REPORT

HR TECH LEADERS: KEY INSIGHTS AND TRENDS

From fragmentation to integration. Understanding HR Tech's shift toward unified, AI-driven platforms

Introduction

This report distills insights from 81 senior HR technology executives (directors, VPs, and C-suite) who span HR/People Operations, General IT, and HRIS functions across North America, Europe, and beyond.

Their collective experiences illuminate how today's leading organizations are reshaping their tech stacks: rationalizing tool sprawl, forging deep partnerships with IT/security and analytics teams, and seizing expanding budgets to pilot AI and data-driven workflows.

In this report, you'll see where peers are investing, which vendors dominate, and how top leaders structure strategies around ethics, change management, and flexible architectures.

Whether you're in mid-market or steering a lean enterprise stack, these practical takeaways will help you benchmark your roadmap and accelerate HR tech value for years to come.

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Key insights

Across industries and regions, this report tells a clear story of an HR technology market in transition: from fragmented tool sprawl to consolidated, intelligence-powered platforms that leverage AI, underpinned by new budget capacity and a cross-functional mindset.

4 main themes

Mainstream AI and analytics

Generative AI is no longer a novelty: nearly three-quarters of organizations have a formal GenAI strategy or pilot. At the same time, two-thirds of next-year budgets are earmarked for analytics and AI/automation. Leaders are moving from curiosity to concerted investment in use cases like skills matching, dashboards, and chatbots.

Consolidation over proliferation

The mid-market pain point of managing as many as 18 separate HR tools, has driven 72% of firms to actively streamline their stacks. Organizations are shifting from adding point solutions to pruning for tighter integrations with their core "Big Three" suites (Oracle, Workday, SAP), while making room for best-of-breed solutions.

HR + IT as co-pilots

A blended HR/IT ownership model has become the north star: 43% of HR tech leaders (Director-level and up) sit in HR/People Ops, 40% in IT/Analytics, and two-thirds collaborate weekly with IT/security teams. This partnership is now seen as essential for governing data, securing systems, and driving adoption.

Budget tailwinds and imperatives

With 91% of organizations growing their HR tech spend by 27% on average, leaders have a rare window to fund transformative projects. However, finite resources mean Leaders must build airtight ROI narratives, embed governance early, and align investments to the highest-impact analytics and AI use cases.

As HR tech leaders chart their next moves, the winners will be those who marry strategic stack rationalization with bold, governed AI investments that fuel both immediate ROI and long-term agility. By embedding cross-functional collaboration and robust governance at every step, organizations can turn today's budget tailwinds into sustainable, people-centered innovation.

About the participants

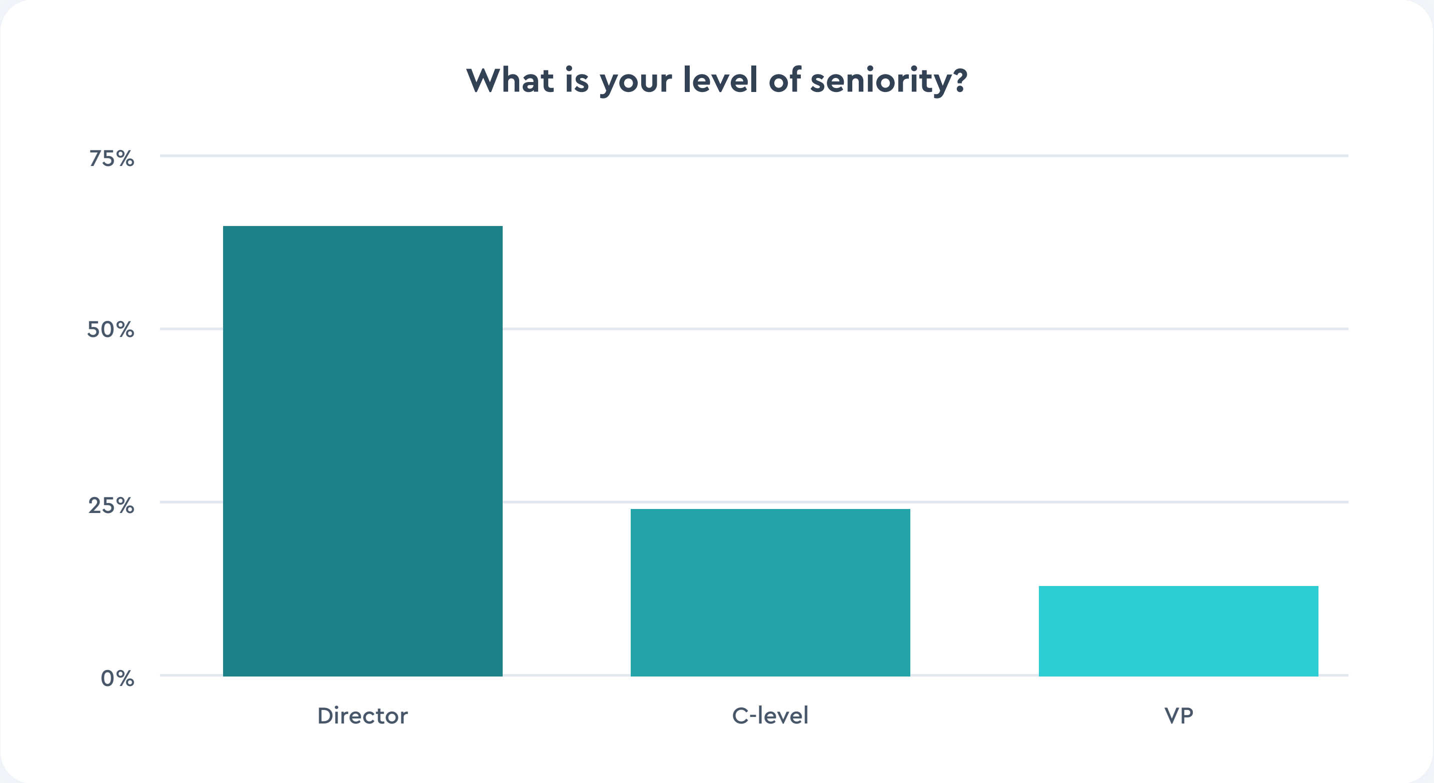
The leaders shaping HR technology today are seasoned individuals sitting squarely at the intersection of HR and IT. All 81 respondents are Director-level or above, and their day-to-day lives balance HR/People Ops responsibilities with deep partnerships in IT and analytics. Two-thirds of respondents work at North American mid-market firms (organizations with 1,000 to 4,999 FTEs), but in general come from every major industry, from tech and healthcare to finance and manufacturing.

