HR TRENDS AND PRIORITIES FOR 2027

Executive summary



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Overview

Every change at work is ultimately experienced by a person. In 2027, organizations will continue adapting to rapid advances in artificial intelligence (AI), evolving regulatory requirements and shifting workforce expectations. As AI becomes more integrated into everyday business operations, leaders face a growing challenge: creating greater efficiency and business value while maintaining trust, fairness and meaningful human connection.

This summary, based on ADP's 2027 HR trends report, highlights key developments expected to shape technology, people and compliance throughout the year ahead. It explores topics such as the evolution of management in an AI-enabled workplace, the growing importance of skills and workforce development, the business value of AI, the rise of agentic AI, increasing expectations for AI governance, expanding leave and pay transparency requirements and the growing need for connected workforce technologies.



Use these insights to better understand the trends shaping work today and make more confident decisions for tomorrow.

Technology

Organizations are seeking measurable ROI from AI

The conversation around AI is changing. Rather than simply adopting new tools, organizations are increasingly focused on measurable business outcomes. Leaders want technology that improves productivity, strengthens decision-making, reduces manual work and creates tangible value. Success will depend not on how much AI organizations deploy, but on how effectively they combine trusted data, human expertise and intelligent technology.

Agentic AI is becoming a practical reality in HR and payroll

AI is moving beyond answering questions to help complete tasks and workflows. Organizations are beginning to use AI agents to support activities such as onboarding, employee service, reporting, payroll review and workforce administration. As these systems become more capable, organizations will need clear governance, transparency and human oversight to ensure trustworthy outcomes.



Agentic AI is driving a more connected, interoperable HCM ecosystem

As AI capabilities expand, disconnected technology environments are becoming more difficult to manage. Organizations increasingly recognize the importance of trusted workforce data, secure interoperability and capabilities that work together across platforms. Strong technology foundations can help agents orchestrate work across systems, giving employees and managers a more connected experience without requiring every application to come from a single provider.

People

The middle manager: Leader, coach and orchestrator

As AI automates more routine and administrative work, the role of the manager is evolving. Increasingly, managers are expected to lead change, coach employees, build trust and help teams navigate transformation. While technology may reduce certain tasks, it cannot replace the judgment, empathy and human connection employees need during periods of change. Organizations that invest in manager development will be better positioned to turn technological change into positive employee experiences.



Organizations are turning AI adoption into workforce value

AI adoption continues to accelerate across organizations of all sizes. Yet leaders are increasingly recognizing that the true value of AI is not measured by usage alone but by what employees are able to accomplish with the time and capacity it creates. Organizations are shifting their attention toward helping employees perform higher-value work, develop new skills and contribute more strategically to business goals.

Technology is rewiring hiring and career development

While organizations are using AI to improve efficiency throughout the talent life cycle, trust and transparency remain essential. At the same time, employees increasingly expect personalized learning opportunities to help them build skills needed for an AI-enabled workforce. Organizations that combine technological innovation with meaningful human engagement will be better positioned to attract, develop and retain.

Compliance



Regulation of AI and workplace technology is accelerating

Governments around the world continue to introduce regulations governing AI use in employment decisions and workplace technologies. Transparency, auditability, risk assessment and meaningful human oversight are becoming common themes across emerging requirements. As expectations evolve, organizations should understand where AI is being used, maintain appropriate governance processes and ensure people remain accountable for consequential workforce decisions.

Employment requirements continue to expand across jurisdictions

State, local and global employment laws continue to grow in complexity. Paid leave requirements, workplace accommodations, privacy protections and worker rights are evolving across multiple jurisdictions, creating new administrative and compliance challenges. Employers increasingly need strategies that balance local requirements with consistent organizational practices that support fairness, efficiency and risk management.

Pay equity and pay transparency requirements continue to evolve

Governments continue to strengthen requirements related to pay transparency, pay equity and workforce data protection. Organizations are facing increasing expectations to provide greater visibility into compensation practices while carefully managing employee and applicant information. Reliable workforce data, thoughtful governance and proactive planning will play an important role in supporting compliance efforts.

Turn insight into action with ADP

The trends shaping 2027 call for more connected workforce data, trusted AI and technology that can adapt as work changes. ADP brings together HCM solutions, purpose-built AI, workforce insights and human expertise to help organizations simplify complexity, make informed decisions and create better experiences for their people.



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