

# HR.COM'S STATE OF LEGAL AND COMPLIANCE 2026

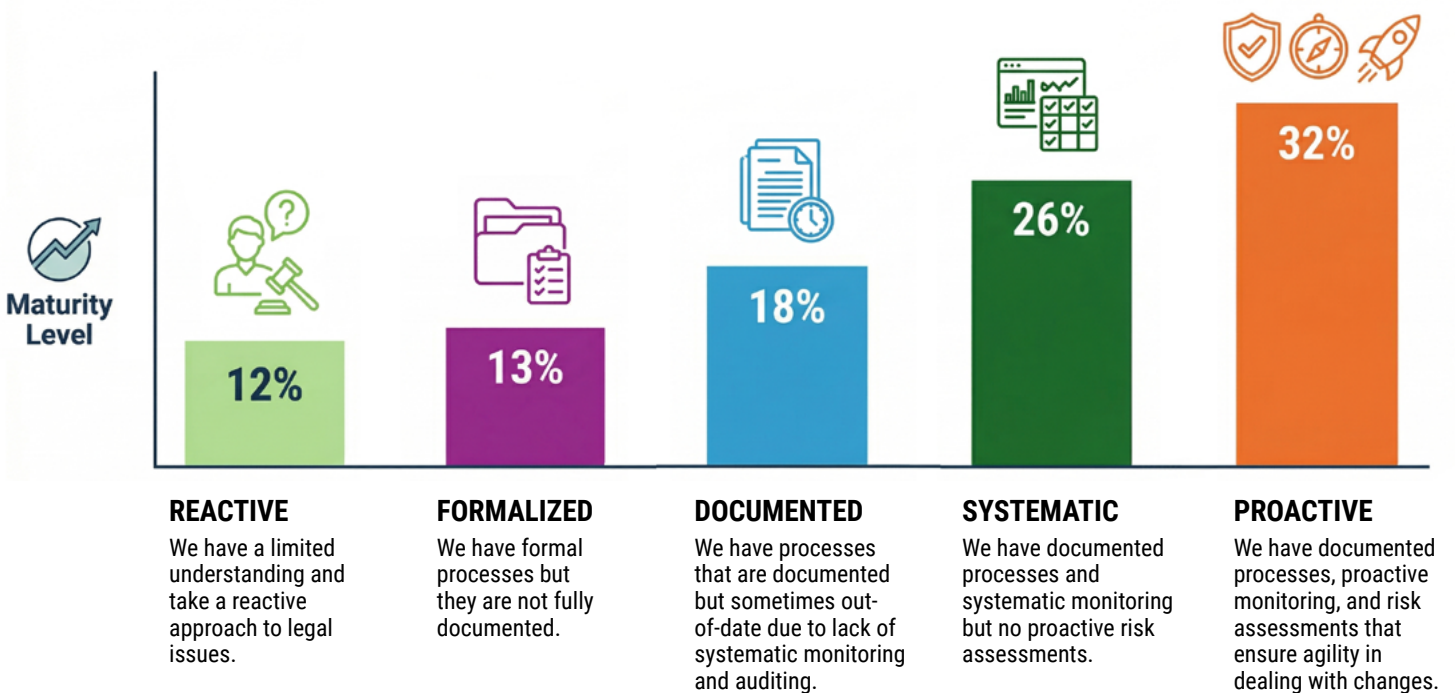
Strengthen compliance readiness  
through strategic actions



Thanks to our  
great sponsor:



## ONLY ABOUT A THIRD OF ORGANIZATIONS DESCRIBE THEIR LEGAL COMPLIANCE PROCESSES AS PROACTIVE



## SO, HOW CAN ORGANIZATIONS BUILD STRONGER COMPLIANCE PROCESSES?

**First, stay on top of compliance developments**



**23%**

indicate they have a substandard understanding of employment compliance developments, rating their organization as six or lower on a 10-point scale.

**85% vs. 40%**

Compared to compliance laggards, compliance leaders are far more likely to rate their understanding of compliance developments at eight or above out of 10.

**Compliance leaders:** Those who are at the “proactive” stage of employment and labor law compliance maturity.

**Compliance laggards:** Those who are at the “reactive,” “formalized,” or “documented” stage of employment and labor law compliance maturity.

## Second, pinpoint the most difficult compliance areas

HR professionals identify these as the top compliance tracking priorities:



**63%**  
benefits and  
leave-related  
compliance



**44%**  
employee  
classification and  
wage/hour compliance



**43%**  
privacy and  
data security  
requirements

The laws most difficult to comply with are:



**44%**  
pay equity and  
pay transparency  
requirements



**40%**  
family and medical  
leave requirements



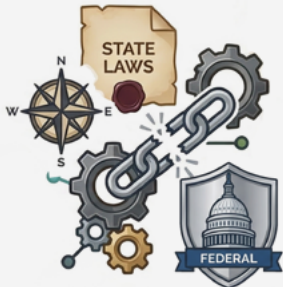
**37%**  
remote, hybrid, and  
multi-state worker  
compliance

## Third, confront the risks and barriers of non-compliance

The biggest barriers to keeping up with compliance changes are:



**36%**  
changing  
interpretations of  
employment laws



**34%**  
fragmentation  
between federal and  
state requirements

The top concerns related to failing to comply with employment laws are:



**58%**  
legal action or  
lawsuits



**45%**  
financial penalties  
or fines

## Fourth, build smarter and more automated systems to save HR time

Nearly two-fifths of HR teams spend more than a quarter of their workweek on compliance, yet automation remains limited.

Under a third of organizations use the following to stay abreast of compliance-related changes:



**28%**  
HR compliance  
technology solutions



**19%**  
AI-enabled  
compliance tools

And only:



**49%**  
agree or strongly agree that  
key compliance processes  
are automated



**41%**  
say it is quick and easy to  
create useful compliance-  
focused reports

Compared to compliance laggards, compliance leaders are more likely to:



use HR compliance technology solutions to stay informed of legal changes

**37% vs. 24%**



agree or strongly agree key compliance processes are automated

**45% vs. 15%**



agree or strongly agree that they can quickly generate useful compliance reports

**59% vs. 26%**

## Finally, prepare thoughtfully for AI in compliance

The proportion expecting to use AI for compliance has almost doubled over the last two years from 22% in **2024** to 42% **today**.

Over the next two years:



**47%**

expect AI to ease the gathering and analysis of compliance-related data



**43%**

expect AI to enhance the ability to monitor legal compliance, such as pay equity

But organizations anticipate governance challenges alongside the opportunities:



**39%**

anticipate the need to develop new guardrails and guidelines for AI usage



**31%**

expect AI adoption to require additional safeguarding of employee privacy



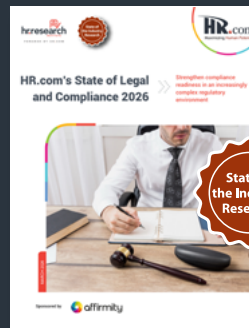
### FINAL KEY TAKEAWAY

Close the gap between confidence and capability. Implement structured audits, increase automation to ease HR workload, leverage analytics for clearer insights, and proactively prepare for AI in compliance.



#### About the Survey:

HR.com's "State of Legal and Compliance 2026" survey, which ran from December 2025 to March 2026. We gathered responses from 191 HR professionals in virtually every industry vertical. Respondents are from all over the world, with the majority from North America, especially the United States.



HR.com's  
State of  
Legal and  
Compliance  
2026

[Read Full Report](#)