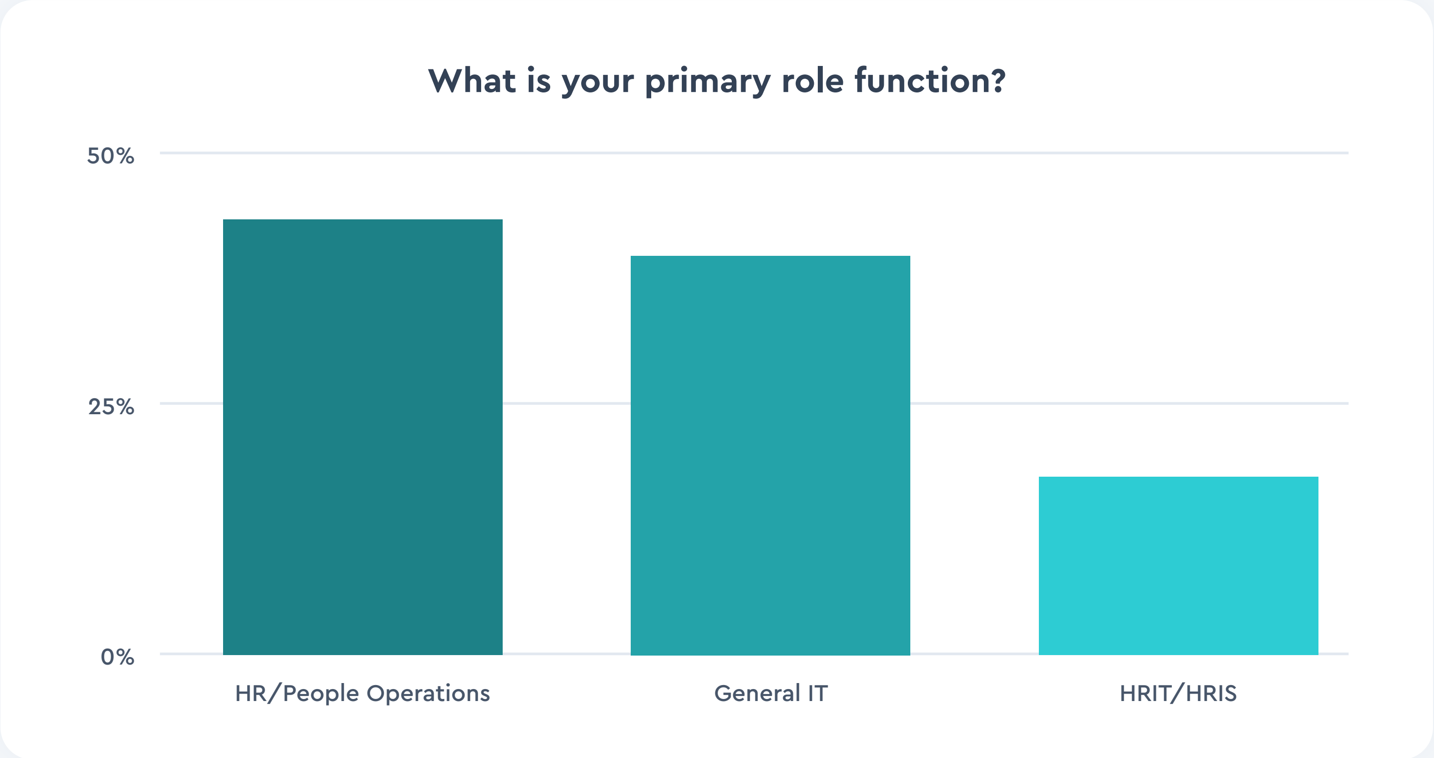
What really stands out is how central cross-functional collaboration is to their role. Nearly seven in ten work hand-in-glove with IT and security teams every week, and over a third partner regularly with People Analytics. Finance, legal, and talent acquisition show up less often in their calendars.

The bottom line is that HR tech leaders aren't lone players. They're individuals who speak both "people" and "technology," charged with knitting disparate teams and tools into a cohesive, secure, data-driven employee experience. Their strength lies in that dual fluency, and in their ability to marshal cross-departmental support to turn HR systems into strategic advantage.

Among HR tech leaders surveyed, most are Directors (64%), followed by C-level executives (23%) and VPs (12%).

Nearly half (43%) are in HR/People Operations roles, 40% in General IT/Analytics, and 17% in HRIT/HRIS. This highlights the close partnership between HR and IT.



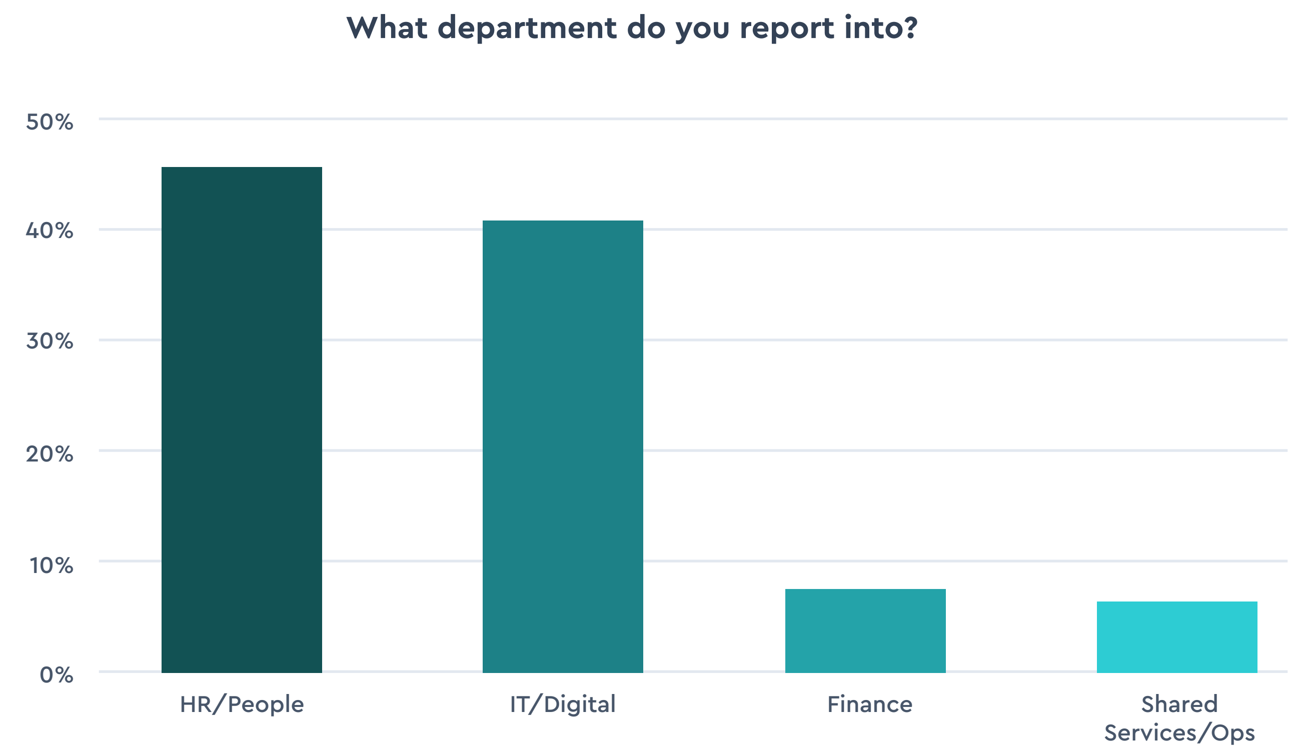


Of HR tech leaders surveyed, 46% report into HR/People, 41% into IT/Digital, 7% into Finance, and 6% into Shared Services/Operations. When broken down by function:

- General IT roles report mostly to IT/Digital (26%) and fewer to HR/People (9%), Finance (4%), and Shared Services (1%).
- HR/People Ops roles mainly sit under HR/People (27%), with fewer in IT/Digital (9%), Finance (2%), and Shared Services (5%).
- HRIT/HRIS roles are split between HR/People (10%) and IT/Digital (6%), with minimal Finance or Operations.

This shows self-identified HR tech leaders sit at the nexus of HR and IT, requiring cross-departmental collaboration.

Participants were surveyed in Fall 2025.

