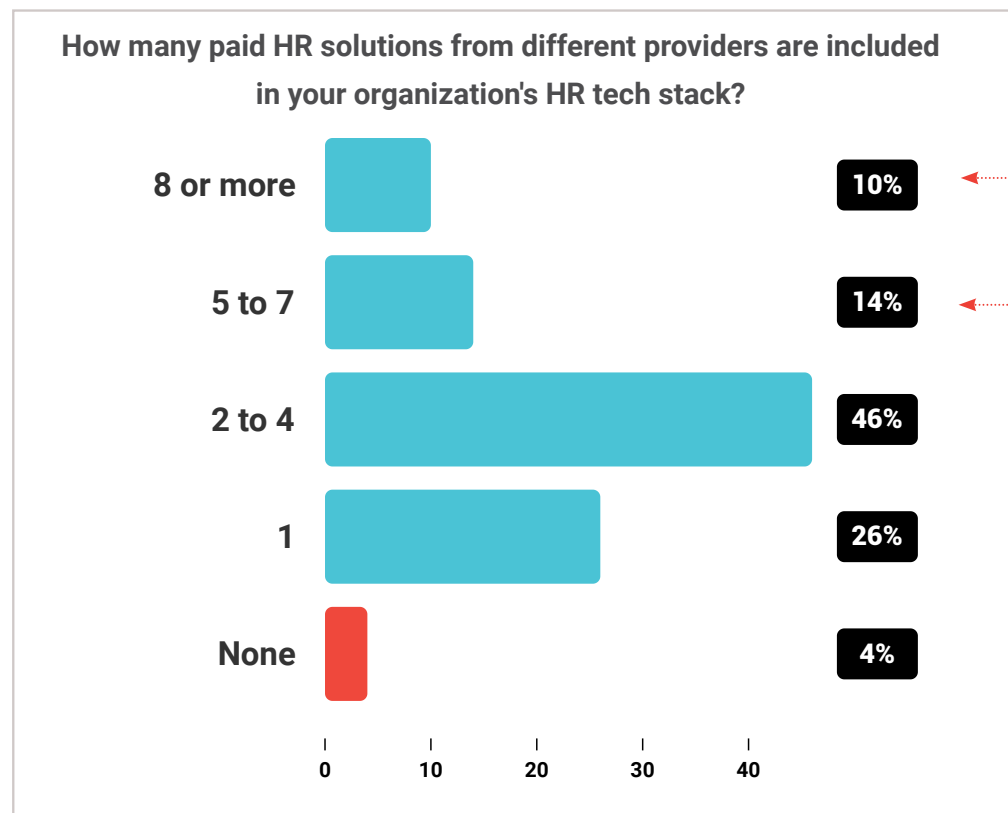


Finding: Almost half of organizations use two to four paid HR solutions

Nearly half of respondents (46%) report using between two and four paid HR solutions from different providers. A smaller percentage (14%) use five to seven solutions, while 10% use eight or more. About one-quarter of organizations (26%) rely on a single HR solution. This suggests most organizations find value in a number of best-of-breed solutions on top of their main system of record.



Nearly a quarter (24%) of organizations use at least five solutions



Editor's note: those who responded "don't know" were removed from the data set and responses were recalculated. They comprised 8% of the total data set.

Note: For example, an HRIS with multiple modules purchased from a single provider would count as 1 solution, but an ATS and LMS from different providers would count as 2.



Finding: HR technology solutions integrate well or extremely well at 41% of organizations

Integration is often challenging, but many organizations have overcome these challenges with 41% saying HR technologies integrate well or very well. There are still a significant number who are struggling, with 26% reporting integration is poor or very poor. This leaves one-third in the middle with moderate integration. These numbers should get better as integration tools improve and the value of integration is demonstrated by those who have achieved it.

Overall, how well do the various solutions that are part of your HR technology usefully integrate with one another?

Extremely well



20%

Well



21%

Moderately



33%

Poorly



19%

Very poorly



7%

0 5 10 15 20 25 30



About a quarter (26%) of HR technology stacks are rated as poorly or very poorly integrated, indicating persistent integration challenges

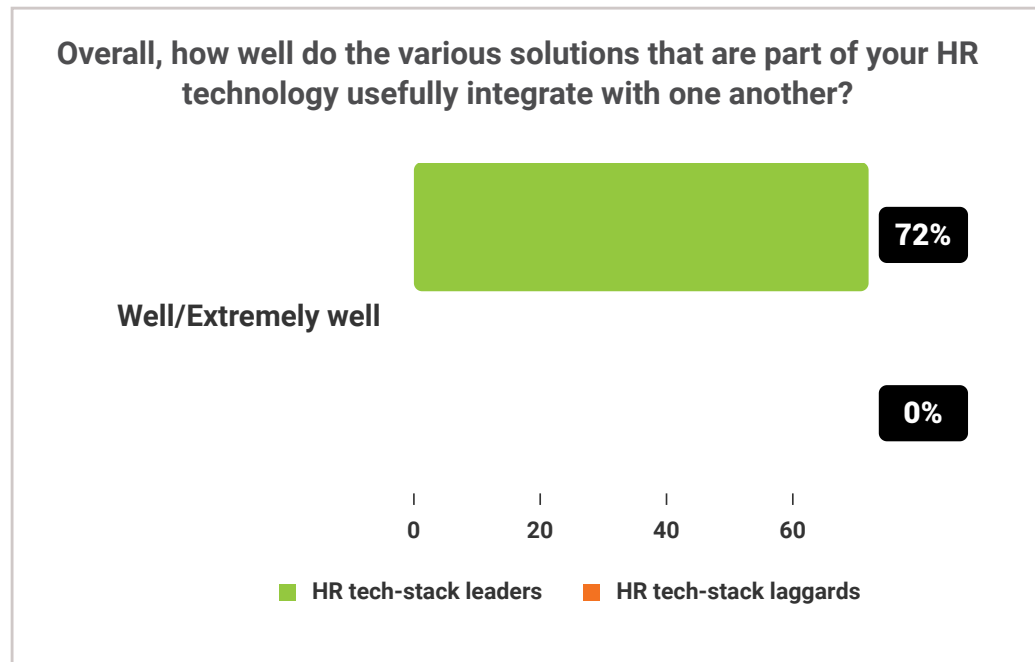


Finding: Integration is a defining gap, with no laggards reporting strong system connectivity

Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to say the various solutions that are part of HR tech stack usefully integrate well/extremely well.

A clear divide emerges between leaders and laggards in how well HR technologies work together. Nearly three-quarters of leaders report that their systems integrate well or extremely well (72%), while no laggards report this level of integration (0%). This indicates that seamless connectivity across HR systems is a hallmark of more advanced tech environments.

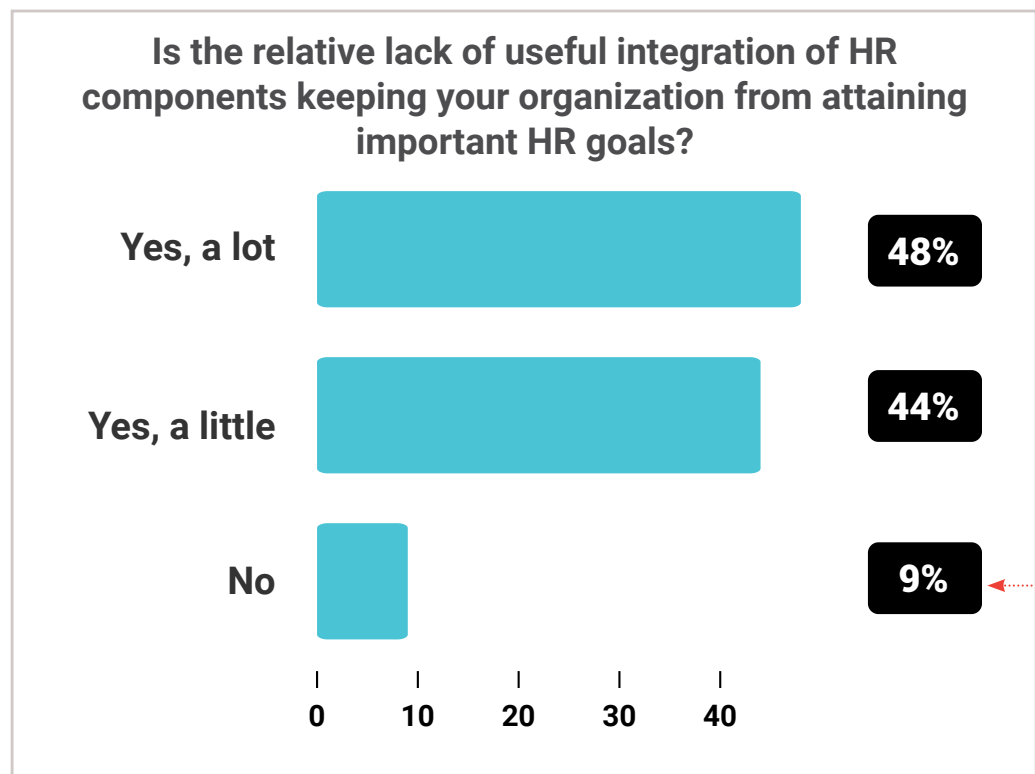


Editor's note: The 4% who responded "Don't know" were removed from the data set and responses were recalculated.



Finding: Nearly all organizations say lack of HR technology integration is a barrier to achieving HR goals

Respondents indicate that the lack of useful integration in HR components is a notable barrier to attaining important HR goals. While 44% feel it hinders progress to a small extent, 48% report it as a significant obstacle. Only 9% believe it does not affect their ability to achieve HR goals. This suggests that improving integration could enhance the effectiveness of HR strategies and help organizations meet their objectives more efficiently.



Editor's note: Those who responded "don't know" were removed from the data set and responses were recalculated. They accounted for 2% of responses.



Just 9% of organizations say the lack of useful integration in HR components is not impeding their ability to achieve HR goals

HRRI Strategic Recommendations

Based on our research, please consider these suggestions.

- 1. Frame lack of integration as a strategy blocker.** Only 9% of organizations say poor integration isn't impeding their HR goals. Make the business case to leadership by quantifying what fragmented systems are costing in lost efficiency and delayed decision-making.
- 2. Audit the gap between the number of solutions in use and how well they actually work together.** Nearly half of organizations use between two and four HR solutions from different providers, yet fewer than half report useful integration between them. Adding more tools without addressing connectivity will compound the problem.
- 3. Treat technology selection as a root cause of integration failure.** Poor integration often originates at the point of purchase. Building integration requirements into vendor evaluation criteria from the start is far less costly than engineering workarounds after implementation.



