GUIDE

paycom

HR Trends and Priorities for 2026

HR IS CHANGING.

As the needs of organizations everywhere become more complex, the way we manage employees has to evolve, too. While new technology has helped automate fundamental processes like payroll and hiring, we've just scratched the surface of what can be simplified and streamlined. As developments like AI shift from speculative and experimental to practical and functional, employers must determine how — not if — they'll implement the tech.

Trends like these don't detract from or eliminate HR's value. They do, however, reshape how the department operates. In turn, these trends feed into what HR prioritizes.

HR trends vs. priorities

Trends and priorities *aren't* the same. Think of them this way:

TRENDS

- RULES OR CONCEPTS
- SPEAK TO THE BIG PICTURE
- NO OBVIOUS ACTION TO TAKE

PRIORITIES

- MORE IMMEDIATE
- EASIER TO MEASURE
- APPLICABLE AND ACTIONABLE

Let's dive into what has fueled the recent trends identified by HR professionals and how they influence what will be prioritized in 2026 and beyond.

THE TOP HR TRENDS FOR 2026

Trends can influence how organizations adapt, innovate and compete — despite often being outside of what a business can control. Let's explore four trends with the potential to make an impact in the workplace. These trends are the result of a survey commissioned by Paycom of 1,250 HR and finance professionals who were asked about their focuses going into 2026.[1]

1. GREATER INCORPORATION OF AI AND AUTOMATION

According to those surveyed, the increased use of AI and automation in HR helps alleviate several of the department's largest obstacles, like:

- manual and repetitive tasks, including basic data entry and reentry
- workforce frustration spurred by a lack of seamless functionality
- the need to constantly determine the effect of new legislation on a workforce[2]

Yes, AI and automation have the power to eliminate HR's most tedious work, but just improving efficiency doesn't cover what makes this trend important. Rather, it's the opportunity for growth, scalability and the positive shift in an HR professional's long-term potential that carries the most weight.

As you explore the potential for AI and automation in your organization, don't forget that these technologies do not all work the same. For instance, if you have two separate tools for automating payroll and benefits enrollment, it may still leave the potential for manual work to transfer data between them — especially if they don't exist within the same database as every other HR tool.

A single-database approach to HR tech also helps ensure AI's accuracy. Take a command-driven AI engine, for example. Since it doesn't make assumptions about the answers it provides, users only receive the exact info they request.

2. A FOCUS ON CHANGE

Entering the future with confidence takes letting go. For organizations, this means letting go of antiquated processes and legacy systems that ultimately limit efficiency. According to the survey, 4 in 5 HR and finance professionals say they will likely purchase new HR and payroll tech in the coming year.[3] Reasons behind this trend include:

- **OUTDATED TECH AND A NEGATIVE ADMINISTRATIVE USER EXPERIENCE**
- **LIMITED REPORTING AND ANALYTICS**
- **COMPLIANCE AND SECURITY CONCERNS**

According to a separate survey from May 2025, most HR and payroll pros have already identified a need to change. Respondents reported using an average of 6.17 HCM providers, and 91% said they were interested in adopting a single automated HCM software solution.[4] As we head into 2026, we could see organizations simplify their tech stack with single-database HR software.

3. A SENSE OF OPTIMISM

Despite economic hardship and other challenges, HR remains hopeful. According to the survey conducted by PSB Insights, respondents felt optimistic about 2026, suggesting they would be likely to invest in hiring and retaining top talent to pursue growth.[5]

Coincidentally, HR and finance's interest in incorporating more AI and automation into their organizations could support this effort by helping create unbiased and accurate job descriptions for recruiters.

Plus, consider that workers lose an average of 7.3 hours of productivity each week, potentially costing U.S. employers $183 billion annually.[6] AI can help connect employees instantly to the data they need, while automation helps ensure that data's accuracy.

4. HR TAKING A MORE TECHNICAL ROLE

Ultimately, these trends point to a need for HR to evolve into a more tech-driven role.

As a result, 82% of HR professionals and 83% of finance professionals agree that in 2026, HR will start to meaningfully blend its role across IT, analytics and people support.[7]

A transformation in HR's role helps organizations identify and develop strategies around priorities and long-term goals. In a more technical position, HR should prioritize tech upgrades as they relate to employee development, performance and engagement.

TOP PRIORITIES FOR 2026

It's vital to keep trends top of mind, but they alone don't always give us clear actions to take. They do, however, help guide HR's focus. Let's go deeper into the survey results to uncover what priorities organizations will pursue in 2026.[8]

1. HR TECH UPGRADES AND IMPROVEMENTS

As HR moves toward a more strategic and technological role, those in the field expect to refine their own expertise and actively seek ways to enhance their organizations' software. A major piece of this transition involves shedding the outdated systems and processes that now hold HR back, including overly complicated software and tools that don't seamlessly communicate with one another.