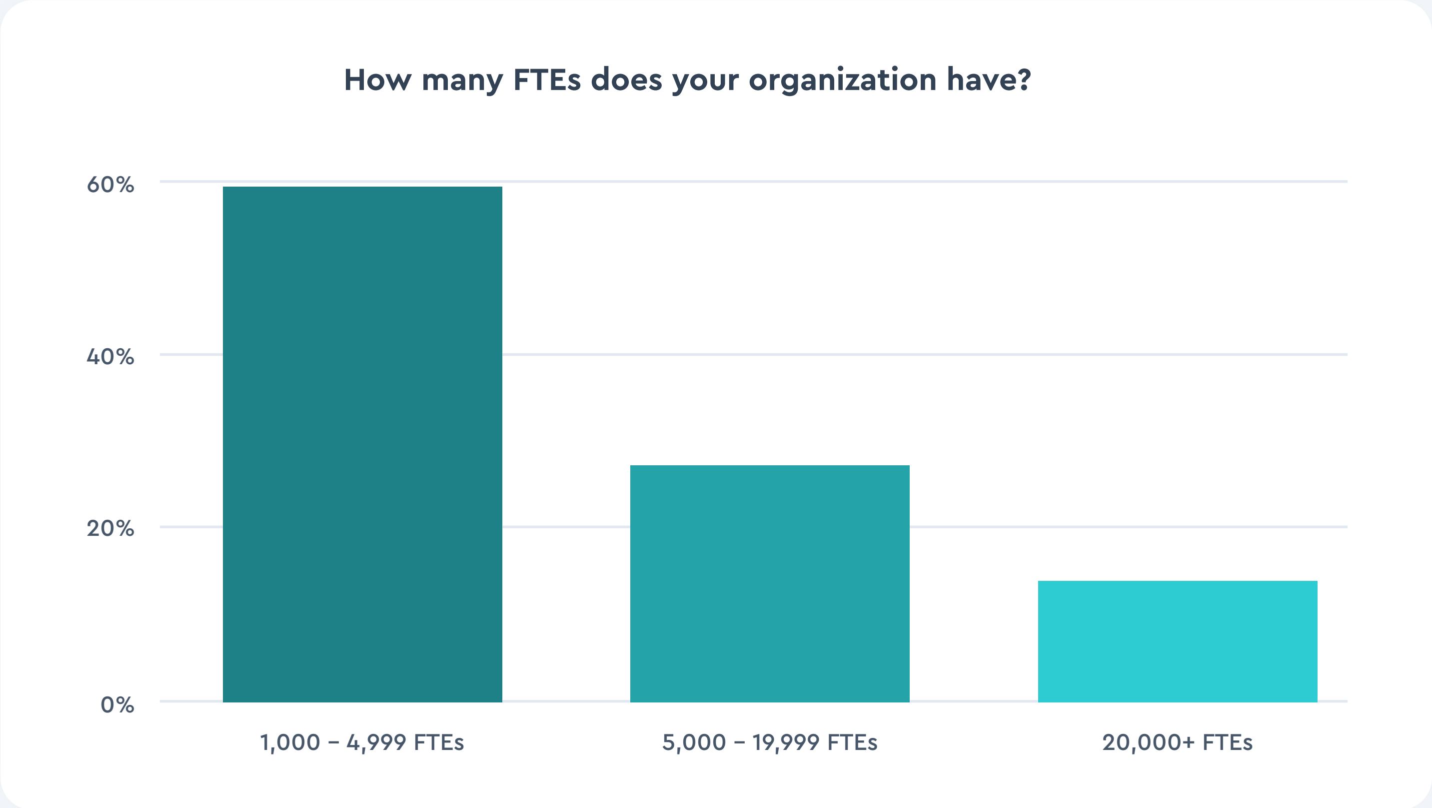


Role functions by reporting department

PRIMARY ROLE	REPORTING DEPARTMENT: HR/People	IT/Digital	Finance	Shared Serv /Ops
General IT	9%	26%	4%	1%
HR/People Ops	27%	9%	2%	5%
HRIT/HRIS	10%	6%	1%	0%

Most respondents are based in North America (58%), with Europe (20%) and South America (15%) as the next largest hubs; only 5% and 2.5% come from the Middle East/Africa and Asia-Pacific respectively.

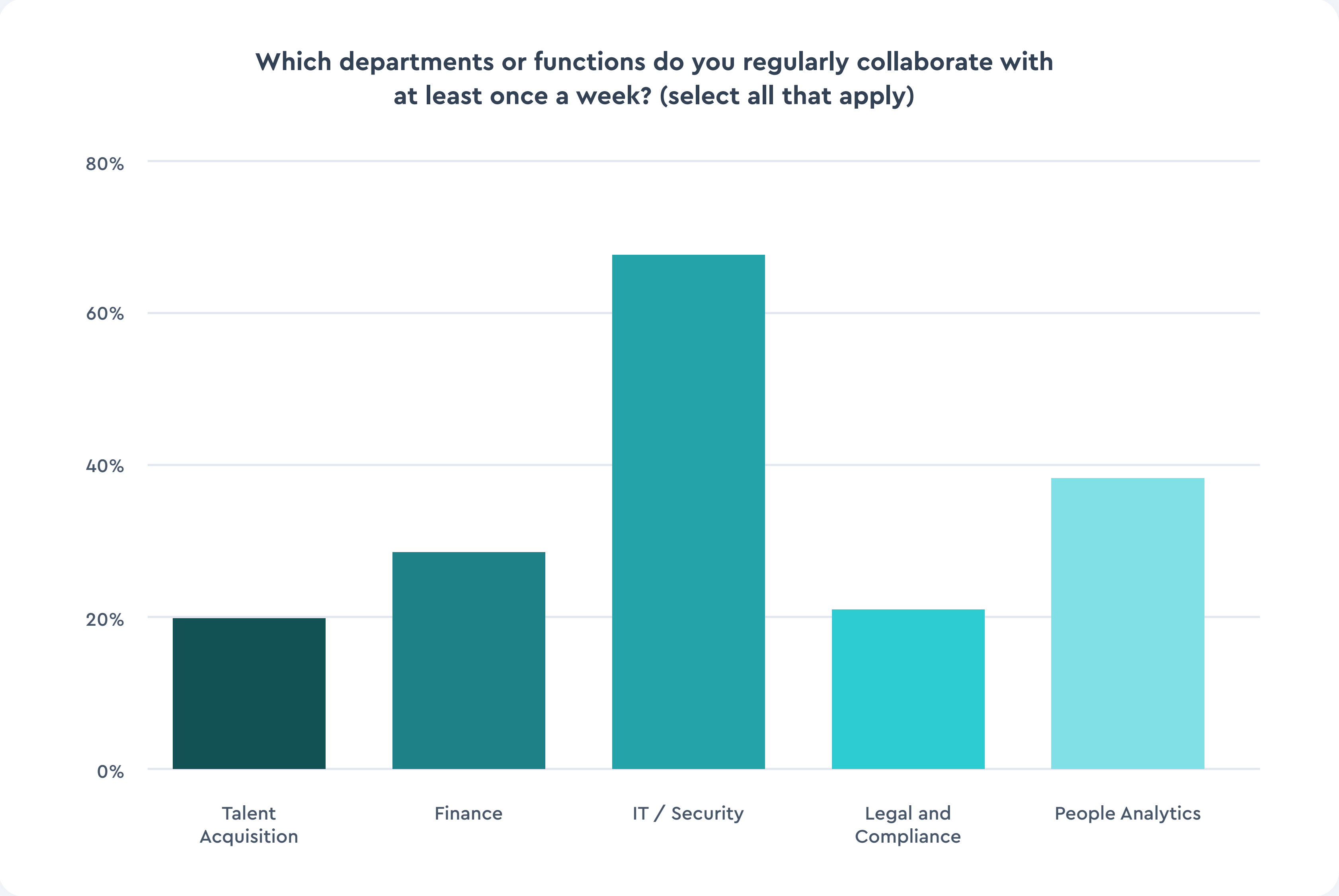
A majority (59%) work at mid-market organizations comprised of 1,000–4,999 FTEs, 27% at larger firms of 5,000–19,999, and 14% at enterprises exceeding 20,000 employees.



Technology and software companies comprised the largest share of respondents (29%), followed by healthcare (24%), financial services (21%), and manufacturing (20%). Retail and e-commerce were least represented, at just 7%.

Overall, this respondent mix skews toward North American, mid-market organization, spanning multiple industries.

HR tech leaders collaborate most with IT/Security (68%) and People Analytics (38%), followed by Finance (28%), Legal and Compliance (21%), and Talent Acquisition (20%). This could indicate that securing systems and leveraging data are the primary weekly touchpoints, with business, legal, and recruitment teams involved less frequently.



68% of HR tech leaders collaborate weekly with IT / Security Teams

Takeaways for HR tech leaders:

1

Prioritize IT/Security partnerships
Two-thirds of HR tech leaders work weekly with IT/Security. Spend time ensuring alignment with IT, architecture, integrations, and security to support HR systems.

2

Deepen analytics collaboration
Over a third work weekly with People Analytics. Invest in self-service dashboards and data governance to empower faster, fact-based decisions.

3

Engage Finance, Legal, and TA strategically
While less frequent, these functions are critical for budgeting, compliance, risk management, and hiring. Schedule regular check-ins to align on spend and regulatory changes.