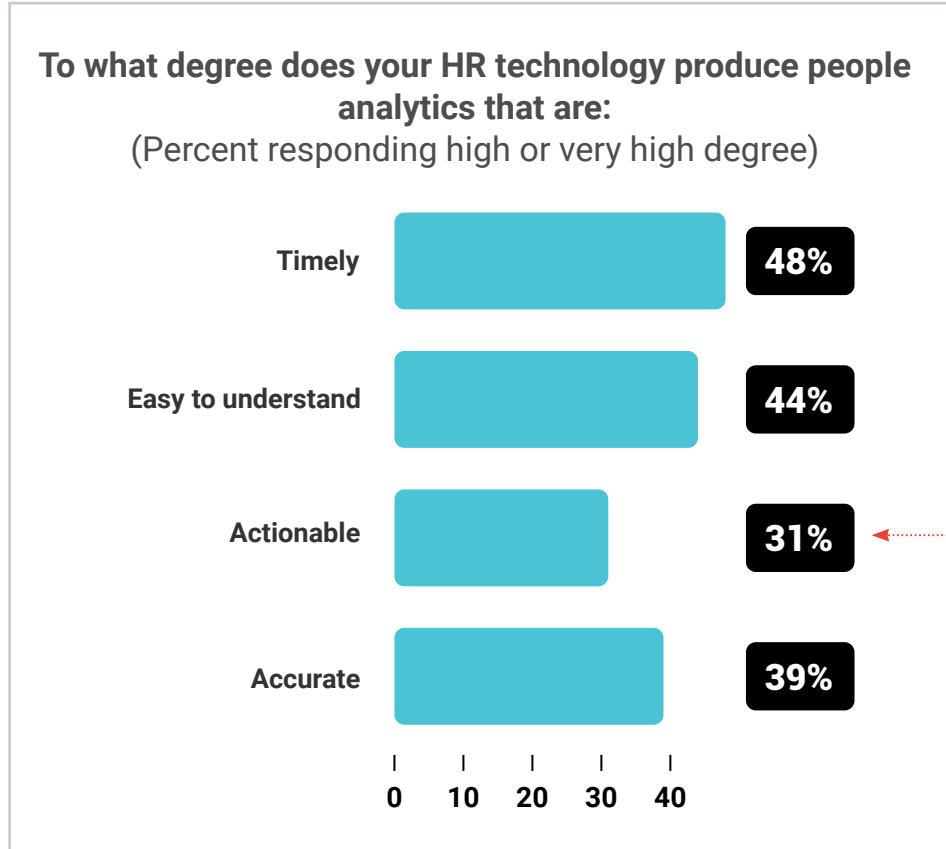
HR Technology Challenges: Analytics, Flexibility, and Unmet Needs



Finding: Actionability and accuracy of people analytics remain the biggest areas for improvement

It's not looking great for the reliability of HR tech people analytics. Just 44% agree to a high or very high degree that their HR technology's people analytics is easy to understand. Additionally, just 39% say their people analytics is accurate, down from 42% who said that their analytics were accurate in [last year's study](#). And a meager 31% say their analytics are actionable to a high or very high degree.

This may be because HR technology is either too old, or organizations are buying tools that have lots of useful features on the surface. But great features don't translate if you need an expert to read them. Ultimately, you want a tool that even a non-data analytics professional can understand, as HR professionals often have to advise leadership. If the average HR professional can't clearly interpret the data, advise with confidence, and follow through on next steps, both employees and the organization suffer.



Editor's note: Those who responded "don't know" were removed from the data set and responses were recalculated. They accounted for 2% of responses.



Fewer than a third (31%) of organizations rate their HR technology people analytics as actionable



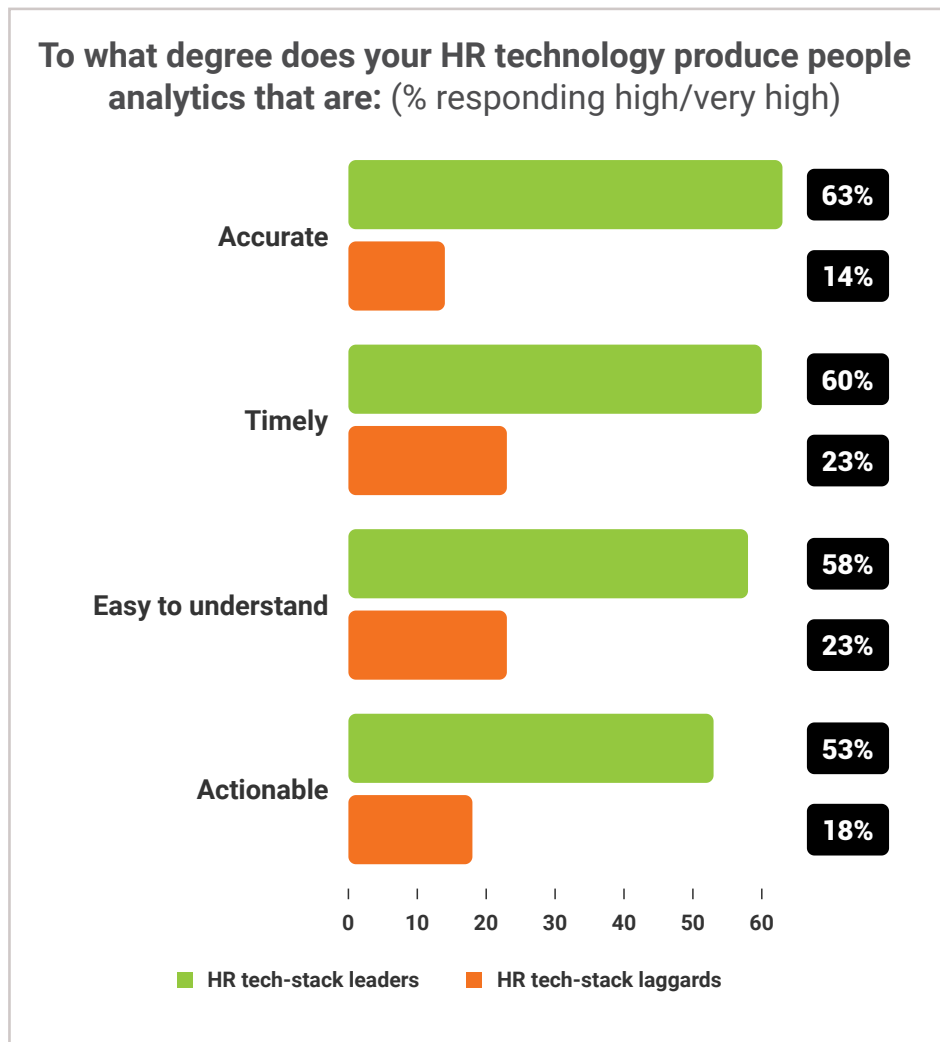
Finding: Leaders are over four times more likely than laggards to generate accurate people analytics

Leaders report substantially higher effectiveness across all aspects of people analytics than laggards, with the largest gap in accuracy (63% vs. 14%). Similar disparities appear in timeliness (60% vs. 23%), ease of understanding (58% vs. 23%), and actionability (53% vs. 18%), indicating consistent differences in the quality and usability of insights.

These gaps suggest that laggards are not only producing less useful analytics but that the insights they generate are less reliable and harder to use for decision-making. Lower scores on actionability and clarity point to challenges in translating data into meaningful business outcomes.

Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to say HR technology produces people analytics that are actionable, timely, easy to understand and accurate to a high/very high degree.



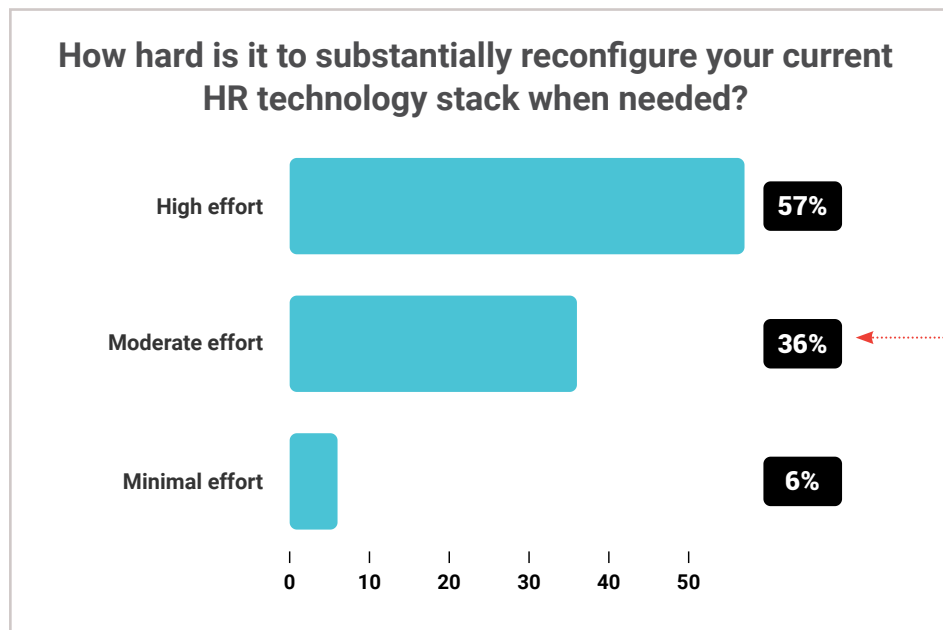


Finding: A majority of organizations face significant challenges when reconfiguring their HR technology stacks

A majority of organizations (57%) say substantially reconfiguring their HR tech stack is a high-effort task, with an additional 36% saying it takes moderate effort. That leaves just 6% saying it doesn't take much effort at all. When HR professionals are spending substantial time reconfiguring their technology, it breeds frustration and pulls them away from the meaningful work.

Differences by organizational size

Reconfiguring HR technology gets harder as organizations grow. Just 28% of small organizations say it takes high effort to make significant changes to their tech stack, compared to 52% of mid-sized organizations and a striking 75% of large ones.



Editor's note: those who responded "don't know" were removed from the data set. They comprised 5% of the total data set.