In 2026, every organization will benefit from scalable, easy-to-use HR tech, no matter its size or industry. The challenge is identifying and implementing the right software to automate more processes and prime your business to grow and adapt. This also includes effectively adopting AI to eliminate time-consuming work and simplify more complex processes, so HR can reduce day-to-day issues and better focus on long-term organizational goals.

2. EMPLOYEE DEVELOPMENT, UPSKILLING AND RESKILLING

To both boost retention and foster a more versatile workforce, HR and finance professionals seek to improve organizational performance in 2026. While not a new priority, organizations continue to experience:

- **ISSUES FILLING ROLES WITH QUALIFIED PEOPLE**
- **SKILLS GAPS IN CRITICAL ROLES**
- **COMPLIANCE RISK FROM EXPIRED CERTIFICATIONS AND INCOMPLETE TRAINING**
- **DISENGAGEMENT AND TURNOVER**

Paired with the need to adopt new tech, these challenges become even more urgent than before. In response, HR professionals are both upskilling to help employees perform more duties within their roles *and* reskilling to help cover large skills gaps within their organizations.

3. INCREASED AI INCORPORATION INTO HR

It's simple: As technology evolves, organizations that don't evolve with it fall behind. That's why HR is exploring more ways to incorporate AI into its operations to simplify processes and reduce the time spent on basic tasks. Doing so would allow HR to turn to more important responsibilities, such as employee development, engagement, retention and more.

And as AI becomes more common in our personal lives, talent will likely expect the same level of convenience in the workplace, too. In 2026, adopting AI can help employers match pace with their competitors.

4. ENHANCED EMPLOYEE EXPERIENCE, ENGAGEMENT AND WELL-BEING

Yes, organizations will focus on adopting more intuitive and comprehensive software in 2026. But this goes beyond making life easier for those in HR and finance. They'll also pivot to make life for employees as simple as possible.

Better tech could hold the key to a more compelling workplace, according to a 2025 survey.[9] It found failing to invest in technology could threaten business outcomes like:

- **BUSINESS PERFORMANCE**
- **HUMAN PERFORMANCE**
- **EMPLOYEE EXPERIENCE**
- **AND MORE**

By consolidating every employee's need within single-database HR software, employers have an opportunity to mend their workforce's tech experience and prevent the frustration that can drive employees away.

5. ATTRACTING AND RETAINING TALENT (HR)

HR prioritizes hiring and retention, which makes sense, given that the increased focus on technology also reflects the desire to boost the employee experience and well-being. Doing so creates the potential for current employees to share that experience with job candidates. With enough momentum, a business can use tech to become an employer of choice among top talent.

6. PERFORMANCE MANAGEMENT (FINANCE)

More than HR, finance professionals prioritize boosting performance. Manual and outdated performance management processes create time-consuming, inconsistent and potentially biased evaluations that harm both employees and their supervisors. Automated software, on the other hand, can simplify the experience and also hold managers accountable for providing consistent feedback, helping alleviate disengagement spurred by a lack of guidance.

TRANSFORMING HR'S ROLE

With a greater focus on enhancing HR software, improving the employee experience and incorporating AI into the department's processes, at least one thing is clear: HR is becoming more technical.

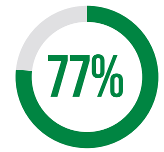
HR and finance professionals almost unanimously agree with this path, finding the evolution of HR into a tech-driven role vital to smooth, forward-thinking operations.[10] Here's how both groups landed when asked about the development of HR in 2026:

Percentage of HR and finance professionals who agree on upcoming changes to HR's role

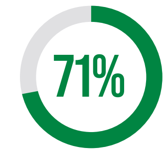
STATEMENT	HR	FINANCE
Data and tech-driven decision-making will become a core competency for HR teams.	84%	79%
HR will play a more strategic role in driving business decisions and leading organizational transformation.	84%	82%
AI and automation will significantly reshape HR's role.	82%	83%

The need for tech-driven HR didn't appear instantly. Gradually, many organizations pieced together their HR tech stacks, creating environments where the department often juggled multiple HCM providers.[11]

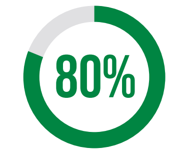
In 2026, ensuring HR is as agile as it is effective won't take adding *more* tech, but *less*. After all, among HR and payroll personnel:



STORE EMPLOYEE DATA ACROSS MULTIPLE HCM DATABASES



CAN'T TRANSFER OR SHARE EMPLOYEE DATA ACROSS DATABASES



SAY DISPARATE AND DUPLICATE DATA MAKES IT DIFFICULT TO CREATE ACCURATE REPORTS[12]

And while multisystem HR tech raises significant challenges for HR professionals, it also turns them into the presumed experts on this tech. This constant balancing act and forced data reentry can grind down the department, pushing it to seek something simpler. In fact, 85% of HR and payroll professionals believe using a single, automated HCM solution would positively impact their goals.[12]

To some degree, HR has already entered a more technical role, but not in a way that allows it to be as versatile as 2026 will demand. If the past was about getting HR to this point, the future will center around optimizing its function.