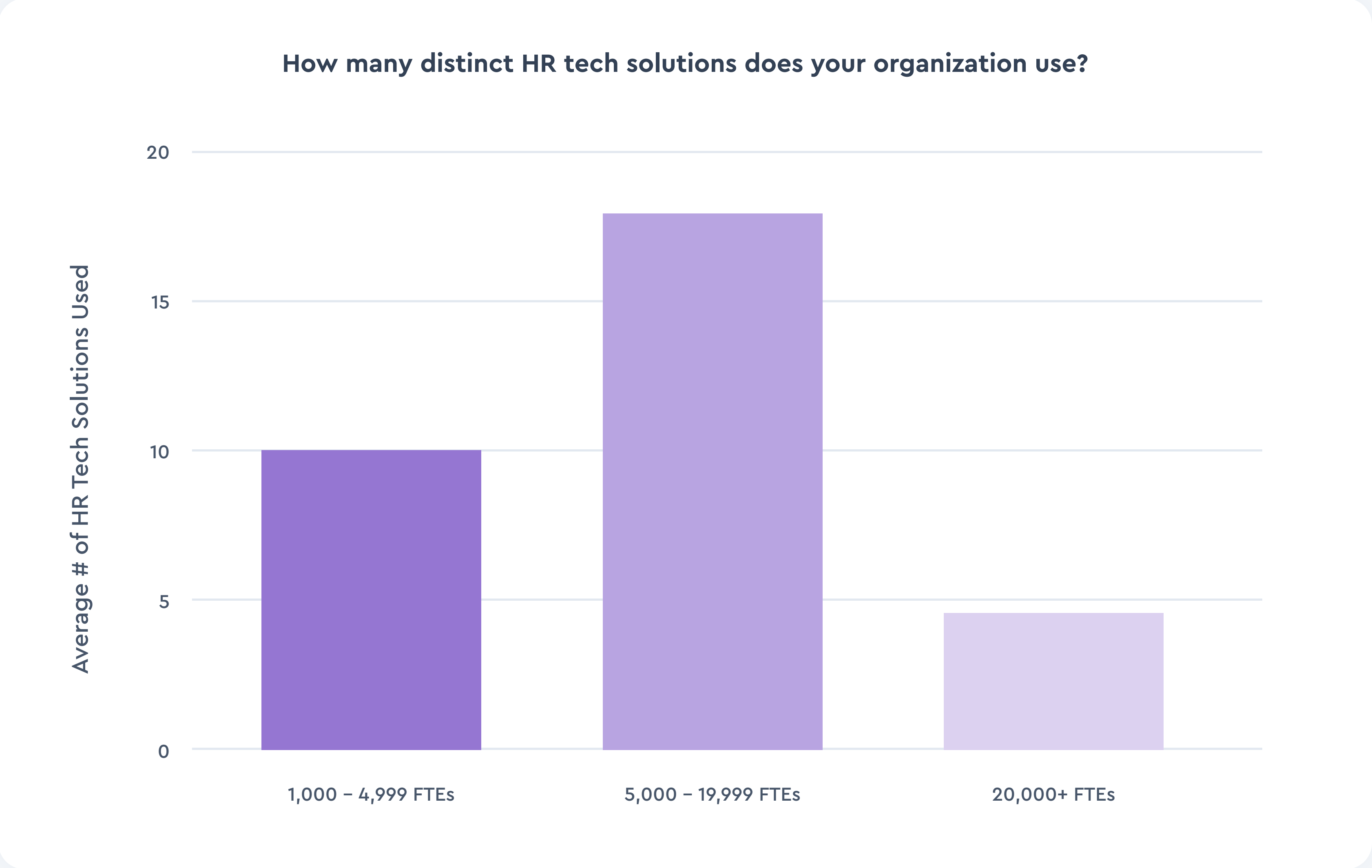
Tech stack and infrastructure

Across organizations of all sizes, HR technology is evolving from a fragmented patchwork into a more streamlined, strategically governed ecosystem. Mid-market companies (those with 5,000 to 19,999 FTEs) experience the greatest tool sprawl, juggling nearly 18 distinct HR solutions, while smaller firms still manage around ten and the largest enterprises trim back to roughly five. At the core of nearly 70% of these stacks sit the "Big Three" suites (Oracle, Workday, and SAP), yet a long tail of niche and home-grown vendors fills in functionality gaps.

What's most striking is the speed of consolidation. Over half of organizations have significantly reduced the number of HR tools in the past year and another fifth have made modest cuts, meaning nearly three-quarters are actively reducing tool count. HR tech leaders should prioritize deep, API-driven integrations and governance over bolting on new point solutions, but leave room for best-of-breed innovation at the edges.

By anchoring on a core platform, investing early in data architecture, and ruthlessly retiring redundancies, teams can turn tool consolidation into a springboard for faster deployments, better user adoption, and a more resilient HR ecosystem.

On average, companies run about 11-12 HR tools. When broken down by organization size, mid-market firms (5,000–19,999 FTEs) use the most solutions, at 18 tools, while smaller organizations (1,000–4,999 FTEs) average 10 tools, and the largest enterprises (20,000+ FTEs) come down to roughly five.

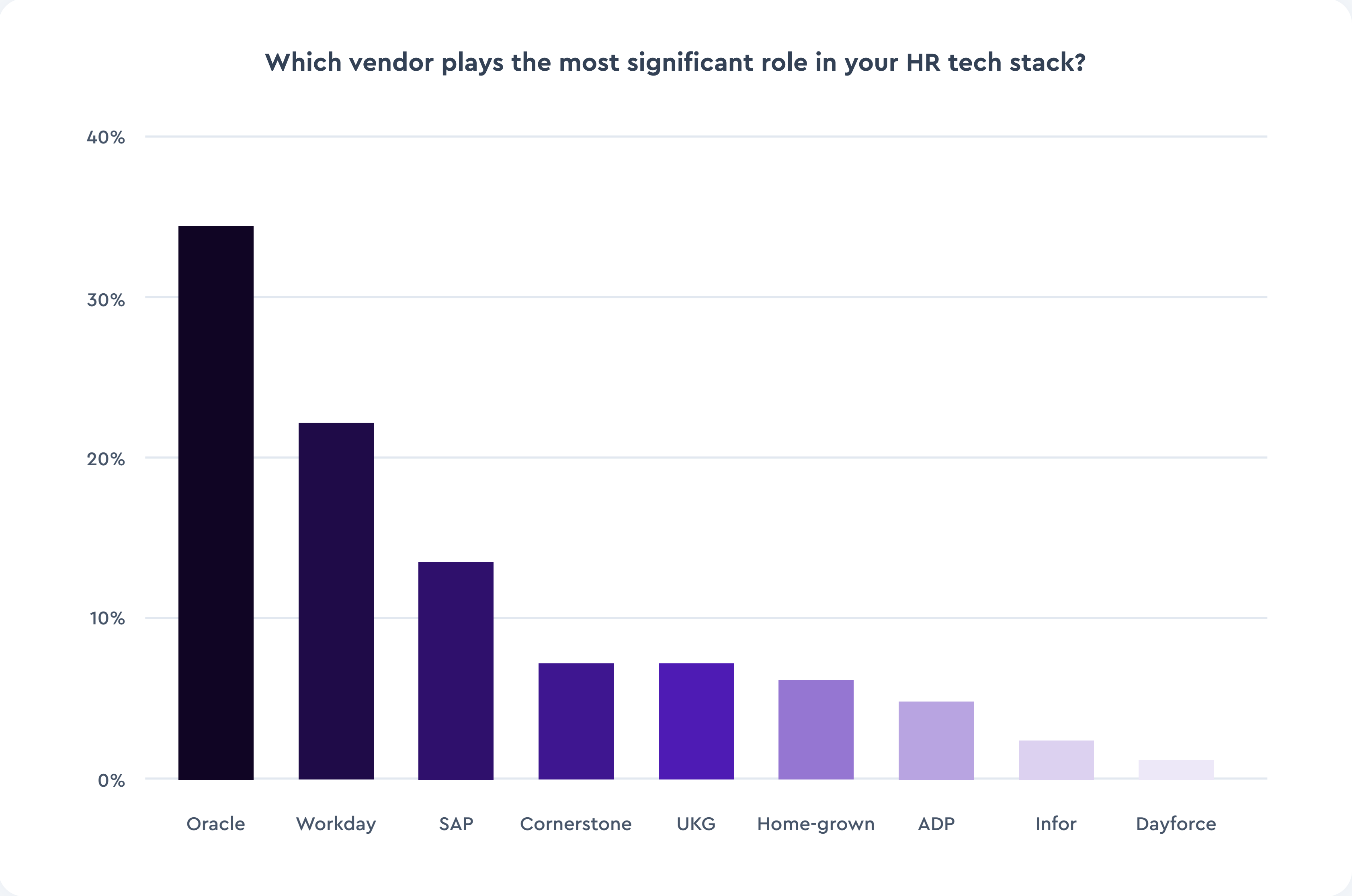


Companies use on average 11-12 HR tech tools.

Oracle dominates as the core HR tech vendor for 34.6% of organizations, followed by Workday at 22.2% and SAP at 13.6%.