Over a third of organizations (36%) report that making significant changes to their HR technology stack requires moderate effort



Finding: Budget constraints and integration challenges are the leading pain points in HR technology

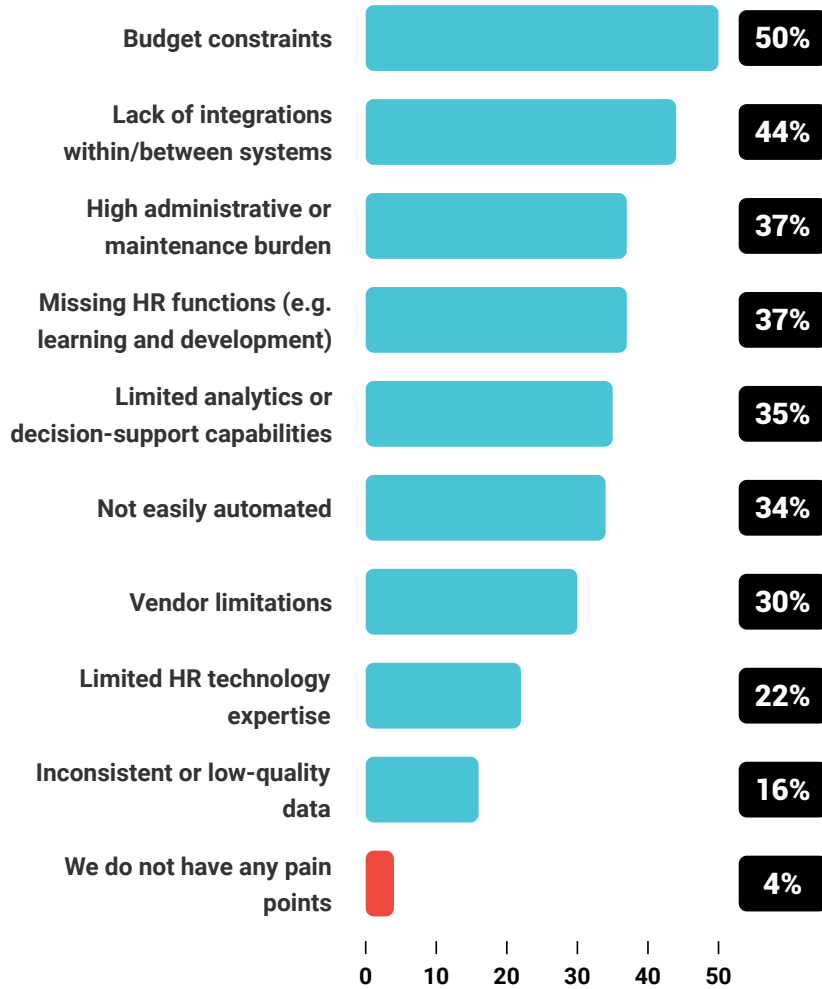
The most common challenge to current HR technology reported is budget constraints, cited by 50% of respondents. Other challenges include lack of integration within and between systems (44%), high administrative or maintenance burden (37%) and missing HR functions (37%).

Budget will always be a constraint for most organizations, but that doesn't have to mean settling for inadequate tools. There are systems out there that can meet core organizational needs without breaking the bank. They may not be the most advanced on the market, but a simple, well-built system that people actually use will outperform a sophisticated one that doesn't.

Maybe an organization has the budget, but what about the technical issues? There's no use having a great system on paper if it doesn't integrate with existing infrastructure or creates a heavy administrative burden on the very people it's meant to support. When systems don't talk to each other, data quality suffers and decision-making slows.

Then there's the issue of missing functionality. Many organizations remain reluctant to part with legacy systems, whether due to switching costs, familiarity, or internal resistance. But holding onto outdated technology to avoid short-term disruption often creates longer-term headaches for stakeholders.

What are your organization's biggest pain points in regard to your current HR technology? (select all that apply)



Editor's note: those who responded "don't know" were removed from the data set. They comprised 6% of the total data set.



Just 4% of organizations report having no pain points with their current HR technology



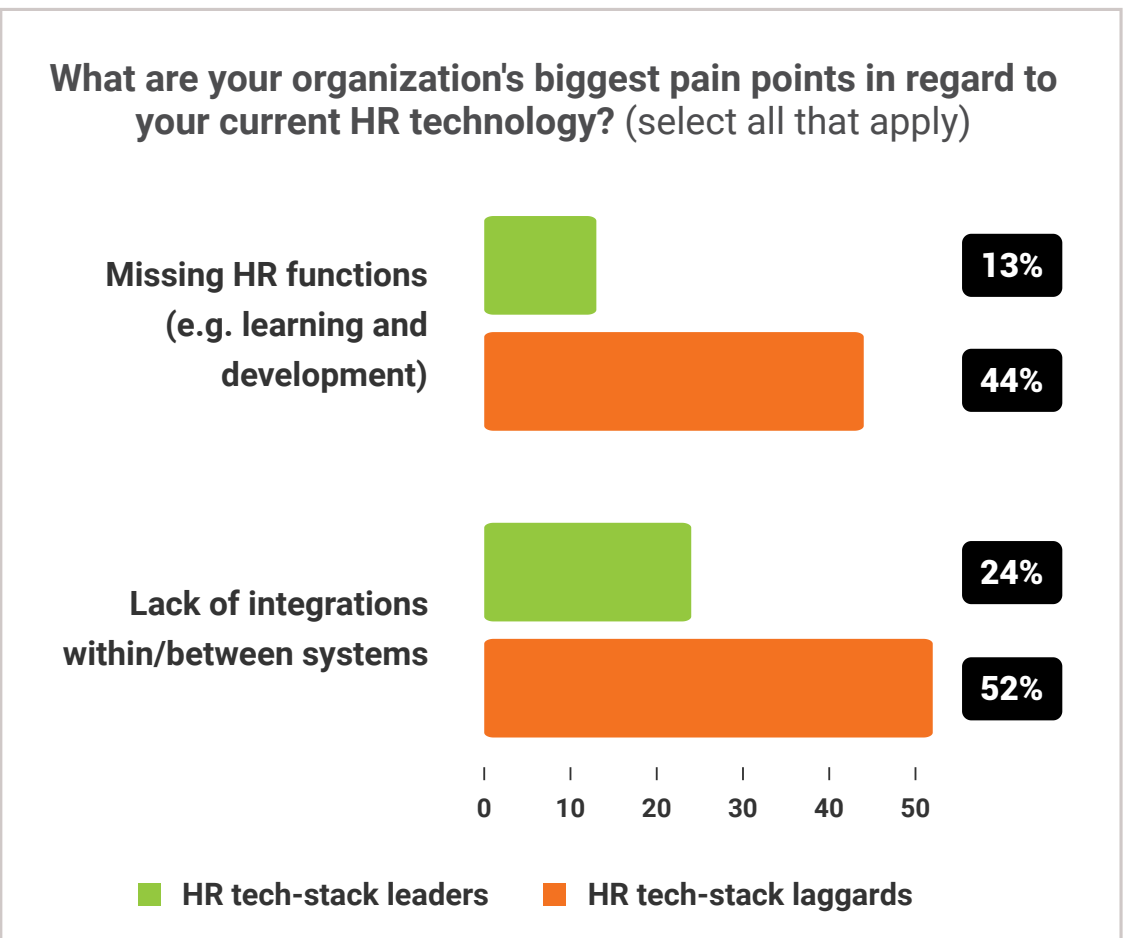
Finding: Laggards are over three times more likely than leaders to report missing HR functions

Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack laggards are significantly more likely than leaders to say HR technology are challenged by lack of essential functions and integration within/between systems.

The most striking gap between leaders and laggards appears in missing HR functions such as learning and development, reported by 44% of laggards compared to just 13% of leaders. This indicates that laggards are still dealing with fundamental capability gaps rather than optimizing existing systems.

Lack of integration also remains a major challenge, cited by over half of laggards (52%) versus 24% of leaders. While integration is still an issue for some leaders, it is far less prevalent, suggesting more connected and cohesive systems.





Finding: Skills assessment and learning & development top the list of missing HR technology features

We asked a follow-up question to those who responded they do not have enough solutions. Skills assessment was the most-cited missing feature at 76%, followed closely by learning and development (70%), employee engagement (64%), and succession management (64%). Performance management and compensation management were each cited by 52% of respondents, with people analytics not far behind at 49%.

The most-cited missing features are strategically important capabilities. Skills assessment, learning and development, and succession management all point to organizations wanting technology that helps them build and retain talent.

It's also worth noting that people analytics appears on this list at 49%. Given the accuracy and usability concerns already discussed, many organizations are dealing with two related problems: they struggle to use their people analytics effectively while lacking adequate access to it in the first place.

You noted that your HR tech does not have enough of the solutions or features that your organization needs. What other solutions/features are needed? (select all that apply)

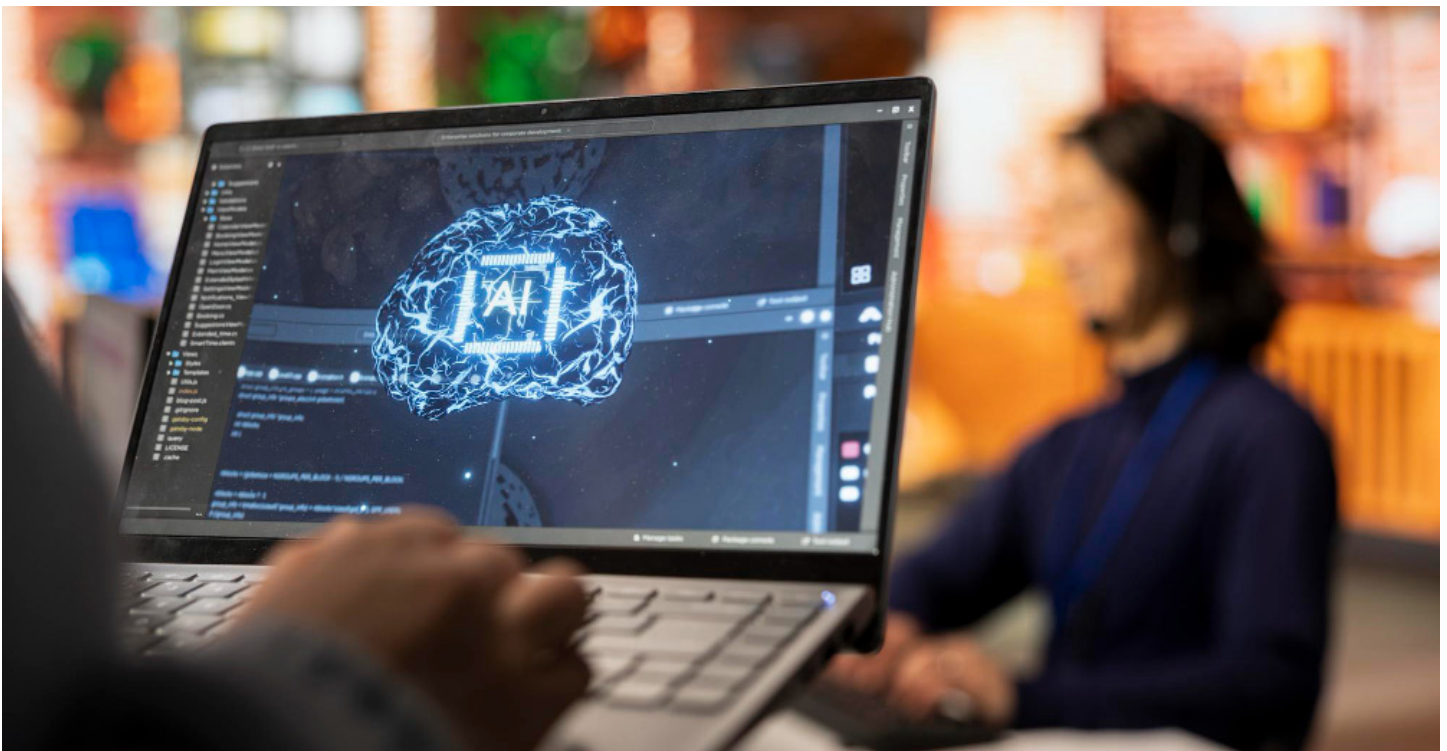


Seven in ten organizations say their HR technology is missing learning and development capabilities

HRRI Strategic Recommendations

Based on our research, please consider these suggestions.