AI and automation are fundamental to this transformation, but only if their application ensures agility and accuracy. Not by using multiple systems that don't or incorrectly communicate with each other, or by relying on generative AI that makes assumptions about data. Rather, the answer lies in single-database HR software that streamlines processes while ensuring the AI that supports it only pulls employee data from a truly single source of truth.

HR AND PAYROLL TECH BUILT FOR YOUR FUTURE

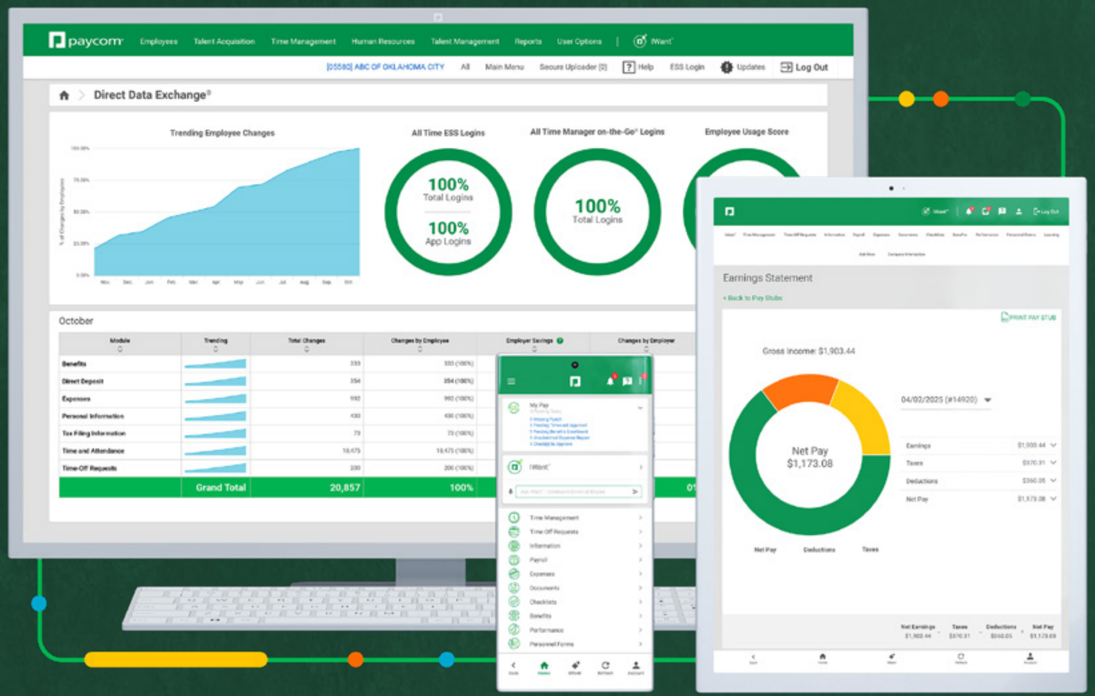
Looking for *one* HCM software to scale with your organization through 2026 and beyond?

All of Paycom's tools work within a truly single software to automate processes across the entire employee life cycle. Here are just a few of our innovations that free HR professionals from endless busywork, so they can focus on their organization's future:

- **Beti®**, our self-starting payroll experience that automatically finds errors and guides employees to fix them *before* submission
- **Time-Off Requests featuring GONE®**, which automates decisions around time-off requests based on rules you set
- **Paycom Learning**, our intuitive LMS that helps you prioritize upskilling and reskilling by making it easy to create, deploy and track training
- **Performance Management**, a tool that automates the tedious aspects of evaluations while ensuring consistency, efficiency and accountability
- and many more in our single software

We also equip your organization with **IWant™**, the industry's first command-driven AI engine in a single database. It makes it easy for employees at *every* level to access the data they need, instantly and accurately.

With just a simple prompt or question, IWant pulls from employee data and management dashboards to ensure the right answer every time. And since IWant operates within Paycom's single database, you don't have to worry about misleading results or blatantly wrong assumptions. Just accurate employee data — all at your command.



Read our white paper to learn more about why your organization should use a truly single HR software.

1. PSB Insights, a survey of 1,250 HR and finance professionals, commissioned by Paycom, July 2025.

2. Ibid.

3. Ibid.

4. Forrester Consulting, *Single-Database HCM Solutions Drive Cross-Business Success*, a commissioned study conducted by Forrester Consulting on behalf of Paycom, May 2025.

5. PSB Insights

6. BrightPlan, Walr and Workplace Intelligence, *The State of Financial Well-being: Trends Driving High Costs for Employers and Employees*, brightplan.com, January 2024.

7. PSB Insights

8. Ibid.

9. Reyes, Victor; Mallon, David and Sanford, Amy, "New tech. New work. Your old value case isn't enough," Deloitte, deloitte.com, March 23, 2025.

10. PSB Insights

11. Forrester Consulting

12. Ibid.