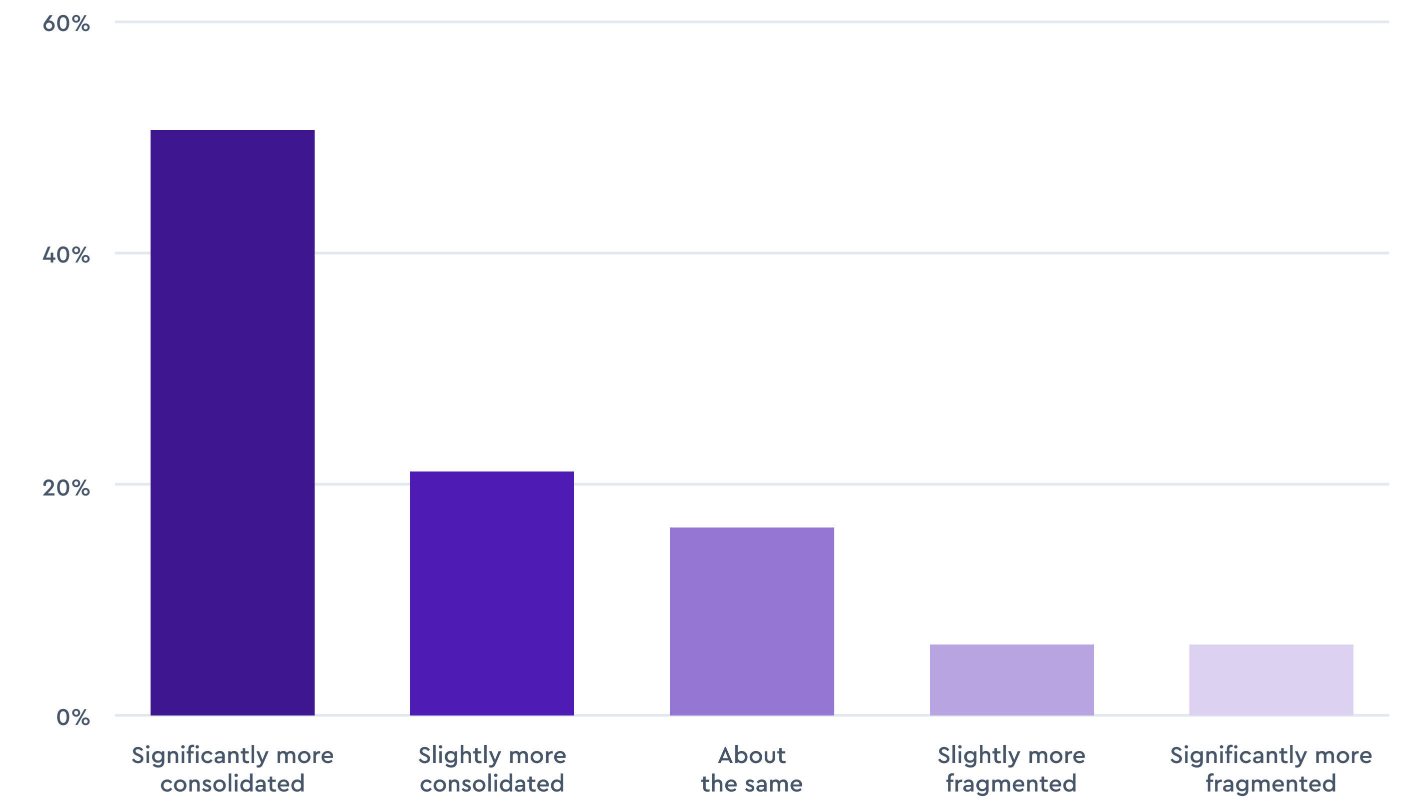
Mid-tier providers like Cornerstone and UKG each claim about 7.4%, while 6.2% rely on home-grown systems. ADP (4.9%), Infor (2.5%), and Dayforce (1.2%) round out the tail.

Altogether, the "big three" SaaS suites (Oracle, Workday, SAP) account for roughly 70% of the primary platforms powering HR across respondents.



The 'Big 3' HCM suites (Oracle, Workday, SAP) account for roughly 70% of primary HR platforms.

Over the last year, 50.6% of organizations have significantly consolidated their HR tech, 21.0% slightly more consolidated, and 16.1% stayed the same. Only 12.4% have increased fragmentation (6.2% slightly, 6.2% significantly). Overall, nearly 72% of firms are reducing their tool count.



Nearly 72% of HR tech leaders are reducing their tech stack.

Takeaways for HR tech leaders:

1

Complexity peaks at mid-market

As you scale into the 5,000–19,999 FTE range, tool sprawl accelerates. Invest early in integration frameworks and governance to manage the growing patchwork.

2

Smaller organizations still maintain diverse portfolios

Even at 1,000–4,999 FTEs, expect at least 10 systems, so plan for data flows and user training from the start.

3

Large enterprises consolidate aggressively

At enterprise scale, teams trim back to a core stack. Use your growth journey to identify when and how to rationalize, balancing innovation with operational simplicity.

4

Consolidation is momentum

Most peers are actively trimming their toolsets, focusing on retiring redundancies and standardizing platforms to stay competitive.

5

Integration over addition

Prioritize deep integrations (APIs, middleware) rather than bolting on new apps. This enhances data quality and user adoption.

6

Balance consolidation with innovation

While rationalization saves cost and reduces complexity, preserve space for best-of-breed tools to drive future differentiation.

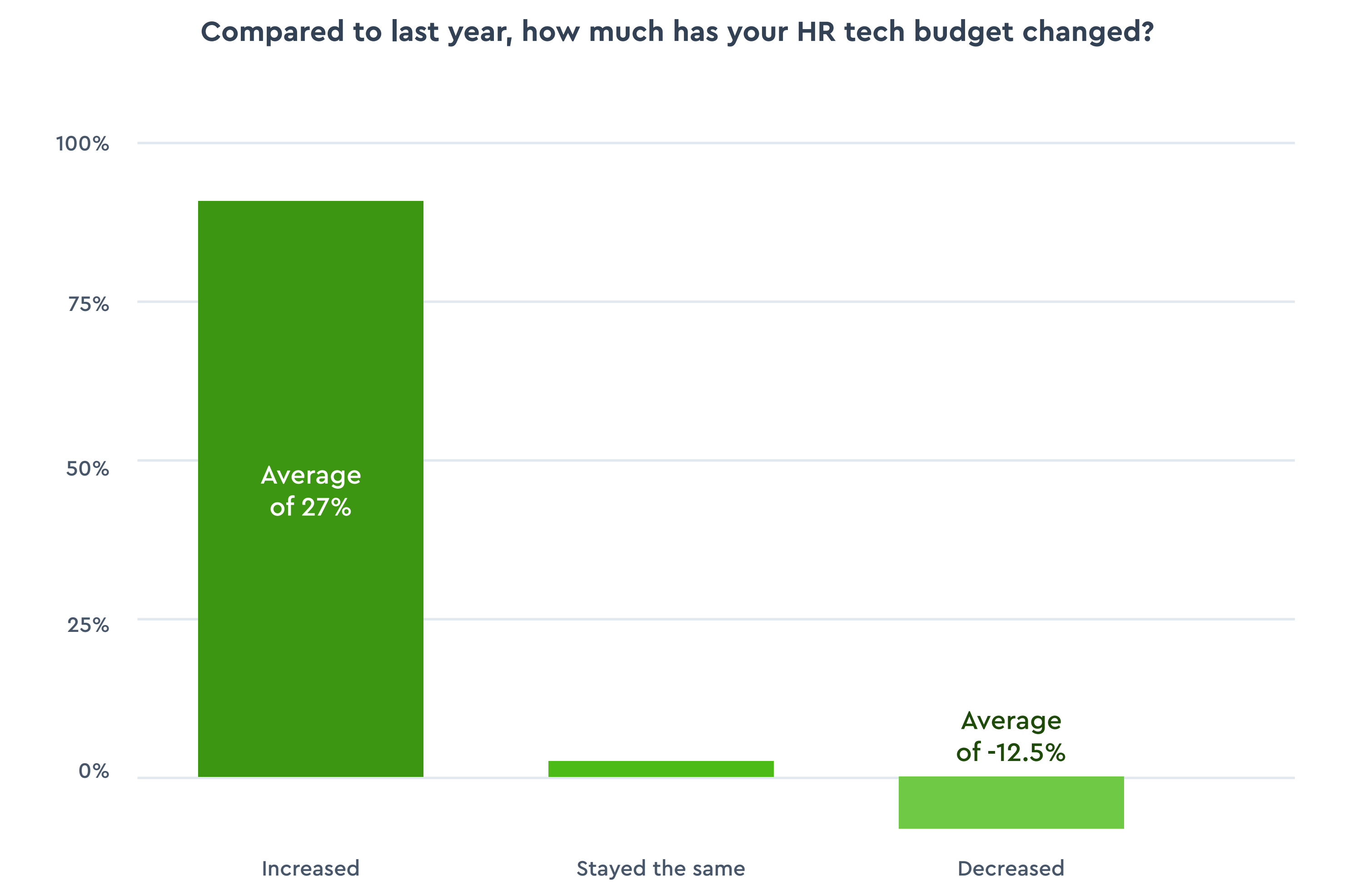
Budget, priorities, and challenges

HR tech leaders are riding a wave of budget growth. 91 percent saw their spend rise by an average of 27 percent, but they face a familiar paradox: money is up, yet nearly half still cite "limited budget" as their top hurdle.

