

MITRATECH

HR Solutions

# State of HR Compliance 2026

Benchmark Findings on Talent Pressure,  
Compliance Complexity, and the AI Effect



The top challenges  
for respondents:

41%

Attracting and  
retaining talent

35%

Employee  
engagement

29%

Career growth

# Executive Summary

HR leaders enter 2026 focused on people outcomes. Attracting and retaining talent is the top challenge for 41 percent of respondents, followed by employee engagement (35%) and career growth (29%). The mandate is clear: build strong teams, strengthen culture, and support long-term workforce stability.

At the same time, compliance demands are expanding. Seventy-five percent of respondents report that their compliance needs have changed, and 54 percent say those needs have increased over the past two years. Regulatory expansion, pay transparency mandates, data privacy requirements, wage and hour enforcement, and scrutiny around AI and automated decision-making are reshaping how compliance risk emerges and how it must be managed.

**HR compliance in 2026 is not fundamentally broken. It is under increasing structural pressure.**

Sustained talent expectations combined with rising compliance complexity create strain for HR teams. As obligations expand, governance maturity, documentation discipline, and system integration must evolve in parallel.

The central challenge is not widespread compliance failure. It is the growing gap between expanding obligations and the infrastructure required to manage them sustainably. In this environment, the greatest threats are often not immediate breakdowns, but latent risks that accumulate quietly and surface under scrutiny, such as audits, investigations, employee complaints, or regulatory review.

Organizations that treat compliance as foundational infrastructure rather than a reactive obligation are better positioned to reduce hidden risk, maintain employee trust, and allow HR leaders to focus more fully on attracting, developing, and retaining talent.

# Key Findings at a Glance

A circular infographic with a gradient from orange to purple, showing 51% inside a dark circle.

**51%**

rank AI and automated decision-making compliance as the top emerging compliance trend for the next 12 to 18 months

A circular infographic with a gradient from orange to purple, showing 41% inside a dark circle.

**41%**

identify attracting and retaining top talent as their primary challenge

A circular infographic with a gradient from orange to blue, showing 75% inside a dark circle.

**75%**

report that their compliance needs have changed

A circular infographic with a gradient from orange to purple, showing 36% inside a dark circle.

**36%**

are looking to scale up their use of AI

A circular infographic with a gradient from orange to purple, showing 54% inside a dark circle.

**54%**

say compliance needs have increased over the past two years

A circular infographic with a gradient from orange to blue, showing the letters 'HR' inside a dark circle.

**HR**

professionals are significantly more likely than non-HR peers to say compliance has become harder



# Talent Priorities in a More Complex Compliance Environment

Attracting and retaining employees ranks highest among departmental challenges, followed by engagement, development, and morale. These priorities reflect sustained focus on workforce stability and competitive differentiation.

## What has changed is the context in which HR operates.

Compliance requirements are expanding in scope and depth. Regulatory updates, wage transparency obligations, data governance standards, expanded reporting requirements, and AI oversight expectations require greater documentation and coordination. Many organizations report limited budgets and persistent technology integration challenges.

This creates a dual mandate. HR must deliver strong people outcomes while navigating a more demanding regulatory environment. When compliance processes rely heavily on manual effort, fragmented systems, or informal coordination, administrative strain can pull attention away from strategic talent initiatives.

The issue is not whether talent matters most. It is whether compliance infrastructure is evolving quickly enough to support that priority without increasing operational friction.

This tension becomes clearer when examining organizational readiness.

## 2026 Expectations



**Strong People Outcomes**

**Navigate a More Demanding Regulatory Environment**

# Rising Complexity and Organizational Readiness

More than half of respondents report that compliance needs have increased in the past two years, and 75 percent report that their compliance needs have changed. These shifts reflect the cumulative impact of regulatory expansion, workforce shifts, evolving enforcement priorities, and emerging governance expectations.

As obligations expand, capacity becomes a defining constraint. HR teams must interpret regulatory changes, update policies, oversee documentation, respond to audits, and govern emerging technologies while also maintaining focus on workforce priorities.

Organizations often manage established requirements and recurring compliance issues effectively. However, less visible risks can accumulate. These include:

- Incomplete or inconsistent documentation
- Fragmented systems and lack of integration
- Unclear ownership of compliance decisions
- AI-enabled decision-making without mature oversight

In 2026, many HR compliance challenges fall into this final category.