- 1. Separate analytics access from analytics quality.** Existing analytics tools are hard to use, and nearly half report lacking adequate people analytics capabilities altogether. Address availability and usability as distinct problems requiring distinct solutions.
- 2. Invest in skills assessment technology now.** Organizations without structured skills visibility will struggle to align talent with evolving business needs as workforce planning pressures intensify.
- 3. Audit legacy systems for hidden costs.** Many organizations hold onto outdated technology to avoid switching costs, but the long-term burden of poor integration, missing functionality, and administrative overhead often exceeds the short-term disruption of replacement.
- 4. Evaluate tools for HR generalist usability.** With analytics accuracy and actionability both declining year over year, organizations should pressure-test new solutions with the HR professionals who will actually use them.

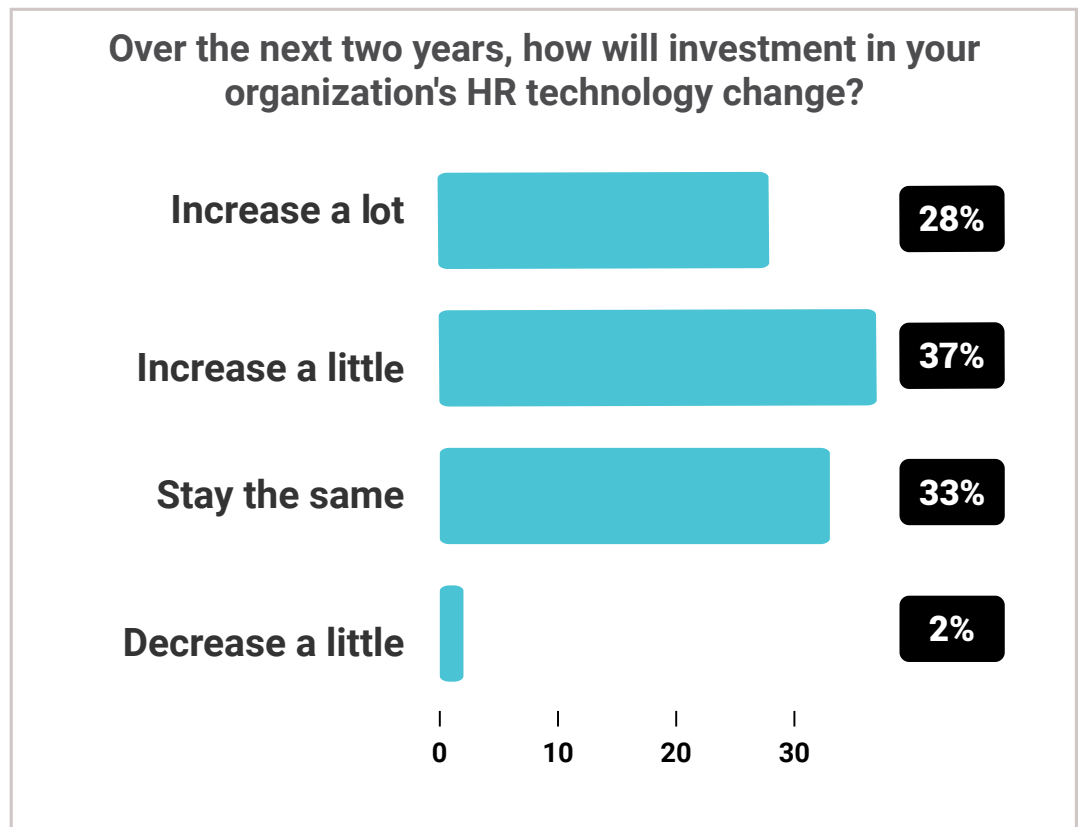


Planning Ahead: HR Technology Investments, Advancements, and AI's Role



Finding: About two-thirds of organizations expect HR technology investment to increase over the next two years

Respondents indicate a strong trend toward increased investment in HR technology, with 65% expecting a slight (37%) or significant (28%) increase. Of course, organizations must invest with intention or they will continue to face challenges with difficult-to-understand data, lack of integration, and high maintenance fees. It goes without saying, one size does not fit all when it comes to HR technology.



Editor's note: those who responded "don't know" were removed from the data set. They comprised 10% of the total data set.



Finding: AI incorporation and improved user experience lead expectations for how HR technology will evolve

A majority of HR professionals (53%) expect the incorporation of more AI into their HR technology, a 14-percentage-point increase from last year. AI capabilities have improved substantially over the past year, making it easier for organizations to complete tasks and interpret data. It's likely that some organizations have also gotten less wary of AI as they've grown more confident in how to use and safeguard it responsibly.

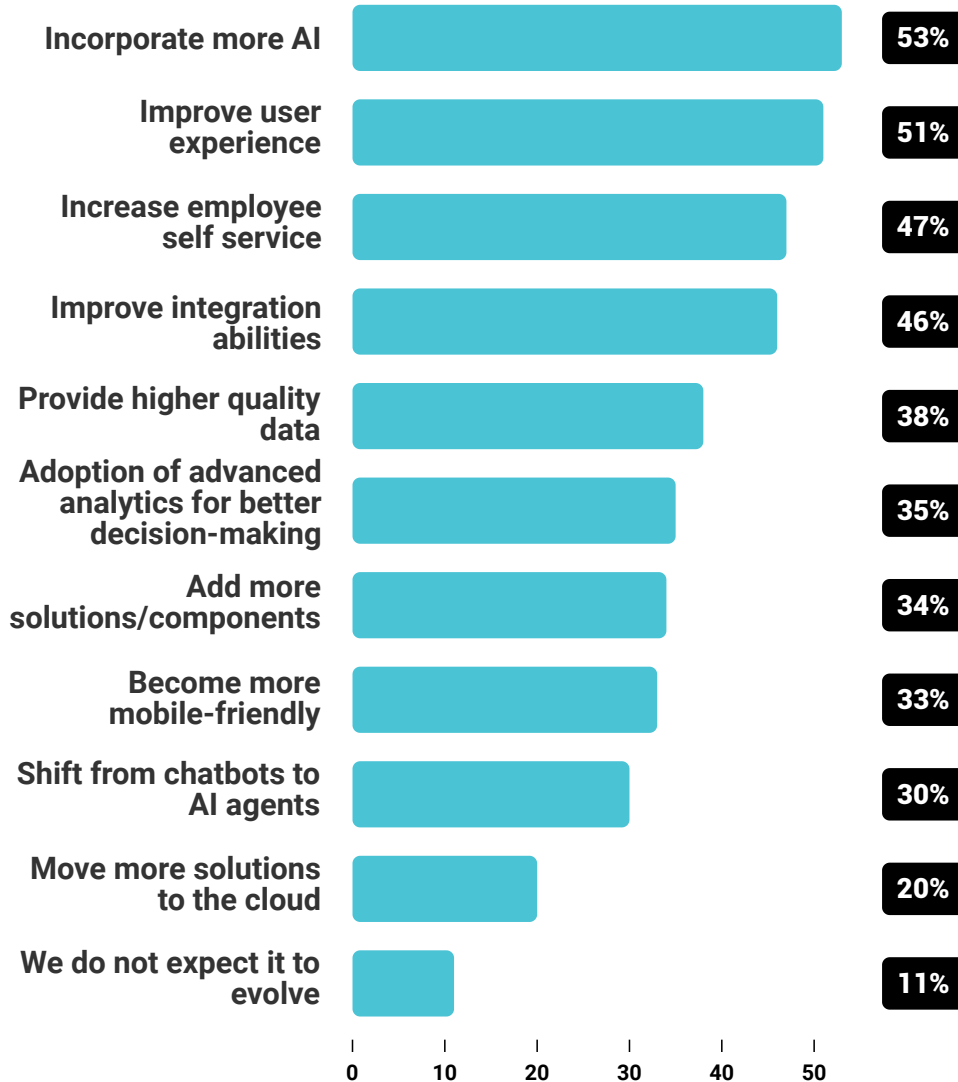
A slight majority (51%) also expect HR technology to improve the user experience, which makes sense given how many organizations are currently struggling with poor integration and missing features. HR technology vendors will need to make improvements to stay competitive, and user experience is an obvious place to start.

Increasing employee self-service (47%) and improving integration abilities (46%) round out the top four, with the latter climbing considerably from 32% last year. That jump suggests organizations are taking the integration problem more seriously than before. Further down, 38% expect higher quality data, 35% anticipate adopting advanced analytics for better decision-making, and 30% expect a shift from chatbots to AI agents. As with last year, a small but notable minority of 11% do not expect their HR technology to evolve at all, which raises questions about whether those organizations have the resources or appetite to keep pace with constant changes.

Differences by organizational size

Large organizations are also far more likely to be planning AI incorporation over the next two years, with 74% citing it as an expected evolution compared to 44% for mid-sized and 41% for small organizations. Small organizations, on the other hand, are notably more likely to say they do not expect their technology to evolve at all, at 27% versus just 3% for both other groups.

Over the next two years, how do you expect your organization's HR technology to evolve? (select all that apply) Note: This could be pre-purchase or post-purchase.



Over half of organizations (53%) expect their HR technology to incorporate more AI, with improving user experience close behind at 51%



Finding: Leaders are more than three times as likely to shift from chatbots to AI agents, highlighting a move toward advanced AI adoption

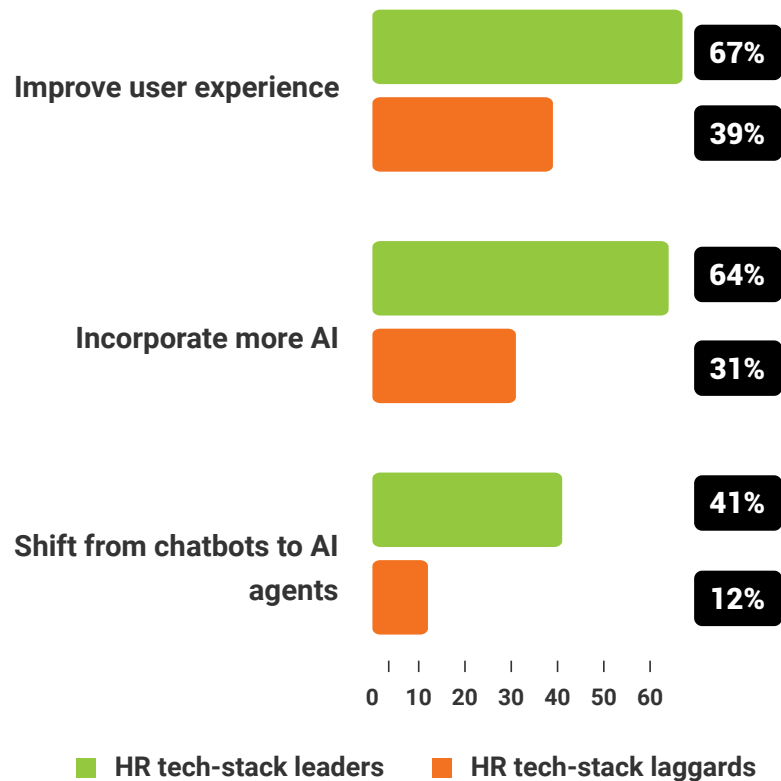
Results of Chi-square Test

A chi-square test of independence shows that HR tech-stack leaders are significantly more likely than laggards to say HR technology will improve user experience, shift from chatbots to AI agents and incorporate more AI over the next two years.