With budgets increased, two areas tower above all others for next-year investments: Analytics & Data Infrastructure (63%) and AI, Automation & Integrations (62%). Core HR, Talent Acquisition, Learning & Development, and Employee Experience each land at about 40–45% of planned spend, underscoring a balanced push across foundational systems and people-centric innovations.

But ramping up those initiatives won't be smooth. Compliance and regulatory change (35%), complex integrations (32%), and skills shortages (32%) all threaten to slow progress, while low user adoption and siloed data (each ~22%) risk undermining ROI.

Over the past year, 91% of organizations increased their HR tech budgets by an average of 27%, 2.5% stayed flat, and 6.2% cut spending by an average of -12.5%. This indicates nearly universal budget growth for HR technology among respondents.

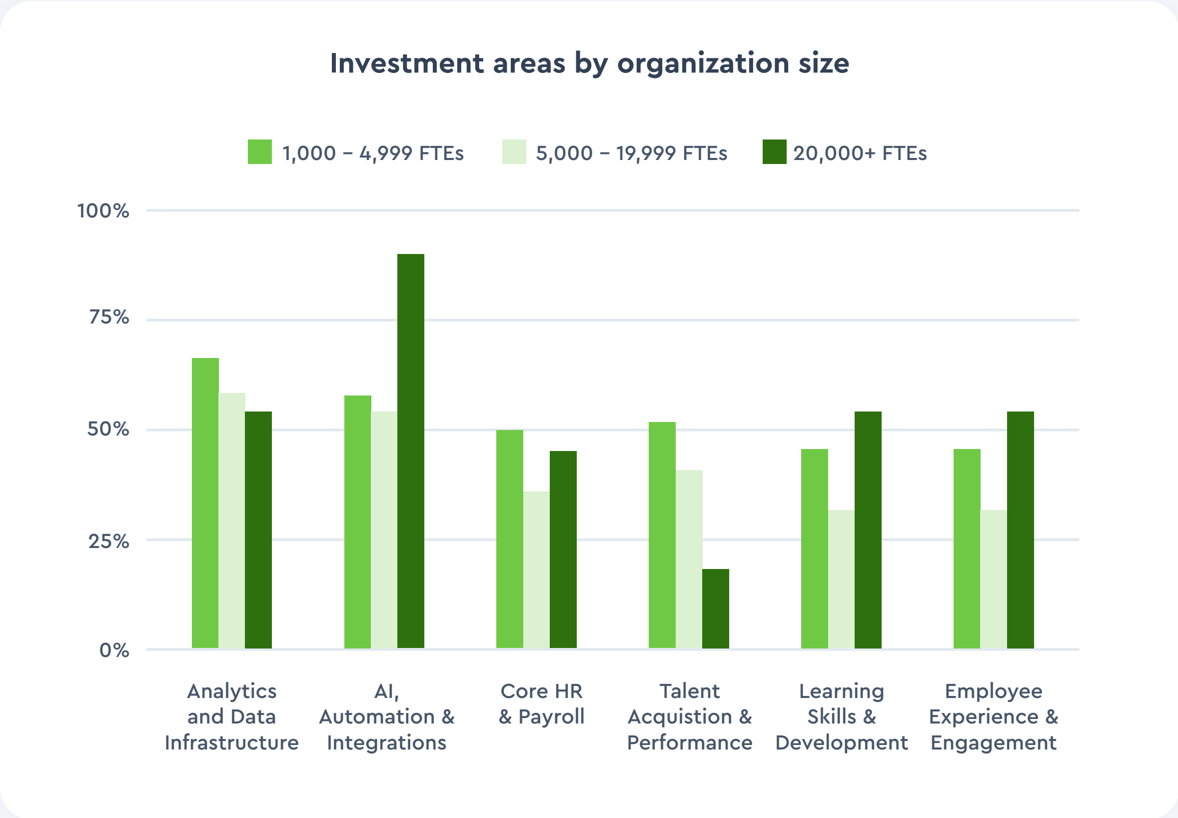


91% of organizations increased their HR tech budgets by an average of 27%.

Across all respondents, Analytics & Data Infrastructure (63%) and AI, Automation & Integrations (62%) top next-year investments, followed by Core HR & Payroll (46%), Talent Acquisition (44%), Learning & Development (43%), and Employee Experience & Engagement (43%)

Nearly 2/3rds of HR tech leaders are investing into Analytics and AI over the next year.

91% of HR tech leaders in large enterprises are investing into AI and automation over the next year.



The top HR tech challenges are limited budget (47%), compliance/regulatory changes (35%), complex integrations (32%), and skills shortages (32%), followed by low adoption (26%), data literacy gaps (23%), system silos (22%), and outdated systems (22%).

Segmenting by size shows small organizations (1,000–4,999 FTEs) feel budget constraints most (54%) and large enterprises (20,000+ FTEs) are evenly challenged by budget and compliance (each 45%), with complex integrations and skills issues affecting about 36% of large firms.

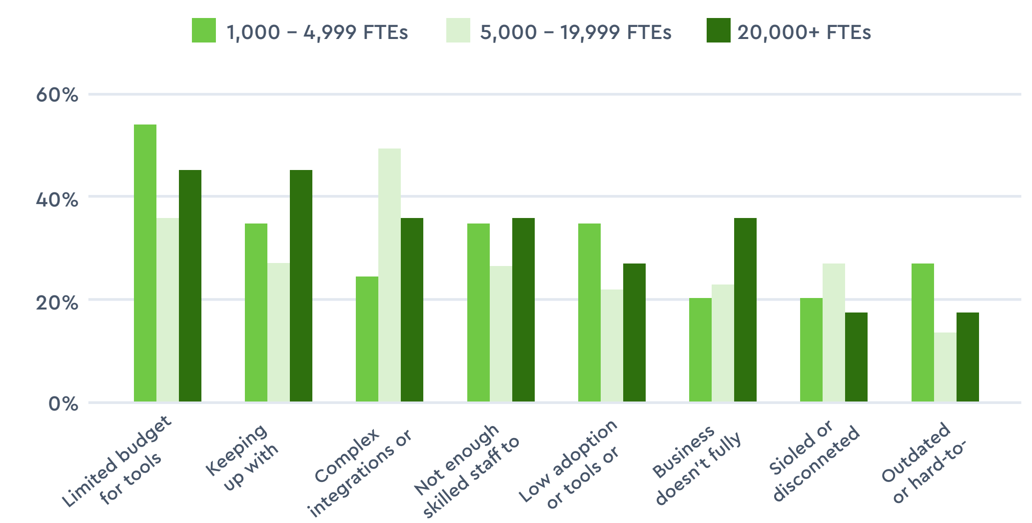
Nearly 1/3rd of HR tech leaders say integrations and implementations are the biggest challenges.

What are the biggest challenges you're experiencing when it comes to HR technology?

Challenges	Percentage
Limited budget for tools, upgrades, or support	46.91%
Keeping up with compliance and regulatory changes	34.57%
Complex integrations or difficult implementations	32.10%
Not enough skilled staff to manage and maintain systems	32.10%
Low adoption or tools or user resistance to change	25.93%
Business doesn't fully understand how to interpret or use HR data	23.46%
Siloed or disconnected systems and data	22.22%
Outdated or hard-to-maintain systems	22.22%

A quarter of HR tech leaders say their business still doesn't fully understand how to interpret HR data.

Challenges by organization size



Takeaways for HR tech leaders:

1. **Leverage budget momentum with ROI discipline**
   Accelerate high-impact initiatives (AI pilots, analytics platforms, automation) while framing every project around clear efficiency gains, cost savings, and talent outcomes to defend and grow your funding.

2. **Prioritize scalable data and AI governance**
   With nearly every organization doubling down on analytics and AI, invest now in robust data platforms, ethical guardrails, and bias-mitigation frameworks to turn AI into a trusted competitive advantage.