As AI adoption expands, decision velocity and operational reach increase.

Expectations for documentation and accountability increase alongside them.

Readiness depends on governance structures that scale with complexity.



This dynamic can be understood through a familiar risk framework:

**Known knowns** include established requirements and recurring compliance issues

**Known unknowns** include anticipated regulatory changes or policy updates

**Unknown knowns** reflect institutional knowledge that resides with individuals rather than systems and may not be consistently documented

**Unknown unknowns** include emerging risks that are not yet fully monitored, particularly where technology and automation intersect with longstanding employment obligations

Expectations for documentation and accountability increase alongside them. Readiness depends on governance structures that scale with complexity.

Without scalable infrastructure, risk may not appear immediately. Instead, it may build gradually until exposed by audit, investigation, or employee escalation.

The experience of this complexity, however, is not uniform across the organization.



# HR Priorities Under Expanding Demands

HR's core priorities remain consistent. Talent acquisition and retention lead departmental concerns, followed by engagement, development, and morale.

Operational pressures are also rising. AI governance, system limitations, integration challenges, and constrained budgets feature prominently across responses. Larger organizations report pressure to coordinate oversight across functions and scale systems. Smaller organizations focus on building foundational compliance processes while avoiding enforcement risk.

Across organization sizes, HR leaders are expected to deliver measurable people outcomes while navigating expanding regulatory expectations. Compliance responsibilities are layered on top of strategic workforce mandates.

Over time, administrative complexity can pull HR attention away from proactive talent initiatives and toward reactive issue management. This strain is often felt most acutely within HR itself, creating divergence in how readiness is perceived across the organization.

# The HR and Non-HR Readiness Gap

HR professionals are significantly more likely than non-HR peers to report that keeping up with compliance has become harder.

This gap has practical implications.

Investment in systems, governance, and documentation often depends on how executives perceive risk. When those closest to compliance execution experience strain while others perceive stability, infrastructure investments may lag behind operational reality.

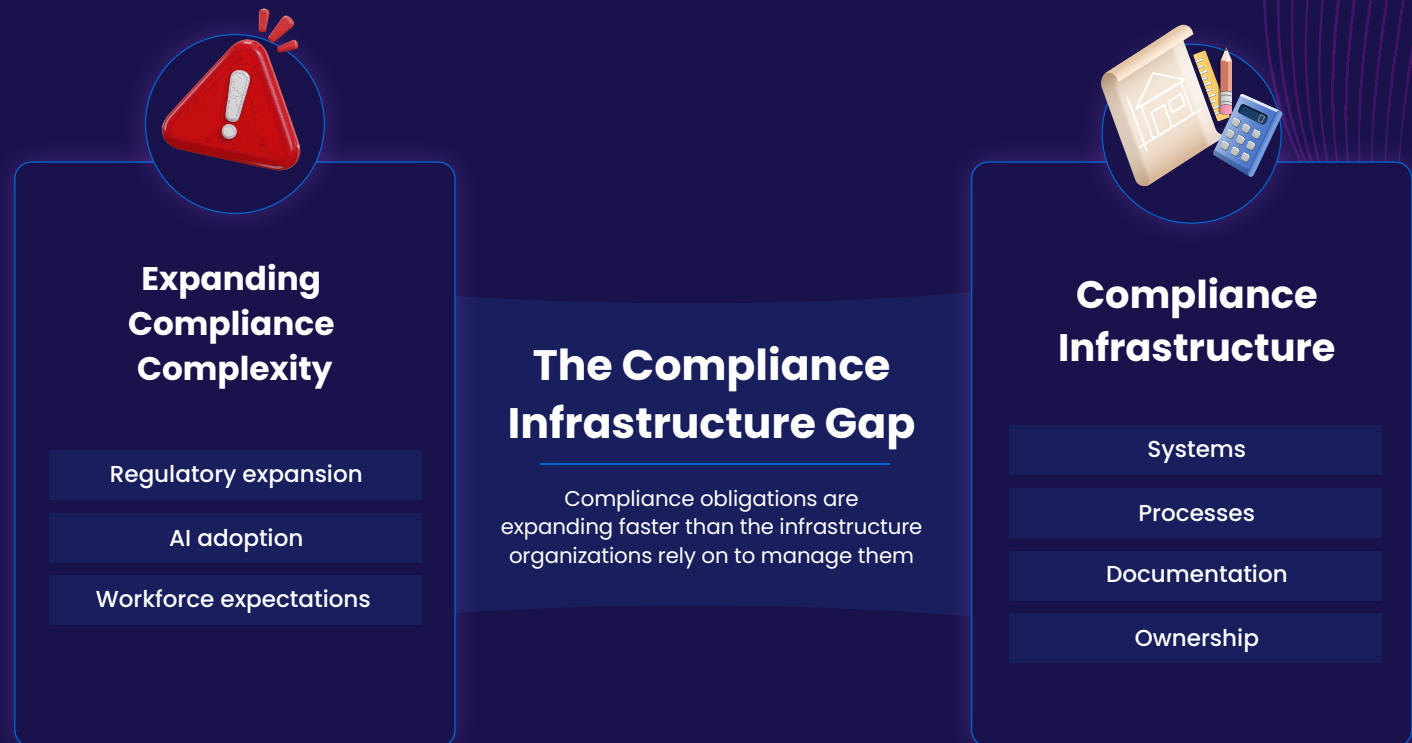
Misalignment can delay improvements in:

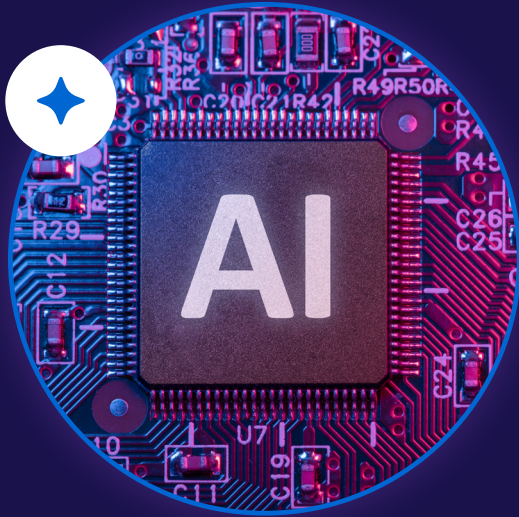
- Documentation discipline
- Ownership clarity
- System integration
- Cross-functional coordination

As compliance complexity increases, readiness gaps can widen exposure.

Alignment across functions is therefore not only a communication objective, it is a governance requirement.

AI adoption further intensifies this dynamic.





# AI as a Force Multiplier in Compliance

Fifty-one percent of respondents rank AI and automated decision-making compliance as the top emerging compliance trend for the next 12 to 18 months. Adoption maturity remains uneven, with most organizations describing themselves as early or intermediate users.

## As AI adoption expands:

- ⤴ Decision velocity increases
- ⤴ Operational reach increases
- ⤴ Governance expectations increase

## AI introduces two distinct compliance challenges.

### Compliance around AI

Ensuring that automated tools adhere to employment law, anti-discrimination standards, disability protections, and data privacy requirements. Regulators are extending existing legal frameworks to AI-supported decisions, increasing expectations for transparency and documentation.

### Compliance through AI

Using automation to interpret regulations, generate documentation, and streamline workflows. These tools can improve efficiency, but reliance without appropriate oversight can introduce risk if outputs are inaccurate or insufficiently reviewed.

In some organizations, AI adoption increases operational confidence faster than governance frameworks mature. Automated dashboards and outputs can create a sense of control even when documentation, oversight, and accountability structures remain incomplete.

When adoption outpaces governance, risk may accumulate gradually rather than immediately. AI does not eliminate the need for compliance infrastructure. It increases its importance.

Ultimately, compliance execution influences employee trust and organizational resilience.

# Trust, Compliance, and the Employee Experience



Compliance execution directly shapes employee experience. Pay accuracy, accommodation handling, policy consistency, and equitable decision-making influence how employees perceive fairness and accountability within the organization.

When compliance processes fail, employees experience them as fairness issues, not technical oversights.

As attracting and retaining talent remains HR's top priority, the connection between compliance reliability and employee trust becomes more direct. Consistent, documented processes reinforce predictability and equity. Inconsistent execution can undermine confidence in leadership and policy enforcement.

Compliance infrastructure serves both regulatory and cultural functions. It protects the organization while reinforcing workforce trust.