Leaders show a clear forward-looking focus compared to laggards, with strong emphasis on improving user experience (67% vs. 39%) and incorporating more AI (64% vs. 31%). The gap widens further in more advanced applications such as shifting from chatbots to AI agents (41% vs. 12%) delete and add a period to end the sentence after 12%).

These differences indicate that leaders are moving beyond foundational system improvements toward more intelligent, adaptive technologies that enhance both efficiency and decision-making. In contrast, laggards show more limited momentum across all areas, suggesting slower progression toward next-generation capabilities.

Over the next two years, how do you expect your organization's HR technology to evolve? (select all that apply) Note: This could be pre-purchase or post-purchase.



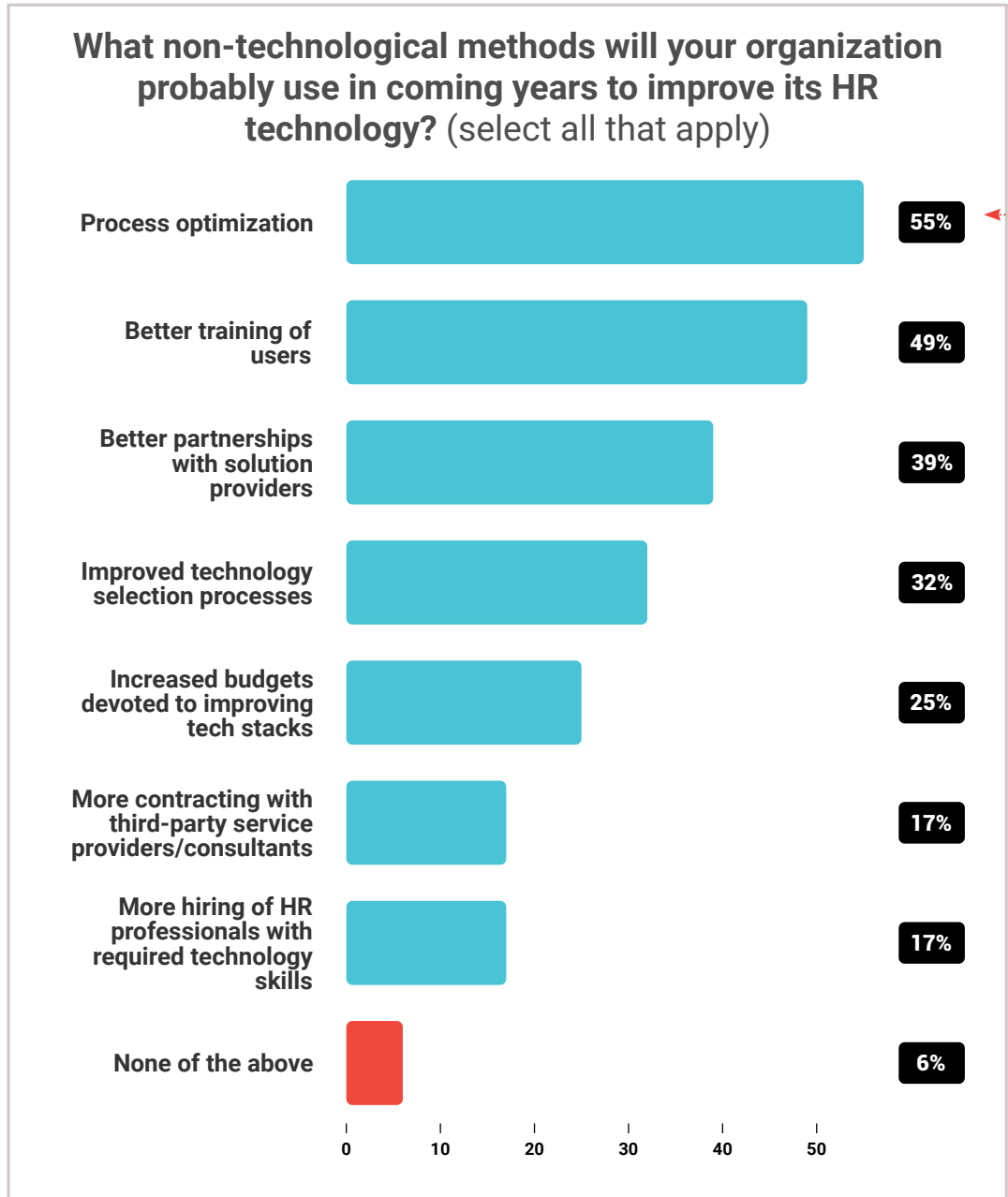


Finding: Process optimization and better training are the top non-technological methods organizations plan to use to enhance HR technology

Of course, organizations want to work on non-technological improvements as well. Over the coming years, organizations are likely to prioritize process optimization (55%) and better training for users (49%) to improve HR technology. Better training, in particular, is a practical acknowledgment that even good technology goes to waste if people do not know how to use it.

The focus on better partnerships with solution providers is also worth noting. When nearly four in ten organizations are prioritizing that relationship, it suggests many feel their current vendors are not giving them enough support. And with 32% looking to improve their technology selection process, there is a growing sense that some of today's frustrations started with picking the wrong tool in the first place.





Editor's note: those who responded "don't know" were removed from the data set. They comprised 10% of the total data set.

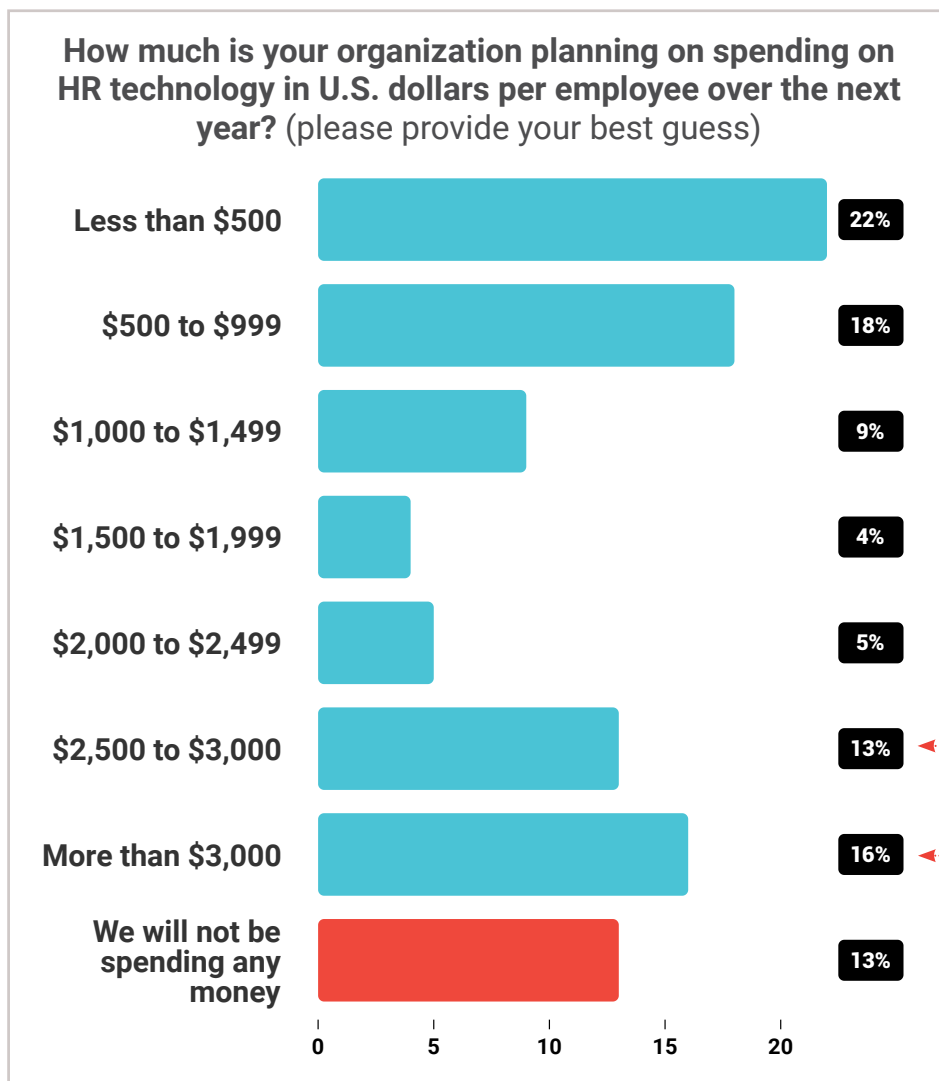


More than half of organizations (55%) plan to use process optimization as a non-technological method to enhance their HR technology



Finding: Among respondents able to estimate HR technology spending, 22% plan to spend under \$500 per employee on HR technology next year

Organizations plan a diverse range of spending on HR technology per employee in the upcoming year. A little under half (47%) of respondents didn't know the details on organizational spending on HR technology. Of those that were able to estimate spending, just over a fifth (22%) expect to spend less than \$500 per employee, while 18% will allocate between \$500 and \$999. About three in ten have higher budgets, planning to spend \$2,500 or more on HR technology per employee.



29% expect to spend \$2,500 or more on HR technology per employee in the next year

Editor's note: those who responded "don't know" were removed from the data set. They comprised 47% of the total data set.

HRRI Strategic Recommendations

Based on our research, please consider these suggestions.

- 1. Pair every technology investment with a training commitment.** With 49% of organizations prioritizing better user training, budgeting for enablement alongside procurement is one of the most reliable ways to improve returns on existing technology spend.
- 2. Plan explicitly for AI incorporation in the next budget cycle.** Expectations for AI in HR technology are rising. Organizations that do not include AI evaluation in near-term planning risk falling significantly behind as adoption accelerates.
- 3. Pressure-test spending plans against strategic gaps.** With wide variation in per-employee HR tech spend, organizations should benchmark investment against the capability gaps most affecting business outcomes rather than industry averages alone.
- 4. Build a vendor accountability framework.** Establish clear service level agreements (SLAs), integration benchmarks, and review cycles to ensure technology keeps pace with organizational needs over time.