3. **Embed compliance and security by design**
   Rapid regulatory shifts demand version control, audit trails, and privacy policies. Bake governance and security into your tech roadmap from day one to stay ahead of risk.

4. **Standardize integration frameworks**
   One-third of leaders cite complex integrations as a top hurdle. Reduce friction by adopting APIs, middleware, and management to ensure seamless data flows and faster deployments.

5. **Sequence and scale AI pilots by size**
   Small firms can build broad capabilities early; mid-market (5K–20K FTE) should align analytics and AI pilots with core system upgrades; large enterprises (20K+ FTE) can lead with people-centric innovations—chatbots, learning, and experience solutions—once core stacks are solid.

6. **Invest in skills, change management, and adoption**
   Skills gaps and low uptake undercut ROI. Launch continuous learning programs for HR and IT, pair rollouts with champions and training, and center change on people to drive engagement and value realization.

7. **Tailor flexible roadmaps to strategy**
   Align every investment to long-term business and workforce goals, design a modular, API-driven ecosystem that adapts over time, and ruthlessly retire redundancies to maintain agility without fracturing your stack.

AI adoption and future outlook

HR tech leaders stand on a foundation of both confidence and curiosity. Nearly 90 percent say their existing stacks will meet their business needs this year, and that trust is strongest in larger enterprises (over 90% extremely confident) but still solid in mid-market (64%) and smaller firms (58%). That confidence is a springboard for AI.

Generative AI has moved from experiment to strategy. Almost half of organizations (48%) report a formal GenAI roadmap in HR, another 28% are piloting use cases, and only 1% have yet to explore it. Early pilots such as skills matching (52%), AI-driven analytics dashboards (48%), and chatbot support (44%) are setting the stage for more sophisticated scenarios like agentic orchestration (36%) and predictive attrition (30%) by 2026.

In short, the HR tech community isn't just confident in its tools, it's strategically deploying AI atop that bedrock, sequencing pilots to scale, and weaving in governance and people-centered change so that technology becomes a genuine accelerator of both business performance and the employee experience.

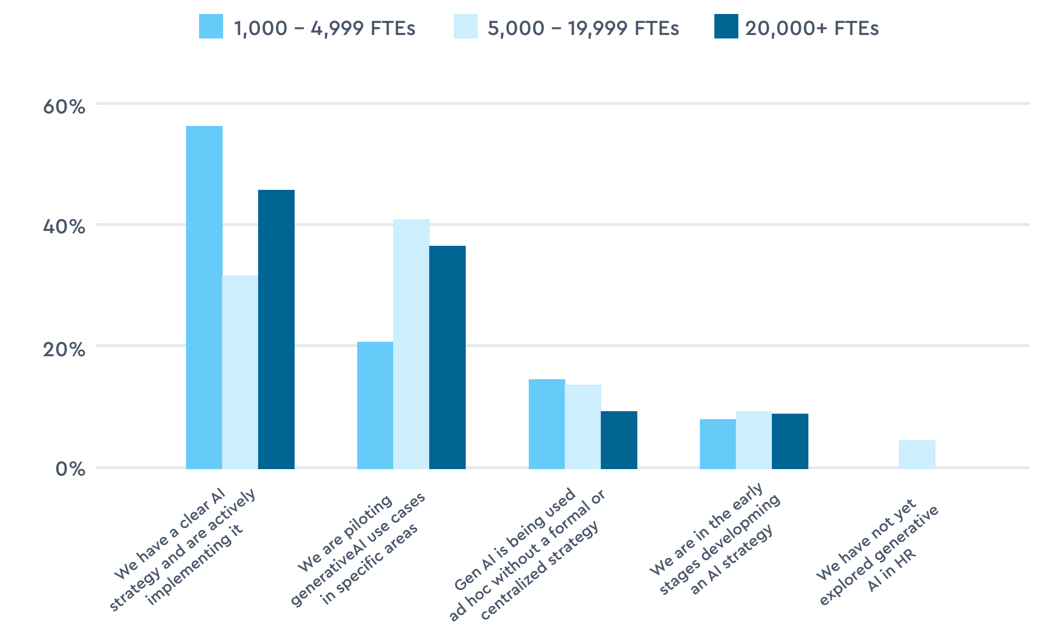
Nearly half of organizations (48%) report a clear, actively implemented GenAI strategy in HR, while 28% are piloting specific use cases. About 14% use GenAI ad hoc without central strategy, 9% are in early strategy development, and only 1% haven't explored it.

Among mid-market organizations (1,000–4,999 FTEs), 56% have a formal strategy and 21% are piloting. Larger mid-size organizations (5,000–19,999 FTEs) skew toward pilots (41%) over formal strategy (32%), with 5% yet to explore. Enterprises (20,000+ FTEs) show balanced adoption: 45% strategic, 36% piloting, and minimal ad-hoc or early-stage use.

Which statement best describes your organization's current approach to generative AI in HR?

Current GenAI Approach	Percentage
We have a clear AI strategy and are actively implementing it	48.15%
We are piloting generative AI use cases in specific areas	28.40%
Gen AI is being used ad hoc without a formal or centralized strategy	13.58%
We are in the early stages of developing an AI strategy	8.64%
We have not yet explored generative AI in HR	1.23%

GenAI approach by organization size



Only 1% of HR tech leaders have not yet explored GenAI.

By 2026, 52% of organizations are planning "Skills matching and career paths" AI pilots, followed by 48% for Gen-AI analytics dashboards and 44% for chatbot support. "Job description/policy drafting" and "Generated content for learning" each hit 40%, onboarding workflows 38%, agentic AI orchestration 36%, and predictive attrition/flight risk 30%.

Mid-market organizations (1,000–4,999 FTEs) universally adopt skills matching, while large enterprises (20,000+ FTEs) prioritize predictive attrition (64%), analytics dashboards (55%), and chatbot support (55%), indicating size-based shifts in AI focus.

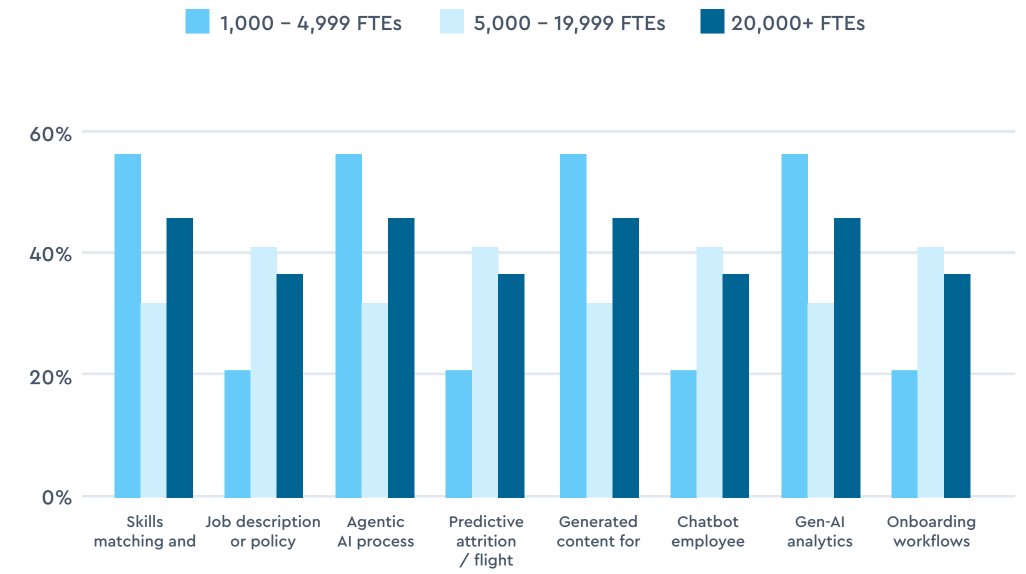
Nearly half of HR tech leaders are planning to leverage GenAI analytics this year.

What are the top AI use cases you're piloting or planning in 2026?

AI Use Case	Percentage
Skills matching and career paths	51.85%
Gen-AI analytics dashboards	48.15%
Chatbot employee support	44.44%
Job description or policy drafting	39.51%
Generated content for learning	39.51%
Onboarding workflows	38.27%
Agentic AI process orchestration	35.80%
Predictive attrition / flight risk	29.63%

Over 50% of HR tech leaders in large enterprises are planning to leverage predictive attrition in 2026.