# Governance Maturity and Infrastructure Imperative

Organizations approach HR compliance governance with varying levels of maturity.

## REACTIVE

- Compliance addressed after issues arise
- Knowledge resides with individuals
- Policies vary by team or location

## MANAGING

- Core obligations documented
- Responsibility clearer but fragmented
- Reliance on manual effort remains high

## GOVERNED

- Clear ownership and coordination
- Documented and auditable decisions
- Technology supports consistency and accountability

## ADAPTIVE

- Compliance embedded into workflows
- AI augments judgment without replacing it
- Governance supports both risk management and employee trust

As compliance complexity increases and AI adoption accelerates, infrastructure readiness becomes central. Sustainable compliance depends on:

 **Visibility**

 **Integration**

 **Ownership clarity**

 **Documentation discipline**

# What This Means for HR Leaders

The findings in this report highlight five realities for HR leaders:



## **Risk may not be immediately visible.**

Compliance exposure often builds gradually and surfaces under scrutiny rather than during routine operations.



## **Infrastructure determines focus.**

Clear ownership, integrated systems, and documented processes enable HR teams to manage complexity while sustaining attention on people outcomes.



## **Talent remains the top priority.**

HR is expected to deliver workforce outcomes even as compliance complexity expands.



## **Compliance demands are structurally increasing.**

Regulatory change and AI governance expectations are reshaping operational requirements.



## **AI accelerates both capability and exposure.**

Automation increases speed and scale, but governance must mature alongside adoption.

The central question is whether compliance infrastructure is scaling in step with expanding obligations.

# What This Means for Cross-Functional Executives

The findings extend beyond HR and carry implications for enterprise leadership.



## **Compliance complexity is increasing across functions.**

Compliance exposure often builds gradually and surfaces under scrutiny rather than during routine operations.



## **Operational strain may not be visible at the executive level.**

Clear ownership, integrated systems, and documented processes enable HR teams to manage complexity while sustaining attention on people outcomes.



## **AI adoption requires governance alignment.**

HR is expected to deliver workforce outcomes even as compliance complexity expands.



## **Latent risk accumulates over time.**

Regulatory change and AI governance expectations are reshaping operational requirements.



## **Infrastructure investment supports resilience.**

Automation increases speed and scale, but governance must mature alongside adoption.

For executive teams, the question is not whether compliance is currently manageable. It is whether governance and technology investments are scaling with complexity.

# How Organizations Can Respond



As compliance complexity increases and AI adoption accelerates, organizations are responding in different ways. Some increase manual effort. Others reassess governance and infrastructure readiness.

Common response patterns include:

- Reviewing whether current HR and compliance technologies provide adequate visibility and auditability
- Clarifying ownership and accountability for compliance decisions
- Strengthening documentation to reduce reliance on individual knowledge
- Improving system integration
- Reducing administrative burden so HR can focus on workforce priorities

Organizations that treat compliance as embedded infrastructure are better positioned to manage complexity while sustaining focus on attracting and retaining talent.



# Conclusion

## Looking Ahead: HR Compliance in 2026

HR compliance is not fundamentally broken, but it is under increasing structural pressure.

Talent remains HR's primary focus. Compliance complexity continues to rise. AI accelerates both operational capability and governance expectations.

In this environment, the most significant risks are often latent rather than immediate. Exposure may build gradually as governance gaps widen and systems remain fragmented.

Preparedness will be defined by whether governance structures, documentation practices, and system integration scale alongside expanding obligations.

Organizations that align infrastructure with complexity reduce hidden risk, sustain employee trust, and enable HR leaders to focus on long-term workforce resilience.

## About the Research Partners

### About 3SIXTY INSIGHTS

3Sixty Insights is an independent research and advisory firm focused on workforce, technology, and risk. The firm conducts primary research and benchmarking studies to help organizations understand how emerging trends affect people, operations, and compliance.

### About MITR/TECH

Mitratech is a technology provider focused on compliance, risk management, and human resources solutions. Mitratech contributed subject matter expertise to this research, offering practitioner perspectives on how compliance challenges are evolving. Mitratech did not influence survey findings or analysis.

### Methodology

This report is based on a survey of 500 U.S. professionals across HR and adjacent functions who influence or share responsibility for HR-related decisions. Results were analyzed by role and organization size to identify trends, perception gaps, and emerging risks relevant to HR compliance in 2026.