AI: Transforming HR Technology and Workplace Efficiency

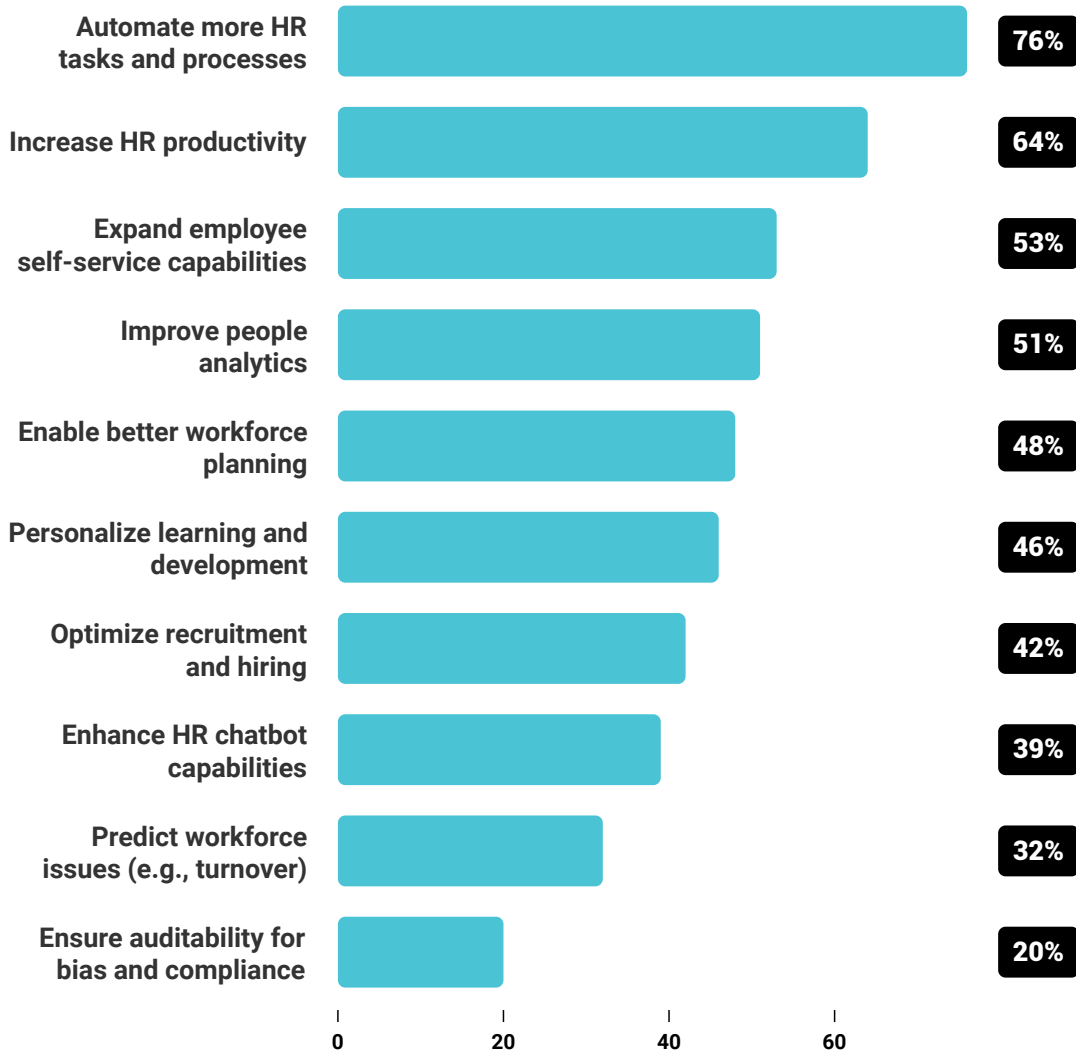


Finding: Automating HR tasks and increasing HR productivity are the top expected impacts of AI

How will the incorporation of AI influence HR tech? Automating more HR tasks and processes came out on top at 76%, followed by increasing HR productivity at 64%. Expanding employee self-service capabilities (53%) and improving people analytics (51%) rounded out the responses above the 50% mark.

The automation and productivity findings are not surprising. Many HR teams are stretched thin, and AI offers a fairly straightforward path to getting more done with the same headcount. The people analytics finding is particularly interesting given the usability and accuracy concerns discussed earlier. Organizations are clearly aware that their people analytics needs work, and many are hoping AI can help close that gap. Whether that plays out in practice will depend a lot on how well vendors are able to deliver on that promise.

How will the incorporation of more AI influence your HR technology? (select all that apply)



Nearly two-thirds of organizations (64%) anticipate AI will increase HR productivity

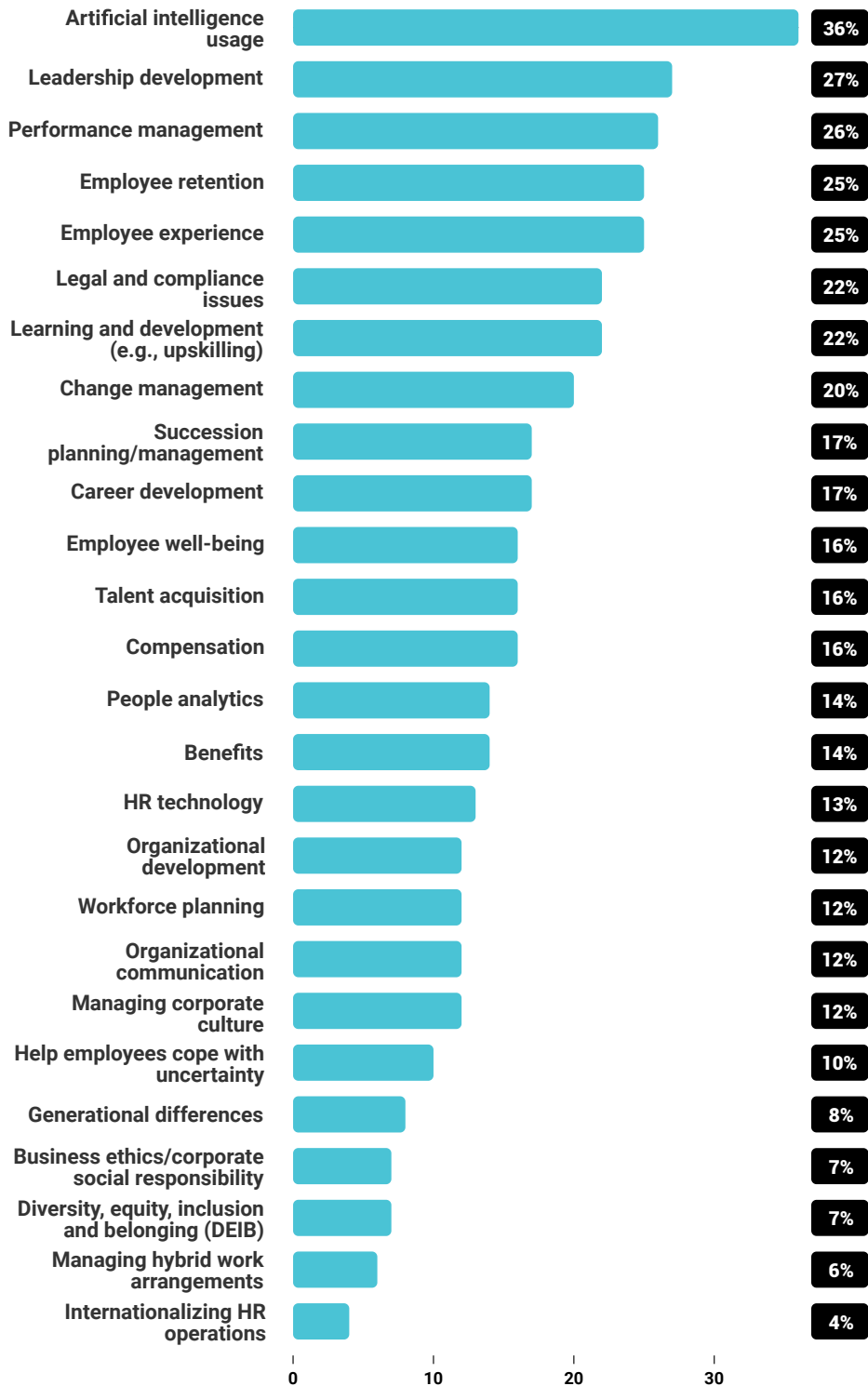
Artificial intelligence usage is now the top-ranked HR-related issue

When the HR Research Institute (HRI) asked 526 HR.com members to identify which five HR-related issues will be especially important in their organizations in 2026, “artificial intelligence usage” was by far the top answer, cited by 36%. This is the first time AI topped the list in this annual poll.



Over the next 12 months, which five HR-related issues will be especially important in your organization?
(select up to five)

N = 526





Finding: Most organizations are still in early stages of AI adoption in HR

Another poll of 385 HR.com members revealed that a large proportion of respondents report no current use of AI in HR (40%), while only 25% indicate active adoption and 14% are in pilot stages. This distribution suggests that AI adoption remains in early phases for most organizations, with relatively few reaching sustained or scaled use.