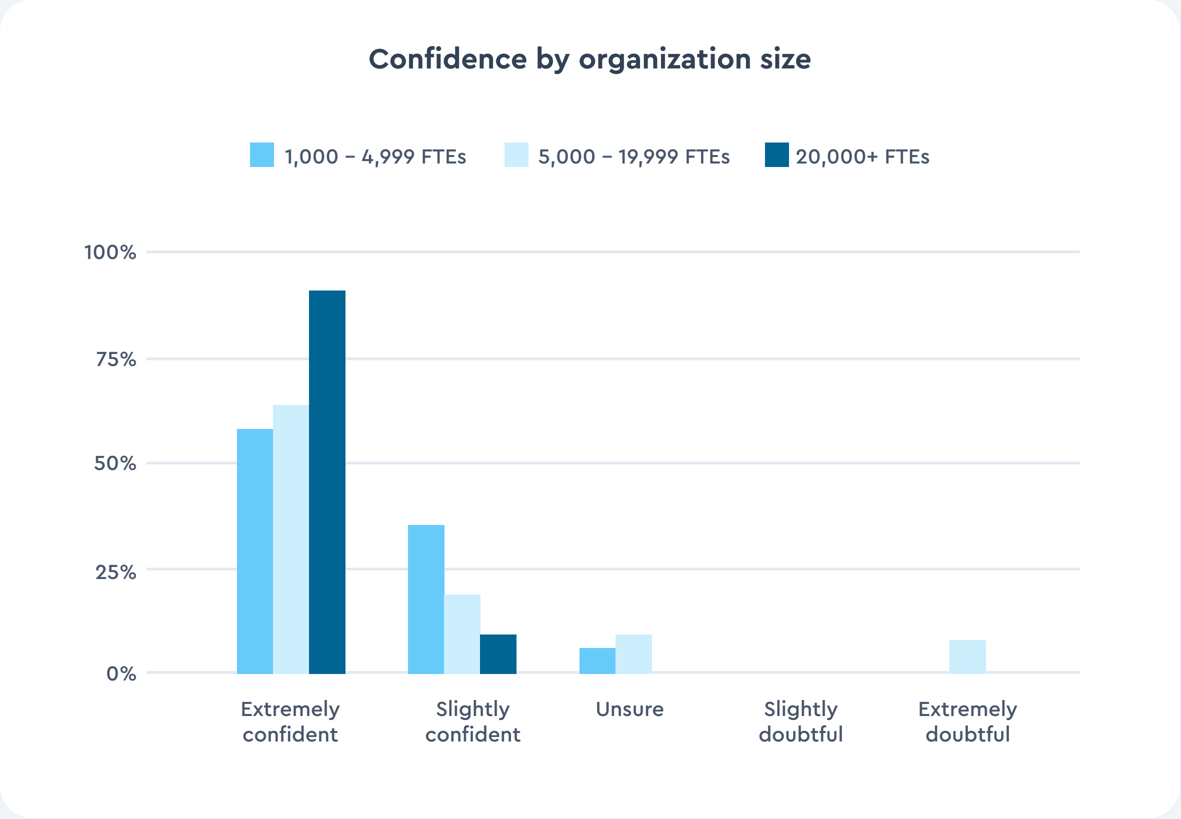
AI use cases by organization size



Overall, 63% of respondents are extremely confident their HR tech stack will meet business needs this year, 26% are slightly confident, 6% are unsure, and 2.5% are extremely doubtful.

Breaking down by size: small organizations (1,000–4,999 FTEs) show 58% extreme confidence, mid-market firms (5,000–19,999 FTEs) 64%, and large enterprises (20,000+ FTEs) 91%, with very few expressing doubt at the top tier.

Nearly 90% of HR tech leaders are confident that their tech stack will meet their needs this year.



HR tech leaders in large enterprises feel most confident in their tech stack.

Takeaways for HR tech leaders:

1

Formalize your GenAI strategy
Document a clear roadmap (48% of your peers already are), and ensure every AI investment aligns with business and workforce goals.

2

Sequence complexity
Master foundational AI cases (dashboards, chatbots, content drafting) before layering in advanced scenarios (agentic orchestration, predictive attrition) to manage risk and build expertise.

3

Tailor by organizational scale
Small/mid-market (1,000 to 19,999 FTEs) can move quickly and lead strategy; large enterprises (20,000+ FTEs) should coordinate pilots across units and focus on predictive analytics and support bots at scale.

4

Embed governance and ethics
With 14% still using GenAI ad hoc, institute data-privacy, bias-mitigation, and audit-trail policies now to safeguard trust and comply with evolving regulations.

5

Drive cross-functional collaboration
AI success hinges on tight partnership with IT, People Analytics, Talent Acquisition, and Legal to ensure data readiness, seamless integrations, and user adoption.

6

Leverage confidence to accelerate
Nearly 90% of leaders trust their current stacks. Use this to optimize and augment your ecosystem with AI and analytics, rather than rip-and-replace.

Top advice for fellow HR tech leaders

When asked for their top advice, respondents' recommendations for fellow HR tech leaders fell into five themes:

Govern with ethics, especially in AI
Every tool (especially generative AI) needs guardrails for fairness, transparency, and bias mitigation. Leaders see ethical governance not as a checkbox but as a competitive differentiator.

Build skills and a learning culture
Technical prowess alone won't drive value. Investing in AI and data literacy, with ongoing training, learning environments, and a "skills-first" mindset, is essential so people can actually use and trust new capabilities.

Center change on people
Technology succeeds only when users do. Involving employees early, equipping managers to guide transitions, and embedding empathy and communication into every rollout are nonnegotiable for adoption and ROI.

Align strategy to business goals
Every platform choice must map back to long-term workforce strategy and measurable outcomes, with agility built into your ecosystem, so you can adapt without fragmenting.

Architect for flexibility and integration
A modular, API-driven stack with strong data governance lets you plug in tomorrow's best-of-breed tools without fracturing your ecosystem today. Continuous auditing and interoperability are the keys to sustaining momentum.

What is your top advice for other HR tech leaders?

Prioritize ethical AI governance. Ensure your HR tech solutions are transparent, fair, and bias-aware. As AI becomes central to hiring, development, and workforce decisions, trust and compliance will be your strongest competitive advantages.

Success in HR tech hinges on flexibility, user experience, and real-time insights. Choose tools that evolve with your workforce, not just your workflows.

Before adopting any new HR technology, ensure it directly supports your organization's long-term business goals, workforce strategy, and employee experience objectives. It's not about having the most advanced tech, it's about having the right tech that solves actual problems, integrates well, and is adopted effectively by both HR and employees.

Focus on building foundational AI literacy across HR teams while aligning tech investments with long-term workforce strategy. It's not just about tools as it's about mindset, governance, and culture.

Focus on building a flexible, AI-ready HR architecture, but don't neglect data governance, change management, and end-user adoption. Technology only delivers value when people trust and use it.

The HR Tech Playbook of the Future is Here

As HR technology continues its rapid evolution, the collective wisdom of 81 leading practitioners offers a clear playbook for 2026.

1. Embrace the consolidation trend, while still making room for best-of-breed tools, and invest in robust integration and data-governance frameworks to enable scalable growth.
2. Leverage your increased budgets to pilot high-impact AI and analytics use cases, but ground every initiative in ethical stewardship, change management, and people-centered design.
3. Invest in continuous upskilling and cross-functional partnerships (especially with IT/security and analytics teams) to translate tools into business outcomes.
4. Finally, tailor your roadmap to your organization's scale. Mid-market firms must manage complexity, while enterprises should focus on experience-layer innovations once their core systems are solid.

By aligning strategy, culture, and architecture, HR tech leaders can turn today's momentum into sustained competitive advantage.

About Visier

Visier is the global leader in Workforce Intelligence, empowering organizations to make every people decision with confidence. Through Visier Workforce AI, our award-winning AI technology delivers actionable insights that help HR leaders plan, decide, and act at the moments that matter most. As the market leader in people analytics, workforce planning, organizational design, and manager effectiveness, we enable companies worldwide to drive smarter workforce decisions, optimize talent strategies, and achieve measurable business impact. Our mission is to help businesses lead with insight at scale while continuously transforming in a rapidly changing workforce landscape.

Founded in 2010 by the pioneers of business intelligence, we have over 85,000 customers in 75 countries—including enterprises like Dick's Sporting Goods, Domino's Pizza, Experian, Amgen, eBay, and Ford Motor Company.

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