HR Strategy in 2026: What Business Leaders Need to Focus on Now

As Organisations look toward 2026, HR is operating at the centre of business performance. Economic uncertainty, rapid technological change, evolving workforce demographics, and rising Employee expectations are converging to reshape how work gets done and how Organisations compete.

Insights from Adare's most recent HR Barometer Series 9.2 highlight a clear message: the people agenda is now inseparable from the business agenda. Productivity, resilience, trust, and adaptability are the capabilities that will differentiate high-performing organisations in the years ahead.

The External Forces Shaping HR Strategy

Economic pressure and productivity
While economic growth is forecast, tighter margins and cautious investment mean Organisations must deliver more with existing resources. The focus from a HR perspective is no longer cost control alone, but sustainable productivity. The challenge involves ensuring roles, skills, and ways of working are designed for impact without undermining Organisational culture.

Workforce evolution and skills scarcity
Skills shortages, an ageing workforce, and multi-generational expectations are creating complex workforce dynamics. Hybrid working remains a point of tension, while Employees increasingly expect inclusion, flexibility, and continuous development.

Responsible AI and digital trust
AI is transforming recruitment, learning, and workforce analytics. However, regulation and Employee expectations are raising the bar on transparency, fairness, and ethical use. HR has a critical role in ensuring AI enhances human decision-making and builds trust rather than eroding it.

Leadership and agility
Constant disruption has placed business leaders under sustained pressure. Emotional intelligence, adaptability, and resilience are now essential leadership capabilities. Organisational agility has become a strategic asset and HR support is central to building it.

Four HR Strategic Priorities for 2026

Adare's HR Barometer Series 9.2 highlighted the following priorities that business owners should expect to see clearly reflected in HR activity for the coming year.

1. **Talent Retention: Stay and Grow**

Retention in 2026 is driven by more than pay. Meaningful work, development opportunities, wellbeing, inclusion, and alignment with Organisational values are increasingly decisive. High

turnover is no longer just an HR issue, it is a drain on labour costs, productivity as well as an operational risk.
Business leaders should monitor:

- Early indicators of turnover risk using workforce analytics
- Strength of internal mobility and succession pipelines
- Links between wellbeing, engagement, and retention outcomes

2. **Employee Engagement and Experience: Trust and Belonging**

Engagement is increasingly shaped by trust in leadership, fairness of systems, and quality of Employee experience across digital and hybrid environments. Static, annual engagement surveys provide limited insight in fast-moving environments.
Business leaders should monitor:

- How leadership communication supports trust and transparency
- Use of real-time engagement and experience data
- Inclusion and belonging indicators across the workforce

3. **Talent Acquisition and Future Skills**

In a competitive labour market, management must ensure that the Organisation is not simply filling roles but building future capability. Skills intelligence, long-term workforce planning, and external partnerships are becoming strategic necessities.
Business leaders should monitor:

- Visibility of future skills gaps and critical roles
- Effectiveness of Employer branding and talent pipelines
- Use of technology and data to inform hiring decisions

4. **Performance Management and Organisational Development**

Traditional, backward-looking performance management models are being replaced by continuous, feedback-driven approaches that support agility and innovation. Performance systems must reinforce accountability while enabling adaptability.
Business leaders should monitor:

- Alignment between performance frameworks and strategic objectives
- Leadership capability to manage performance in dynamic environments
- Evidence that Organisational development is driving innovation and productivity

What Business Leaders Should Expect from HR in 2026

As Organisations navigate ongoing uncertainty, HR's role continues to evolve from functional specialist to strategic partner. Business leaders should expect HR strategies that:

- Are clearly aligned to business strategy and risk management
- Use data and technology to anticipate challenges, not just report on them
- Build leadership capability, trust, and organisational resilience
- Demonstrate how people investment supports long-term value creation

In 2026, the Organisations that perform best will be those where management teams view people strategy not as a support function, but as a core driver of sustainable success.

Conclusion: Turning People Strategy into Business Value

As Organisations look toward 2026, the distinction between people strategy and business strategy has effectively disappeared. Workforce capability, leadership effectiveness, trust, and Organisational agility are now core determinants of business value, risk management, and long-term sustainability.

The insights from Adare's HR Barometer Series 9.2 make one point clear: incremental change is unlikely to be enough. The pace of economic, technological, and workforce disruption demands a deliberate, forward-looking approach to HR strategy that is grounded in data, aligned to business priorities, and focused on building resilient Organisations.

HR advisors play a key role as strategic partners to business owners, providing clarity on retention risks, skills readiness, leadership capability, and cultural health. Equally, business leaders must actively engage with the people agenda by asking the right questions, setting clear expectations, and ensuring that workforce strategy is treated with the same rigour as financial and operational planning.

How Adare Can Help

Adare's experienced team of Consultants can help identify, develop and implement HR Strategic initiatives and plans consistently adding value and supporting you drive your People Agenda.

We have worked with clients in all areas of Strategic HR including:

- Employer Value Proposition
- Talent Management & Performance Management
- Total Reward
- Workforce Planning
- Organisational Culture
- Employee Engagement
- Learning & Development
- HR Metrics

Adare is a team of expert-led Employment Law, Industrial Relations and best practice Human Resource Management consultants. If your Organisation needs advice, support, or guidance about compliance requirements or any HR issues, please contact Adare by calling 021 486 1420 or emailing info@adarehrm.ie to learn what services are available to support your business.