This indicates that while AI is gaining attention, widespread operationalization is still limited. The most commonly cited barriers include:

- ongoing evaluation of solutions (29%),
- data privacy concerns (28%),
- lack of awareness (26%), and
- limited budget or internal expertise (19%)

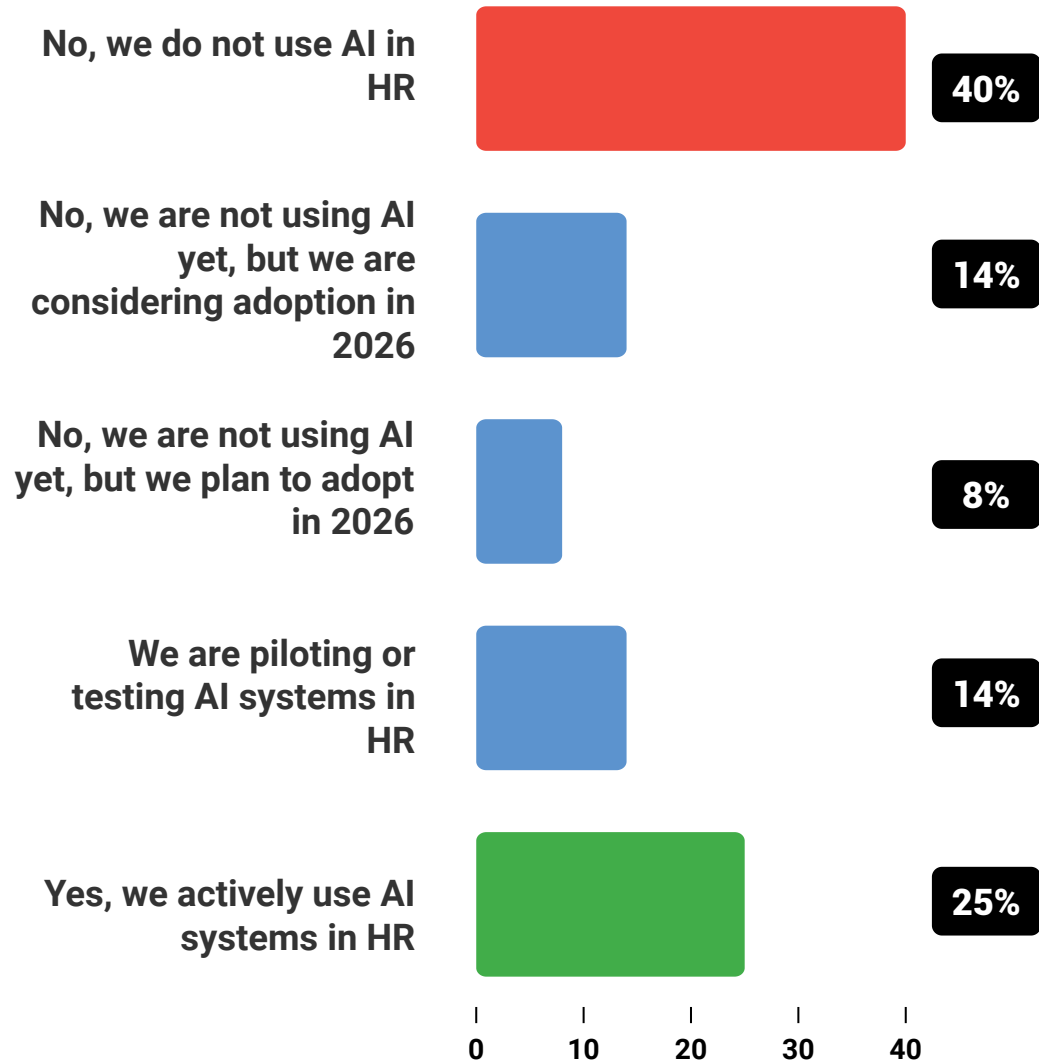
Fewer respondents indicate that existing processes are sufficient without AI (14%), suggesting that resistance is not the primary issue.

These findings indicate that organizations recognize the value of AI but face structural and capability-related constraints that delay adoption.



Are you currently using artificial intelligence (AI) systems in your HR operations?

N = 385





Finding: AI adoption is concentrated in talent acquisition and analytics, with limited use in operational functions

As a follow-up to the previous question, we probed users on common HR areas where AI is being used or piloted. Current AI usage is most common in talent acquisition (45%) and people analytics (32%), followed by learning and development (28%). In contrast, adoption remains low in more transactional areas such as payroll and total rewards (11%).

This pattern suggests that organizations are prioritizing AI in high-impact, insight-driven functions while delaying adoption in core operational areas.

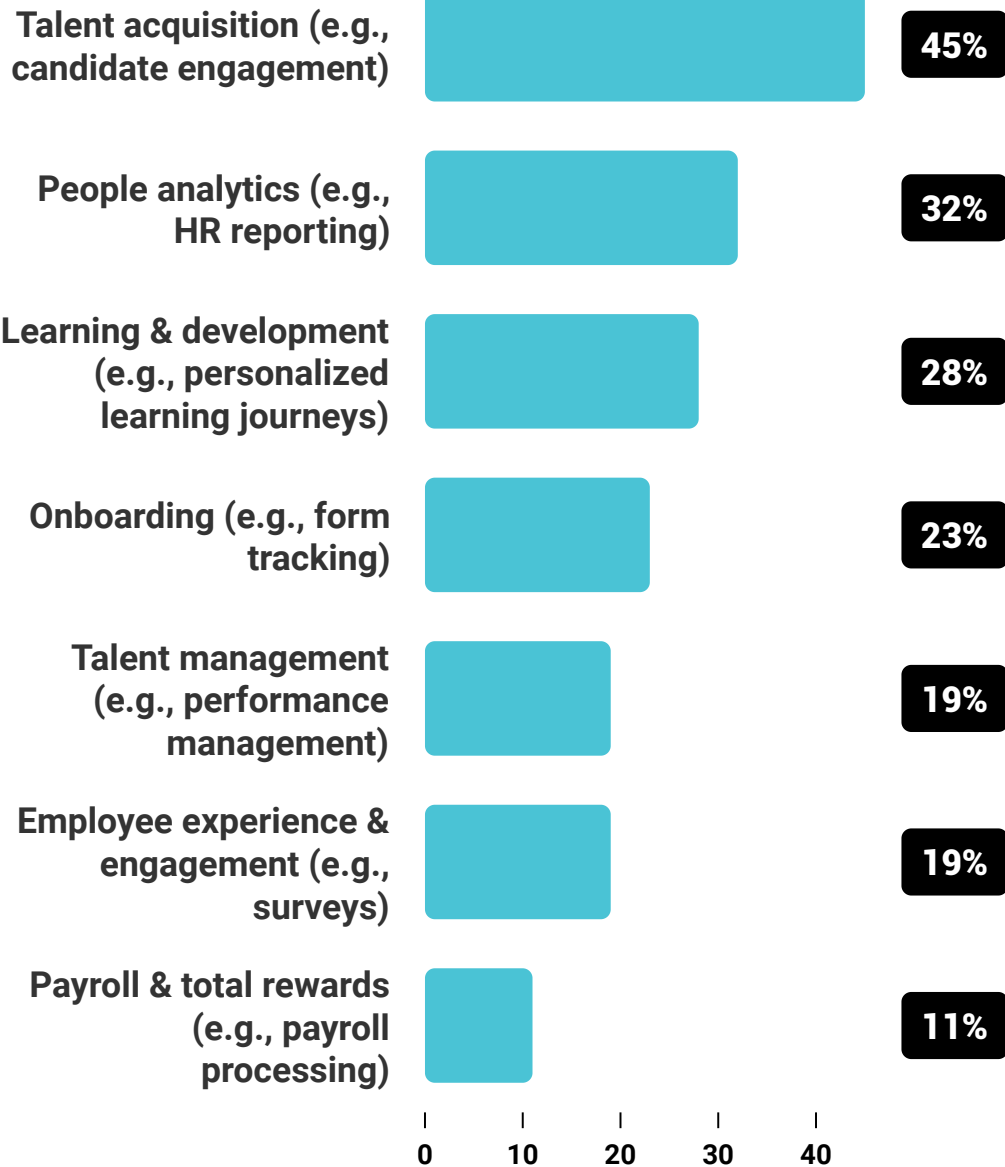
In fact, when asked where AI should assist while ensuring HR or business leaders retain final decision authority, respondents most strongly selected:

- data analysis and insights (61%)
- routine transactions (51%)
- employee communication support (50%)
- candidate screening recommendations (45%)

The results suggest that organizations are defining AI's role as supportive and advisory, not independent.

In which HR functional areas is your organization using or piloting AI today? (select all that apply)

N = 130





Finding: Organizations report limited availability of agentic AI capabilities, with most lacking advanced functionality

We also conducted a separate poll of 386 HR.com members to gauge their use of agentic AI capabilities. A large share of respondents report no available agentic AI capabilities (36%), while another 23% are unsure, indicating low visibility and limited deployment overall. Among those with capabilities, adoption is concentrated in basic functions such as automating routine workflows (21%) and making recommendations (19%). Capabilities that require greater system integration or interaction, such as pulling data across systems (18%) and conversational task support (13%), show moderate presence.

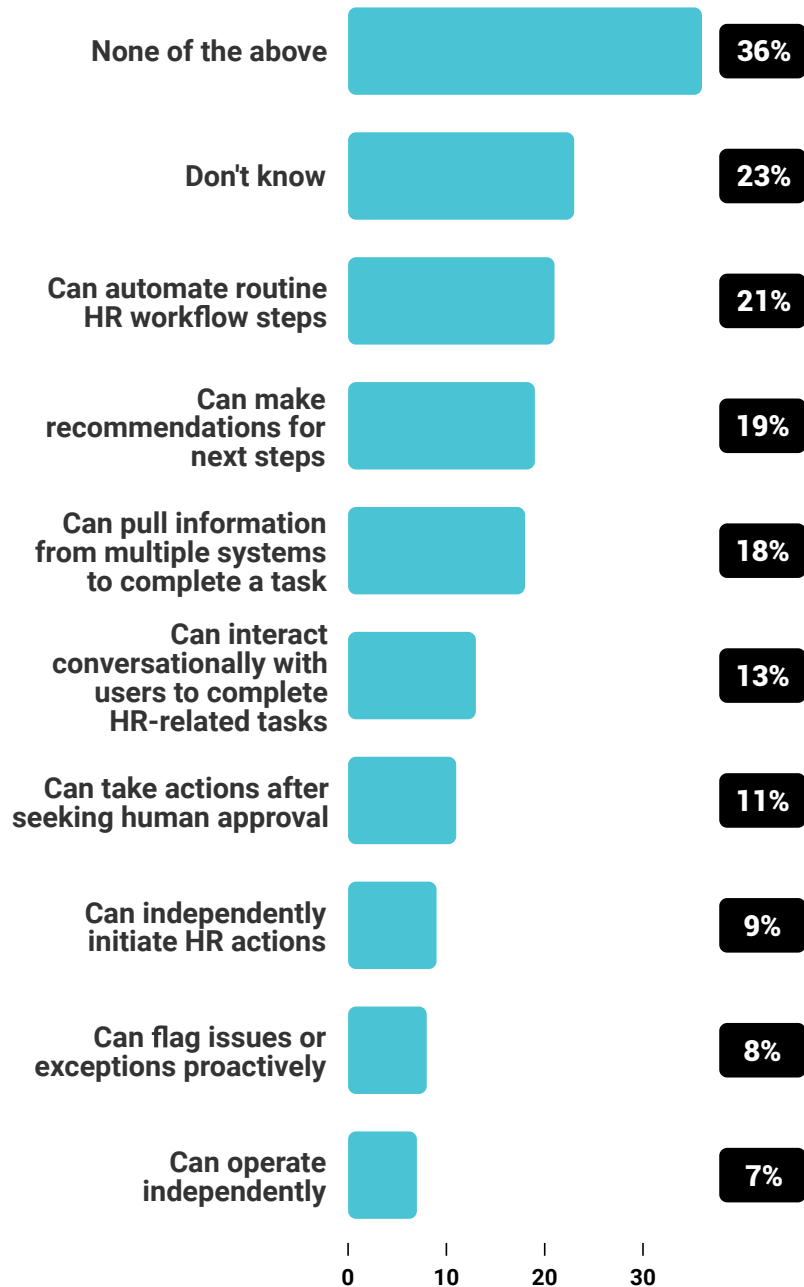
More advanced capabilities remain rare. Only a small proportion report AI that can take actions with human approval (11%), initiate actions independently (9%), or operate autonomously (7%). Proactive capabilities such as flagging issues are also limited (8%).

This pattern indicates that most organizations are still in early stages of agentic AI maturity, with capabilities largely focused on support and efficiency rather than autonomy or end-to-end execution.



Which of the following agentic AI capabilities are currently available for use in your organization's HR technology environment? (select all that apply)

N = 386





Finding: Agentic AI usage is present but remains limited to partial and non-scaled deployment

Of the respondents reporting having some agentic AI capabilities, 40% indicate regular use in at least some HR workflows and 37% report occasional use. A further 22% are piloting agentic AI in selected areas, suggesting active experimentation across many organizations.

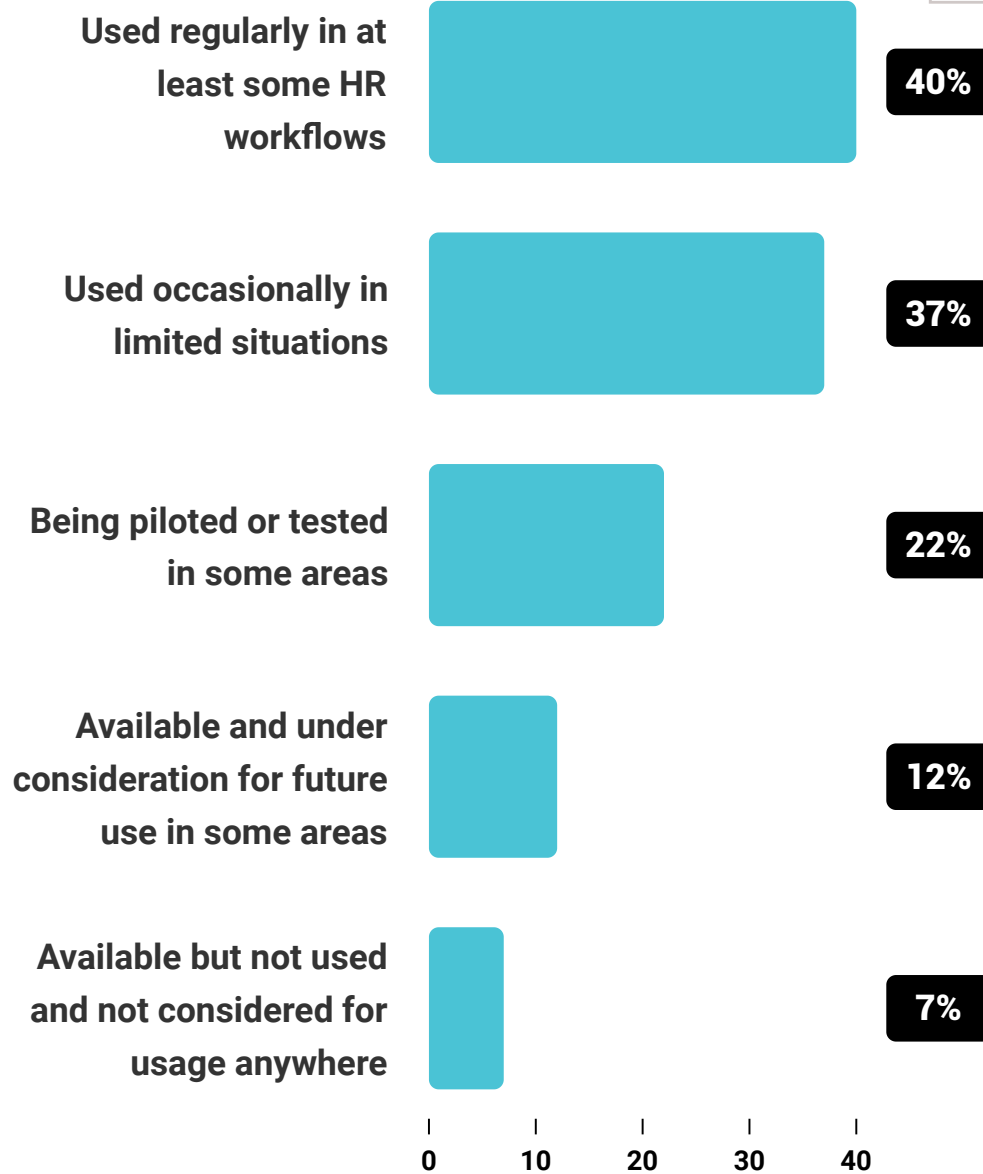
However, these usage patterns remain limited in scope. Only a small proportion indicate that agentic AI is available and being considered for broader adoption (12%), while 7% report availability without use.

This distribution indicates that agentic AI is emerging but not yet embedded. Usage is largely confined to specific workflows rather than scaled across HR functions, reflecting early-stage adoption focused on experimentation rather than enterprise-wide deployment.



Which of the following best describes how agentic AI capabilities are currently being used in HR your organization? (select all that apply)

N = 152



HRRI Strategic Recommendations

As AI continues to evolve, HR's role must adapt to harness its full potential. Organizations that strategically integrate AI will gain a competitive edge in workforce management and employee engagement.

Based on our research, please consider these suggestions.

- 1. Move from AI evaluation to AI implementation.** Establish a decision deadline and pilot framework to avoid indefinite deferral as the gap between early adopters and the rest continues to widen.
- 2. Anchor AI governance in a human-oversight model.** Organizations broadly want AI to assist with data analysis, routine transactions, and communication support while keeping humans in final decision-making roles. Codify this boundary in policy before expanding AI's scope.
- 3. Prioritize agentic AI readiness as a near-term infrastructure goal.** Most organizations lack the data quality and system integration needed to support agentic capabilities — build those foundations now, as the transition from basic automation to agent-driven workflows will accelerate faster than most organizations are planning for.
- 4. Concentrate initial AI deployment where adoption is already taking hold.** Talent acquisition and people analytics are where AI use is most established. Deepening capability in these areas will generate faster returns and organizational confidence than spreading investment thinly across underutilized functions.
- 5. Address data privacy concerns with concrete policy, not reassurance.** Organizations that develop clear, visible data governance frameworks will move through the evaluation stage faster and build the internal trust needed to scale AI responsibly.





Key Takeaways

Below, we offer some suggestions for how organizations can improve and optimize HR technology stacks for greater business success.

1

Prioritize integration across HR systems. Poor integration is the most common barrier to HR technology effectiveness, with only 9% of organizations reporting it has no impact on their ability to achieve HR goals. HR professionals should treat integration as a strategic priority rather than a technical afterthought, building connectivity requirements into vendor selection from the start. Organizations that have achieved strong system connectivity consistently report better outcomes across every HR function.

2

Close the gap between analytics access and analytics usability. People analytics continues to underdeliver, with fewer than a third of organizations rating their analytics as actionable and accuracy declining year over year. Many organizations lack adequate analytics capabilities entirely, while those that have them struggle to make the outputs usable for everyday HR decision-making. HR professionals should evaluate both the availability and the interpretability of analytics tools, prioritizing solutions that any HR professional can act on without specialist support.

3

Enhance employee experience through HR technology. Employee experience remains underdeveloped in most HR tech stacks, despite being one of the top issues organizations are trying to address with technology. HR professionals should ensure that self-service capabilities, user interface quality, and employee-facing functionality receive dedicated investment, not just the internal tools HR teams use themselves.

4

Build a clear HR technology vision aligned with business goals.

Fewer than half of organizations report that their HR technology supports key business goals well or extremely well, and many leaders have yet to articulate a clear direction for how technology should support organizational strategy. HR leaders should work with senior management to develop a roadmap that connects technology investment to measurable outcomes, so decisions are driven by organizational priorities rather than reactive purchasing.

5

Invest in HR technology with intention. With 65% of organizations expecting increased HR tech spending over the next two years, the risk is not underinvestment but poorly directed investment. HR leaders should evaluate planned spending against the capability gaps most affecting their organizations, ensuring new tools address real problems rather than adding complexity to an already fragmented stack.

6

Build the foundation for AI before scaling it. AI has become the top HR priority for 2026, yet 40% of organizations report no current AI use in HR. Most cite data privacy concerns, limited expertise, and ongoing evaluation as the primary reasons. Organizations should focus on establishing the data quality and governance structures that responsible AI adoption requires, so they are ready to move when internal confidence builds.

7

Shift AI strategy from automation toward insight and decision support. Organizations are increasingly looking to AI to improve analytics, expand employee self-service, and support more informed decision-making. HR professionals should evaluate AI tools against these broader use cases, particularly in talent acquisition and people analytics where adoption is most established, while ensuring human oversight remains central to any AI-assisted process.

8

Improve data quality and usability. Accurate, accessible, and actionable data remains out of reach for most organizations. HR professionals should prioritize technologies that support high-quality data collection and make outputs interpretable by the HR professionals and leaders who rely on them. Data that requires specialist interpretation will consistently go underused regardless of how sophisticated the underlying system is.

9

Invest in skills assessment and learning technology. Skills assessment is the most commonly missing feature in HR technology stacks, cited by over three quarters of organizations reporting capability gaps. As workforce planning demands grow more complex, organizations without structured skills visibility will find it increasingly difficult to match talent to organizational needs. HR professionals should prioritize solutions that support continuous skills assessment, personalized development, and real-time feedback.

10

Pair technology investment with process optimization and training.

More than half of organizations plan to prioritize process optimization as a way to improve HR technology performance, with better user training close behind. Technology alone does not deliver results. HR leaders should treat process redesign and user training as equally important investments alongside any new tool deployment, and budget for both from the start.



About Eightfold

Eightfold AI's market-leading Talent Intelligence Platform™ helps organizations retain top performers, upskill and reskill their workforce, recruit talent efficiently, and reach diversity goals. Eightfold's patented deep learning artificial intelligence platform is available in more than 155 countries and 24 languages, enabling cutting-edge enterprises to transform their talent into a competitive advantage. For more information, visit www.eightfold.ai.



About HR.com and the HR Research Institute

The HR Research Institute (HRRRI) helps you keep your finger on the pulse of HR! Powered by HR.com, the world's largest HR community, the HRRRI identifies key trends and best practices to help more than 2 million HR professionals and their organizations make strategic decisions with informed and insightful research findings.

Among the most productive and respected HR research institutes globally, the HRRRI publishes dozens of high-quality reports every year across a wide array of HR topics. HR.com's free membership offers many benefits, including access to over 250 exclusive primary research, state-of-the-industry reports, and infographics. These resources are published based on surveys developed with the assistance of a panel of thought leaders and industry experts on the advisory boards. Visit hr.com/hrresearchinstitute to maximize your HR potential.

#hrresearchinstitute

Become a part of HR.com's [HR research influencer](#) panel today!
Participate in surveys, share your insights, and earn rewards!